

Diversification and energy transition



Short courses for Permanent Missions in Geneva

Thursday, 7 March 2024

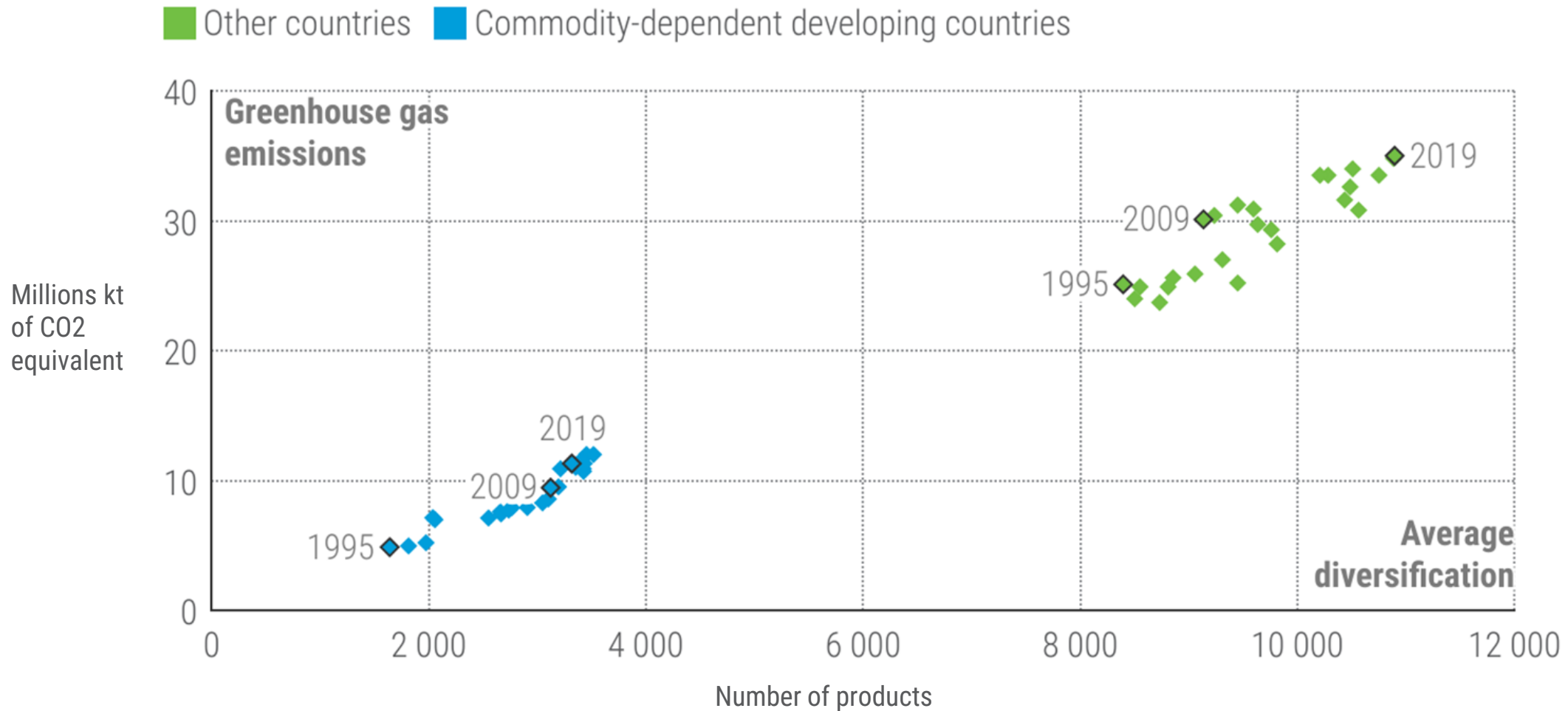


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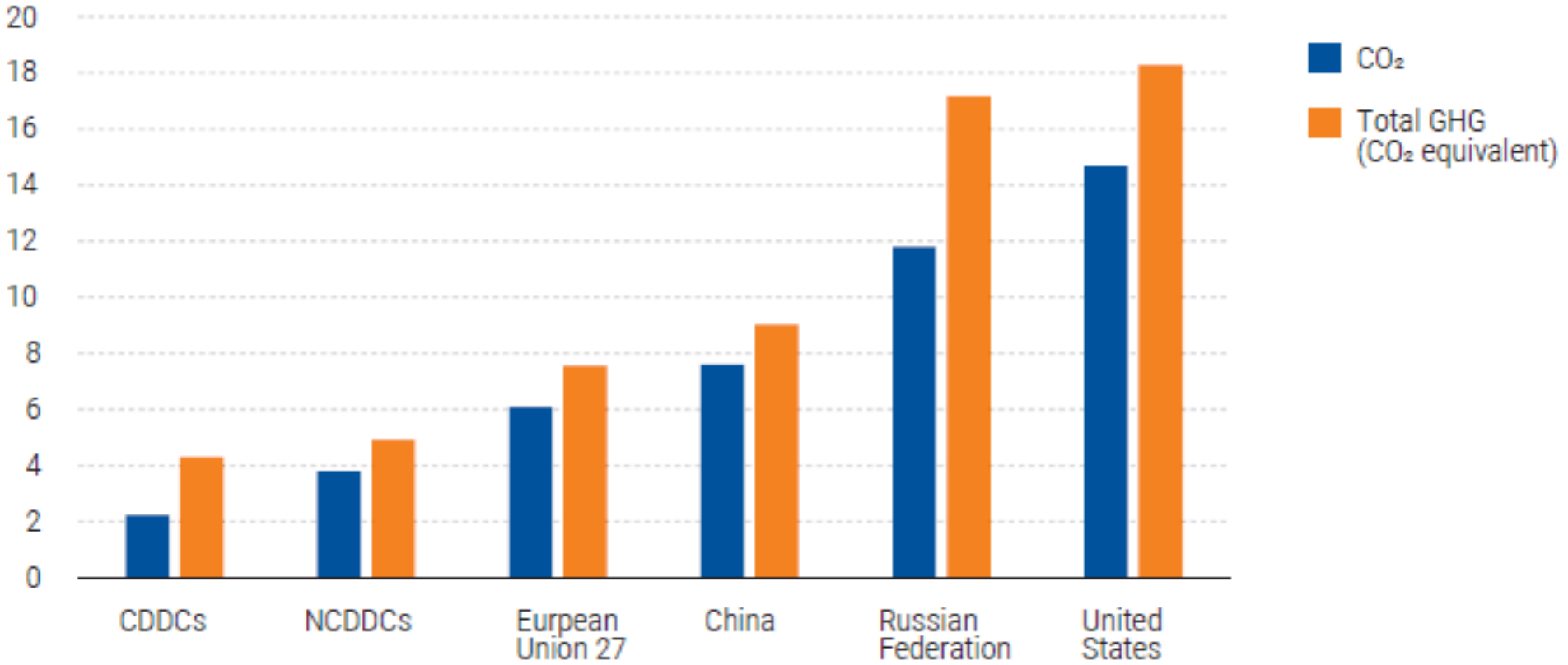


Diversification associated with high emission of GHGs: CDDCs need to diversify through a new low carbon-path



CDDCs often have the lowest CO₂ emissions

GHG emissions, metric tons per capita, 2019



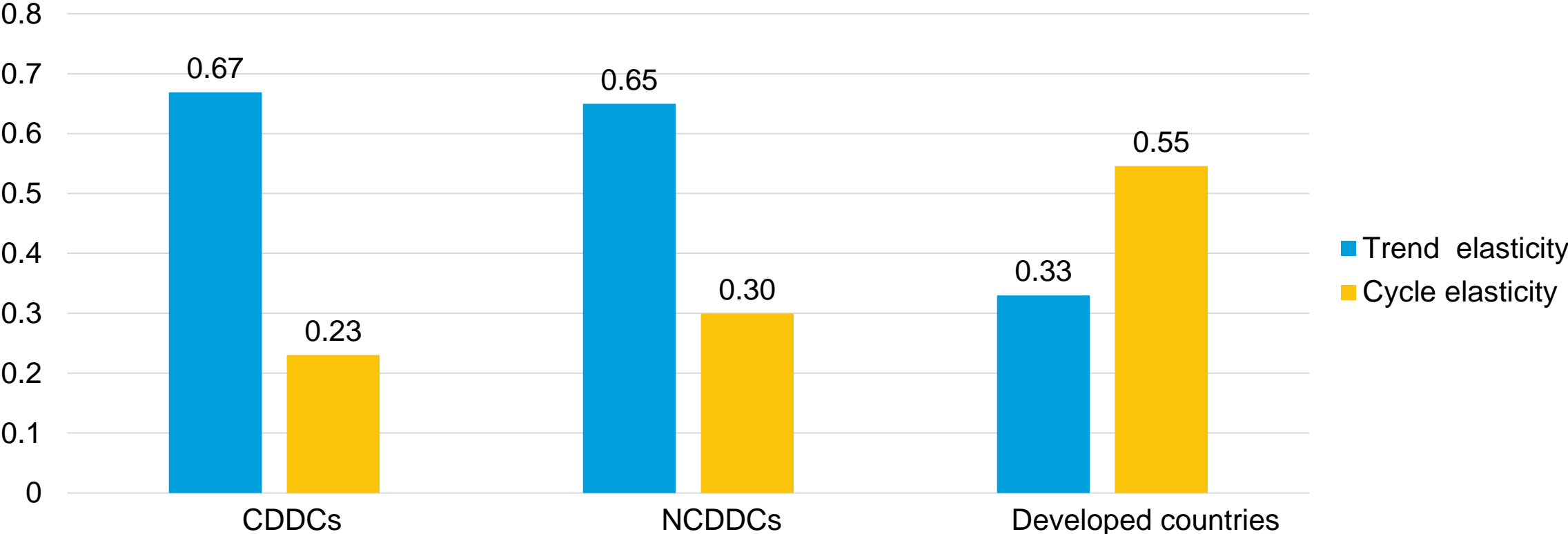
Source: UNCTAD based on data from UNCTADstat database and World Development Indicators.

Note: Values for country groups represent population-weighted averages.



In developed countries, GHG emissions fluctuate with business cycles In developing countries, they gradually rise with GDP

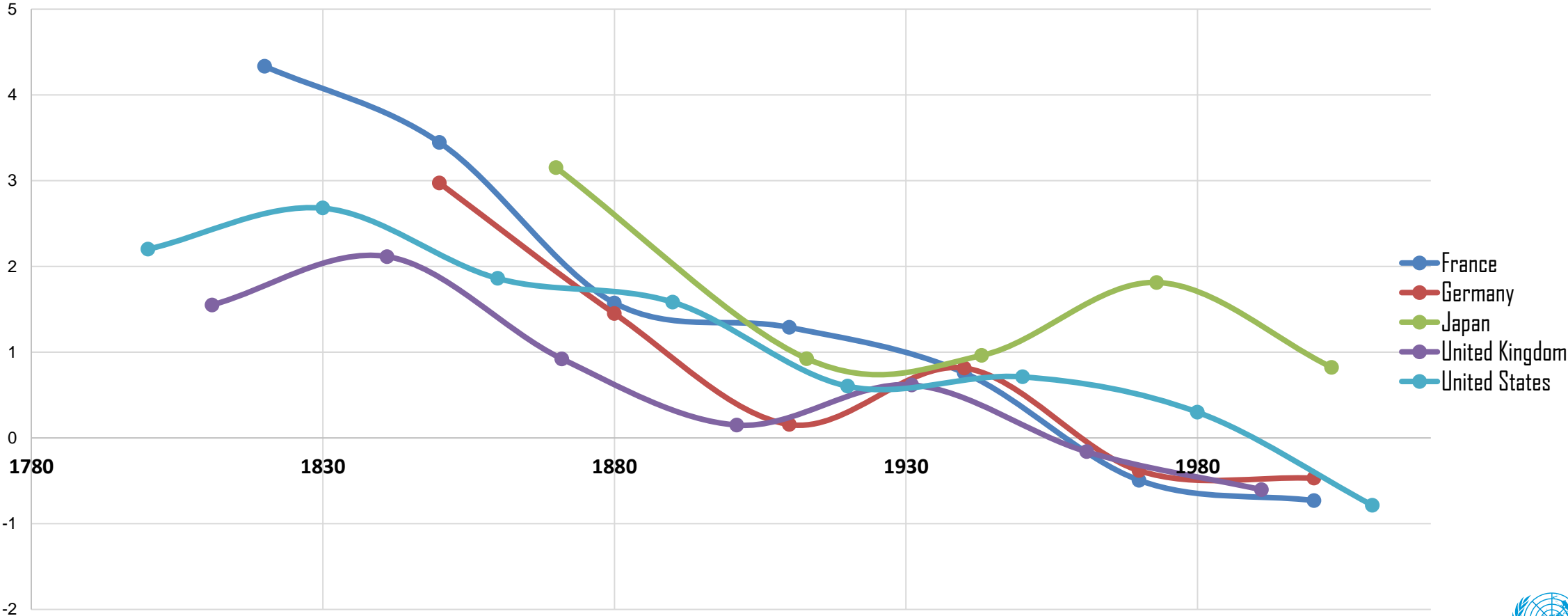
OUTPUT ELASTICITIES OF EMISSIONS BY DEPENDENCE STATUS



Source: Commodities and Development Report 2023.

Developed countries have economies that are less GHG-intensive; but this was achieved after centuries of high-GHG emissions

OUTPUT ELASTICITIES OF EMISSIONS BY EARLY INDUSTRIALIZERS



Source: Commodities and Development Report 2023.

Learning from the experiences of early industrializers

- CDDCs have the misfortune of operating in a more constrained environment
- Expect different pathways depending on country circumstances:
 - Some in Africa for example may increase GHGs before reducing them, to first boost access to energy, laying the ground for sustainable green transition
 - Countries traditionally using green sources of energy (e.g., hydropower in Ethiopia and geothermal in Kenya) may move quickly on decarbonization path
 - Others heavily dependent on fossil fuels (e.g., South Africa) may find no easy way of quickly transitioning to green energy
- Need to consider country circumstances & provide them with required support

Thank you



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