

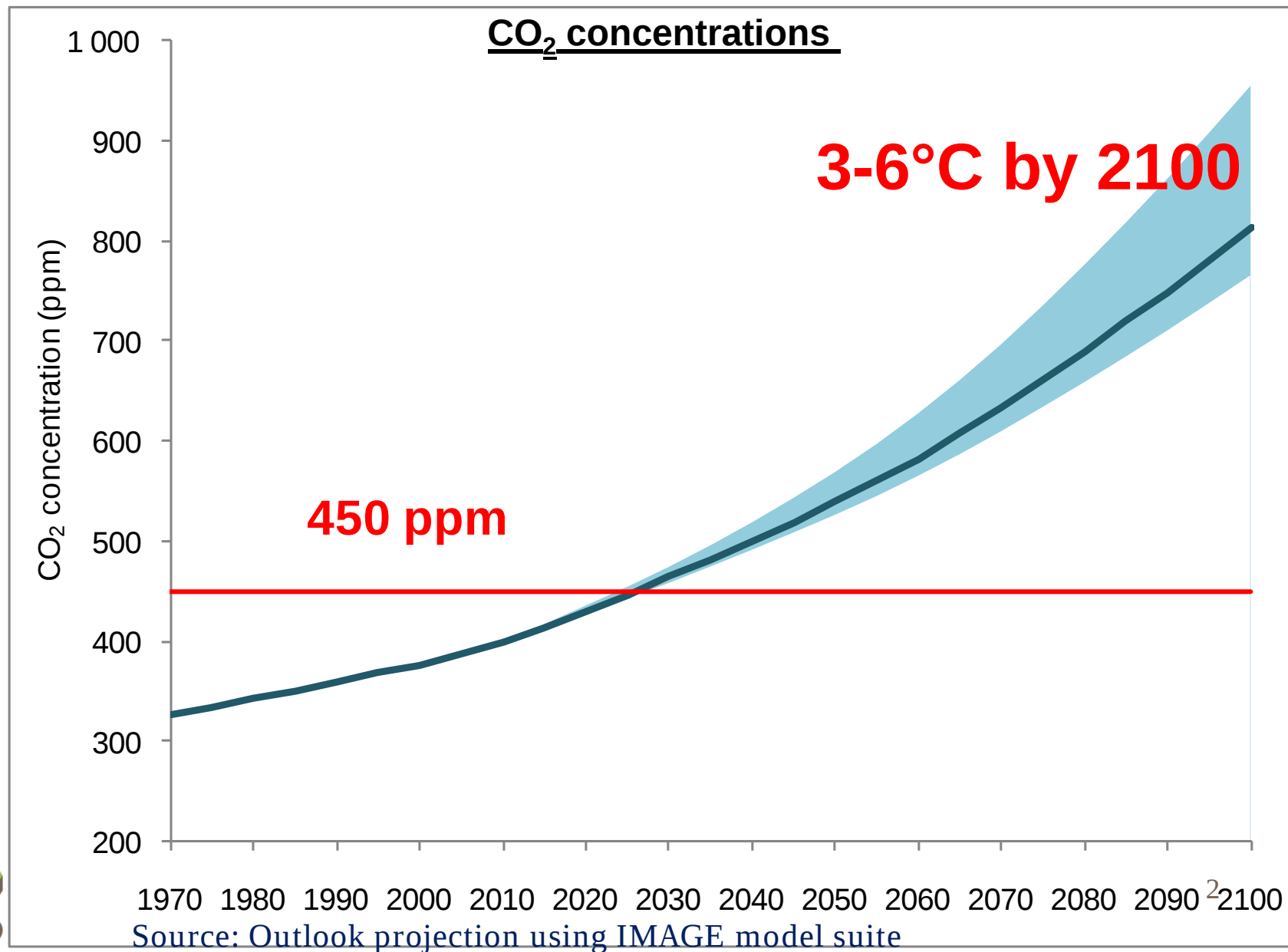


Environmental Outlook to 2050: Climate Change Chapter

Simon Upton
Director, OECD Environment Directorate

December 2011, Durban

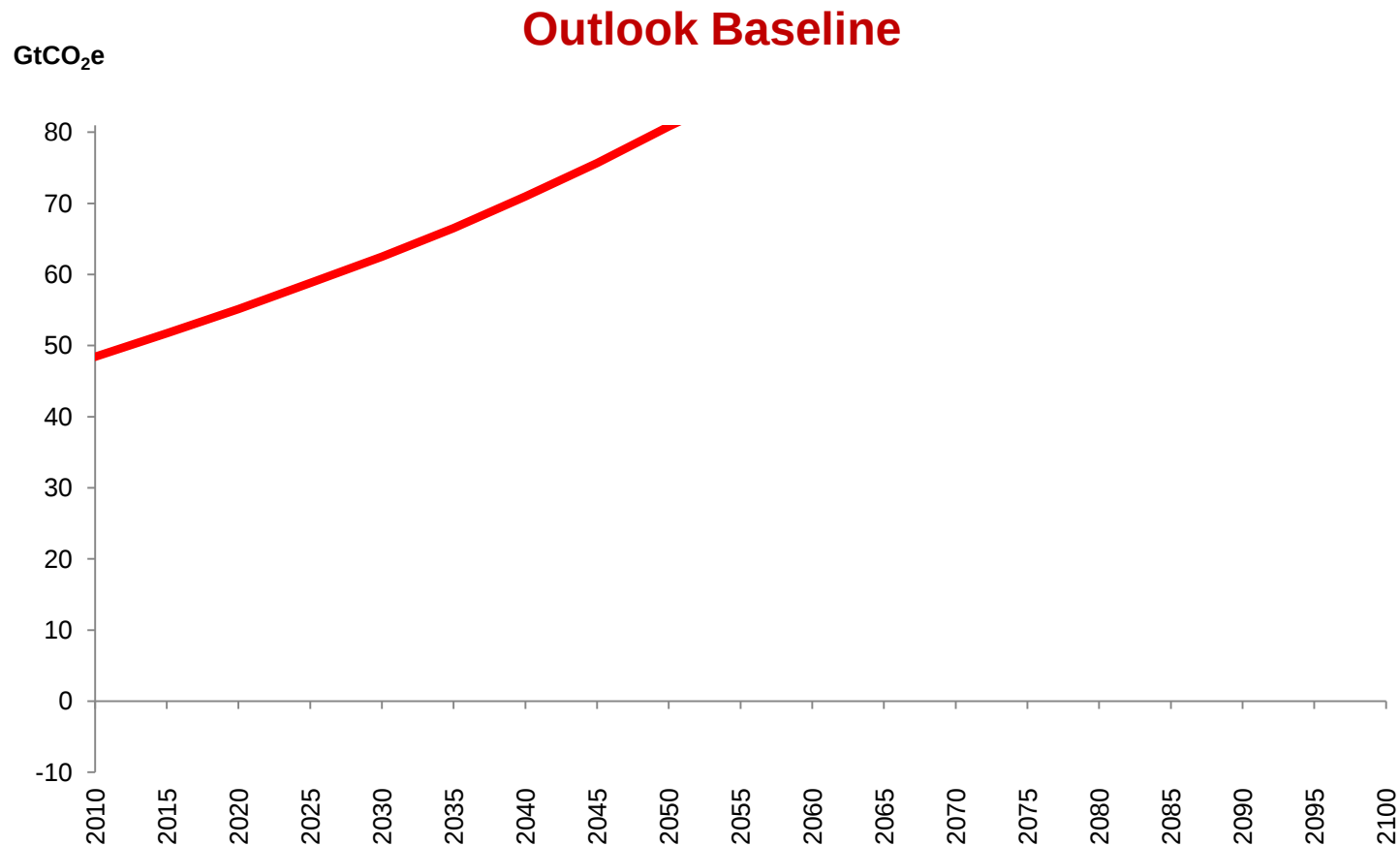
Environmental state and pressures



The Outlook Baseline

Three scenarios for the same objective:

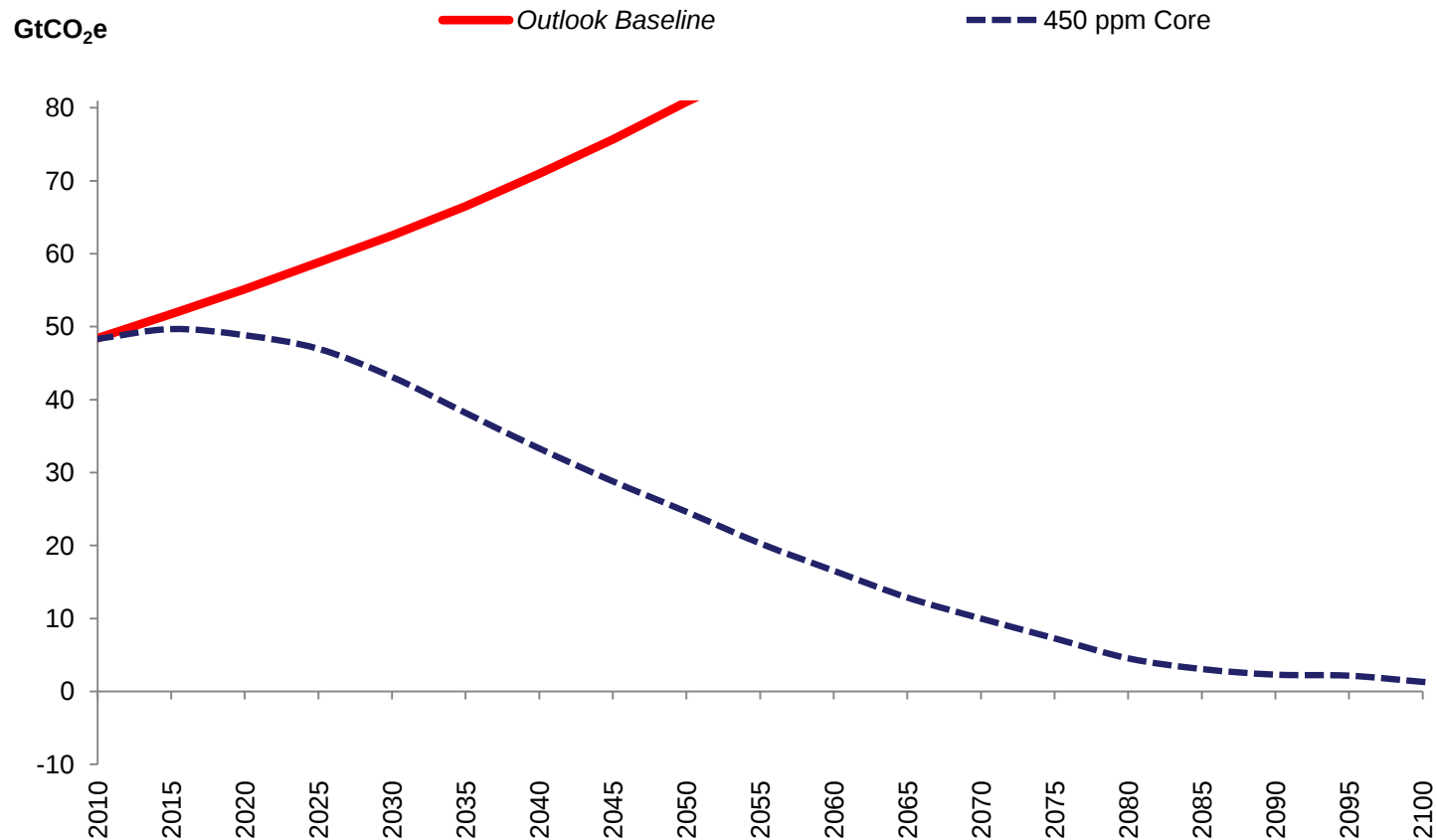
- The 450ppm core scenario, based on least cost timing of action
- A « delayed action » scenario based on Copenhagen pledges
- An « accelerated action » scenario, implying reduced reliance on new technologies



There are other pathways: 450 Core

Three scenarios for the same objective:

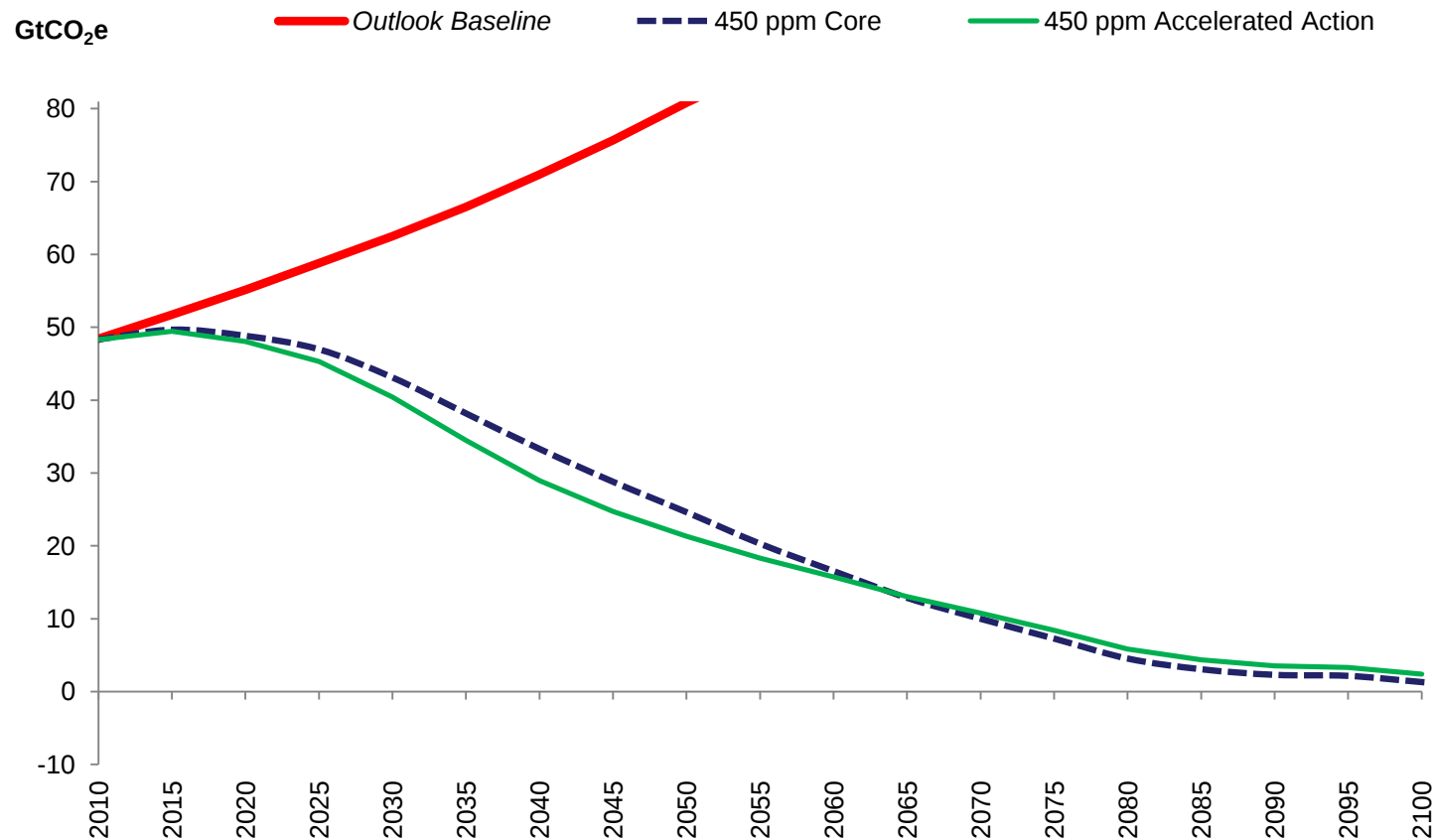
- The 450ppm core scenario, based on least cost timing of action
- A « delayed action » scenario based on Copenhagen pledges
- An « accelerated action » scenario, implying reduced reliance on new technologies



There are other pathways: 450 Accelerated Action

Three scenarios for the same objective:

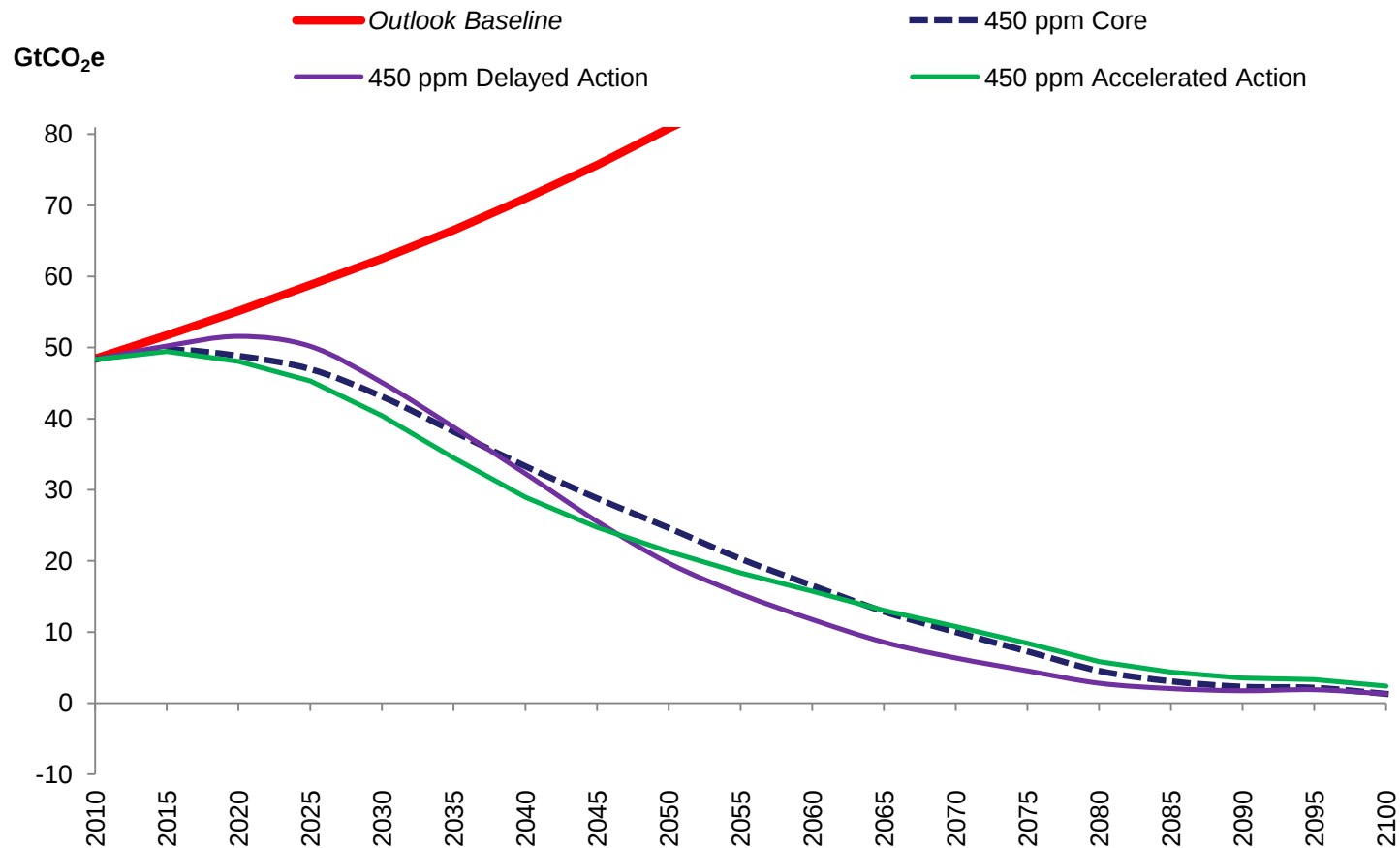
- The 450ppm core scenario, based on least cost timing of action
- A « delayed action » scenario based on Copenhagen pledges
- An « accelerated action » scenario, implying reduced reliance on new technologies



There are other pathways: 450 Delayed Action

Three scenarios for the same objective:

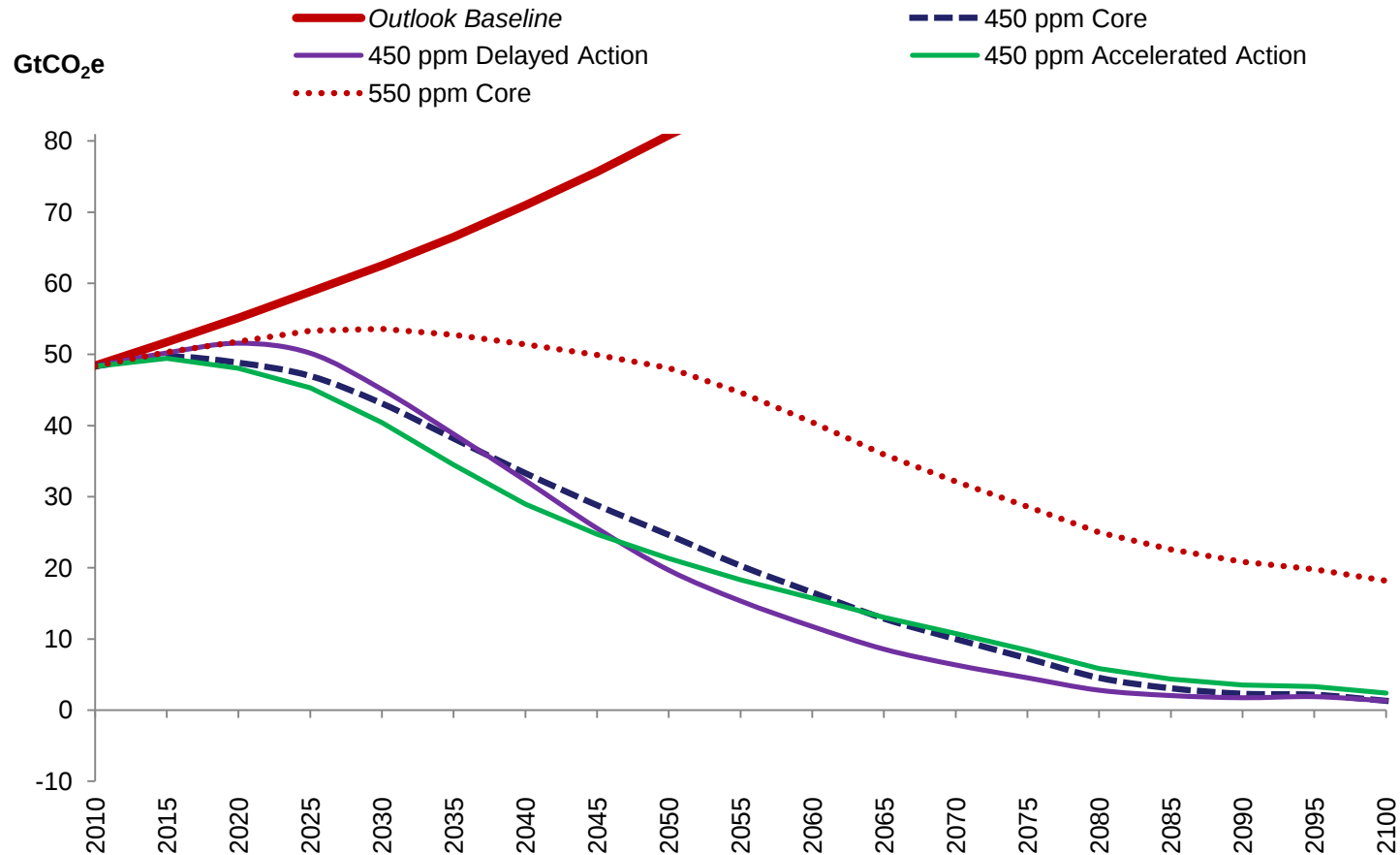
- The 450ppm core scenario, based on least cost timing of action
- A « delayed action » scenario based on Copenhagen pledges
- An « accelerated action » scenario, implying reduced reliance on new technologies



There are other pathways: 550 Core

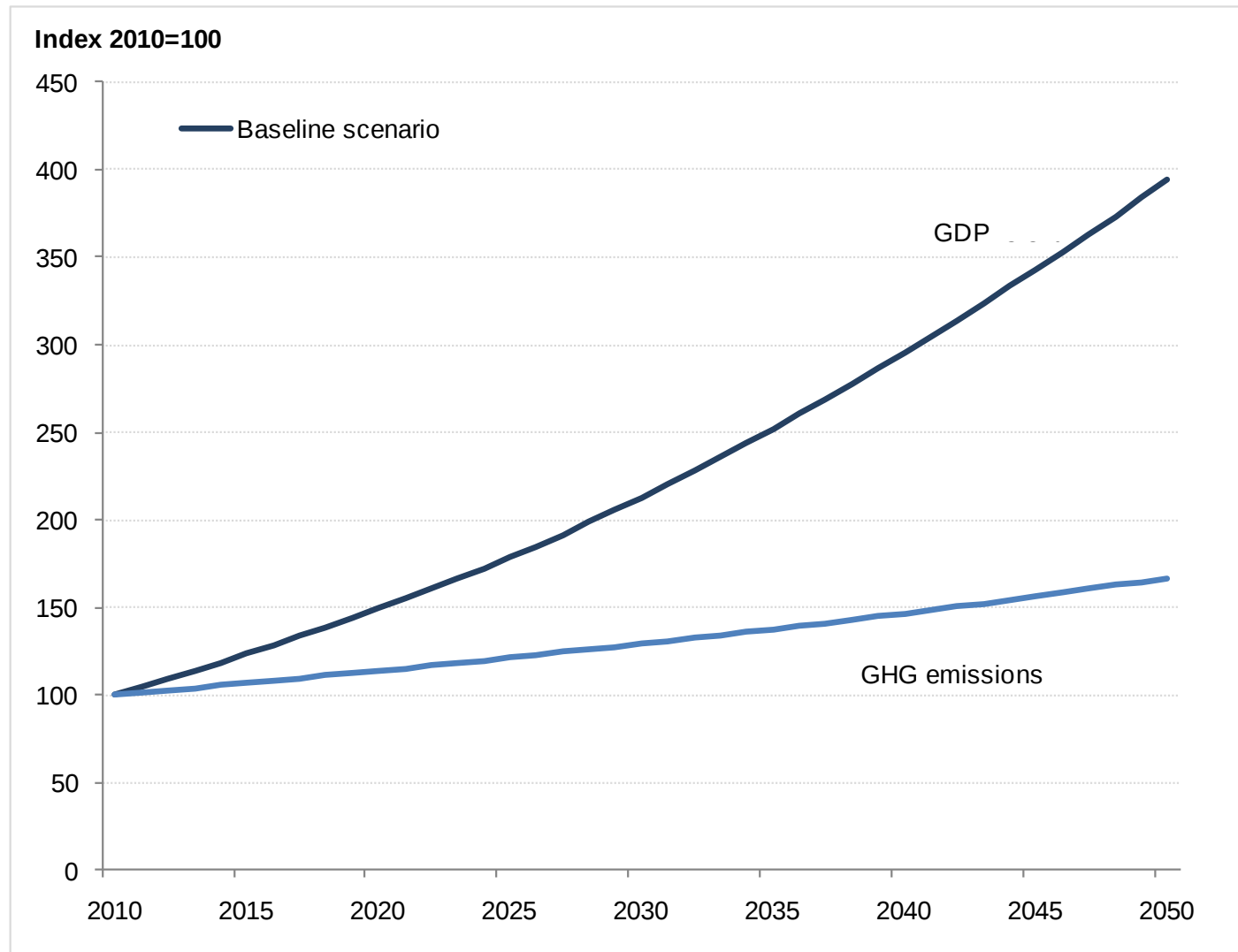
Three scenarios for the same objective:

- The 450ppm core scenario, based on least cost timing of action
- A « delayed action » scenario based on Copenhagen pledges
- An « accelerated action » scenario, implying reduced reliance on new technologies



The cost of action is still affordable...for now

The average GDP growth rate would slow by 0.2 percentage point between 2010 and 2050, from 3.5% to 3.3% in a context of quadrupling of world GDP.
Benefits of action are not included in GDP projection

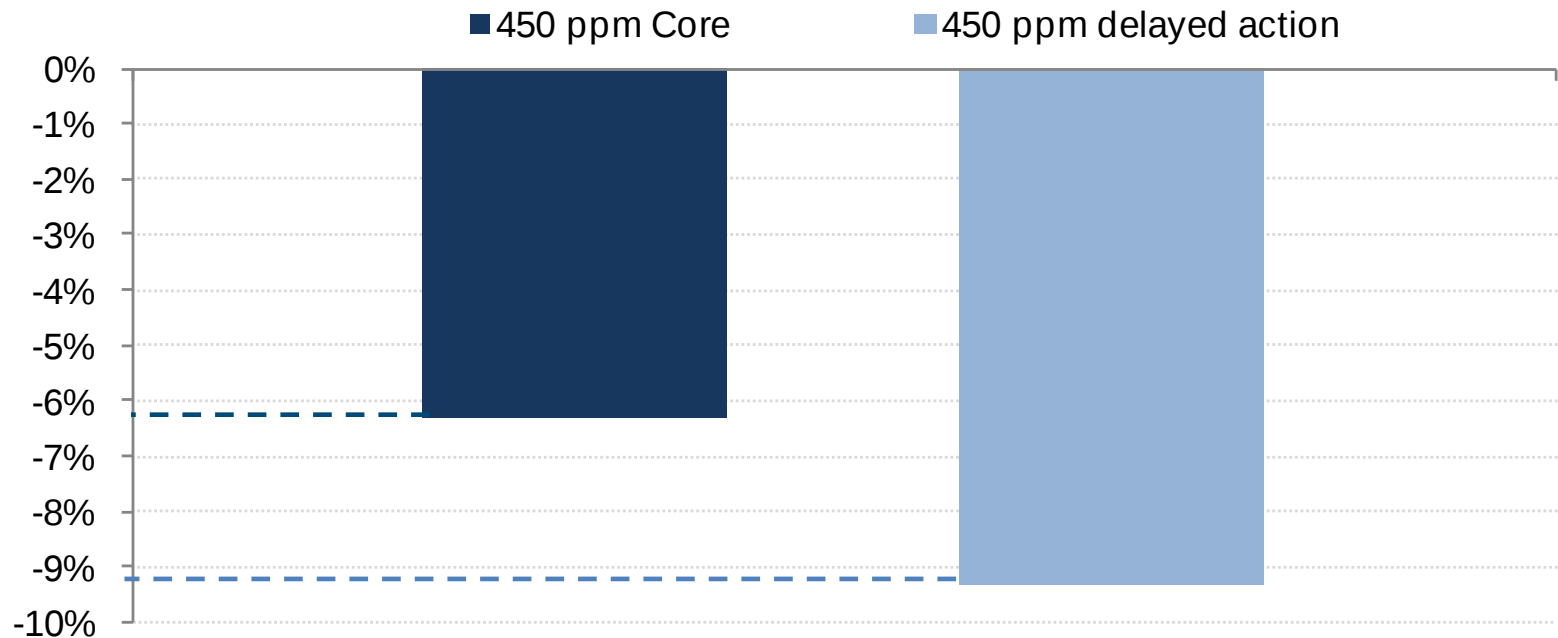


Source: Outlook
projection;
ENV-Linkages model

Act now – because delay is costly

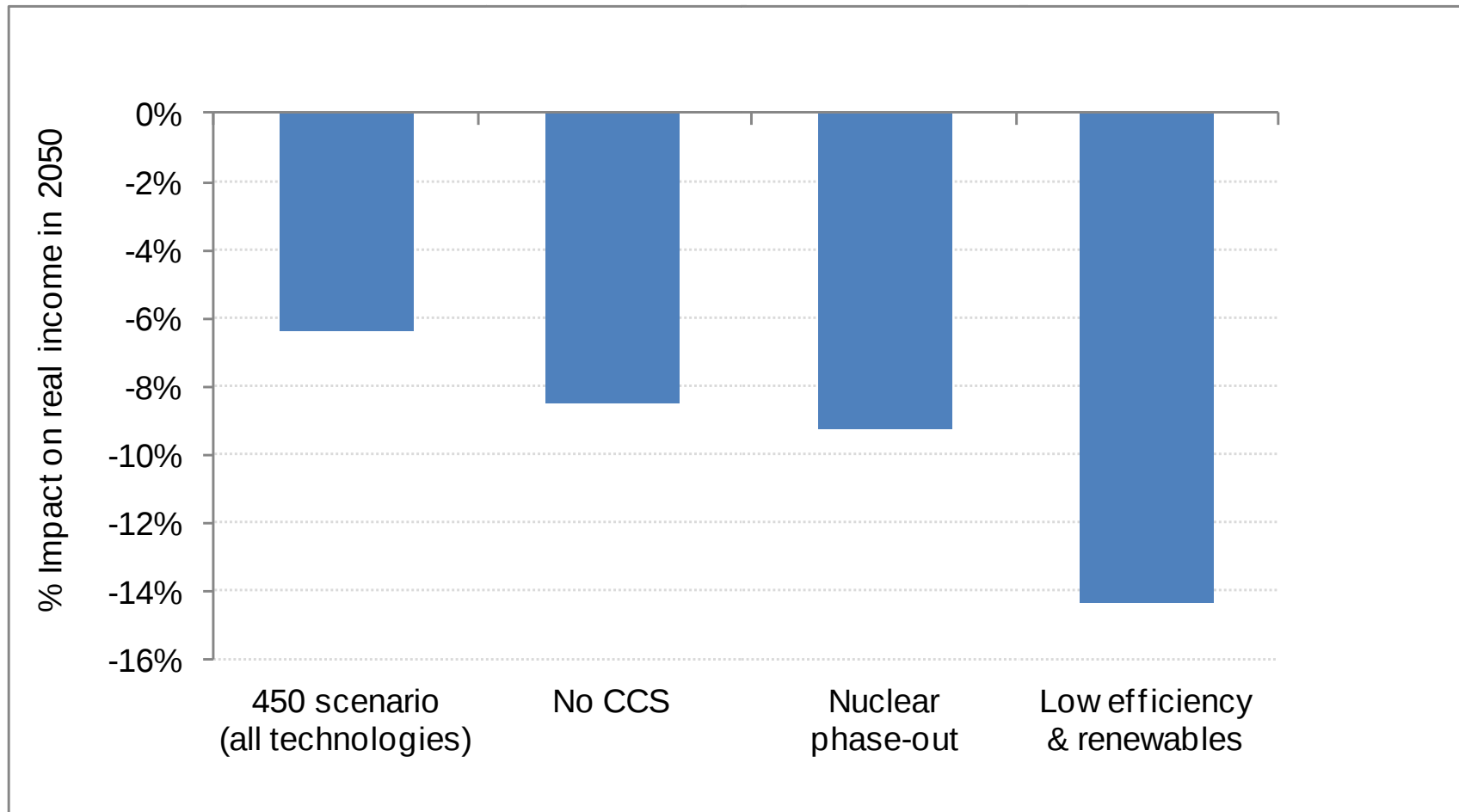
Delaying action would increase the global cost of mitigation by nearly 50% by 2050, and could make it unaffordable

Real income in 2050 (% deviation from baseline)



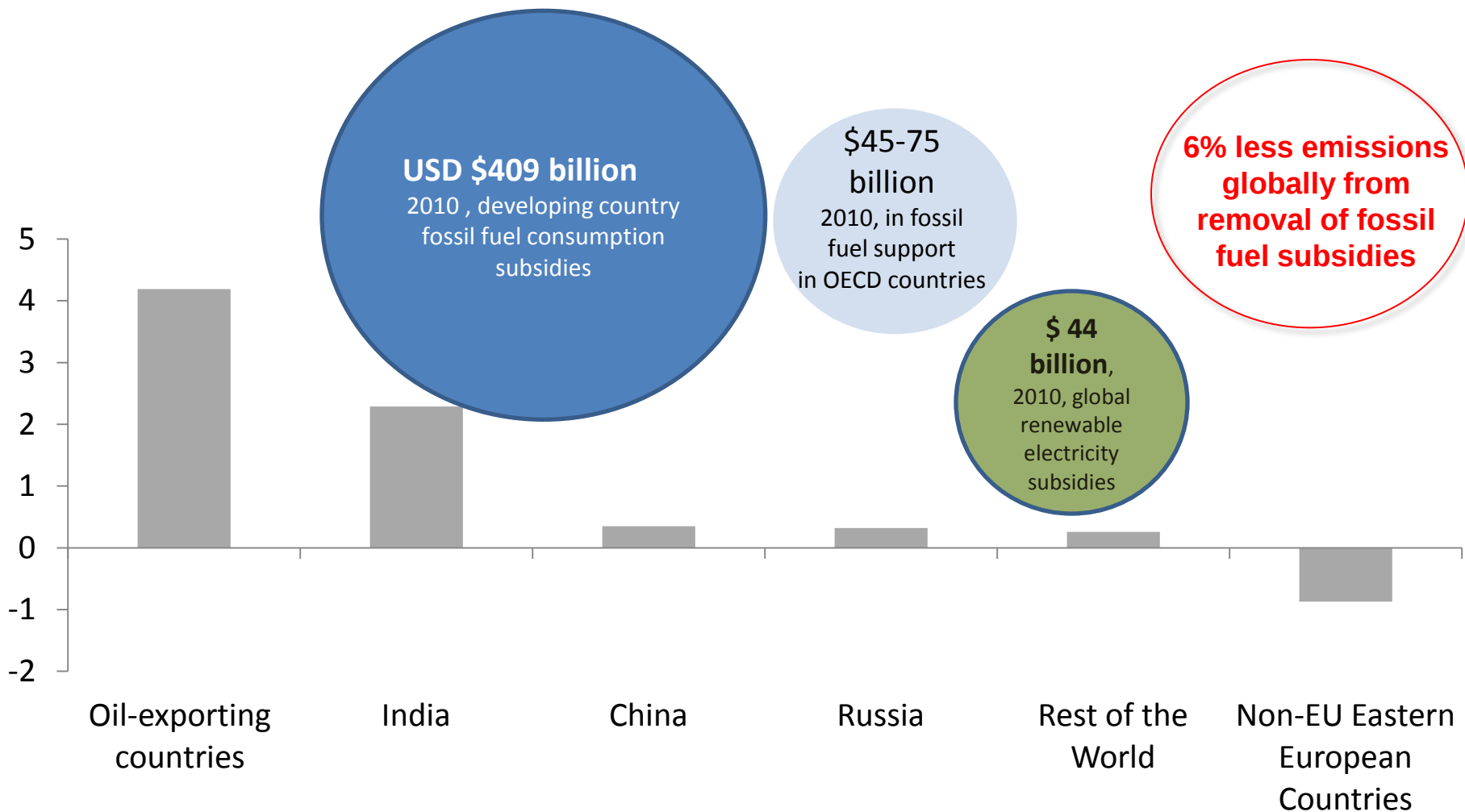
Economic impact of technology choices in 2050

Leaving out any single technology – such as nuclear or carbon capture and storage (CCS) – will make the carbon and macroeconomic costs of the transition higher



Why make CO2 cheaper if you're trying to make it scarcer?

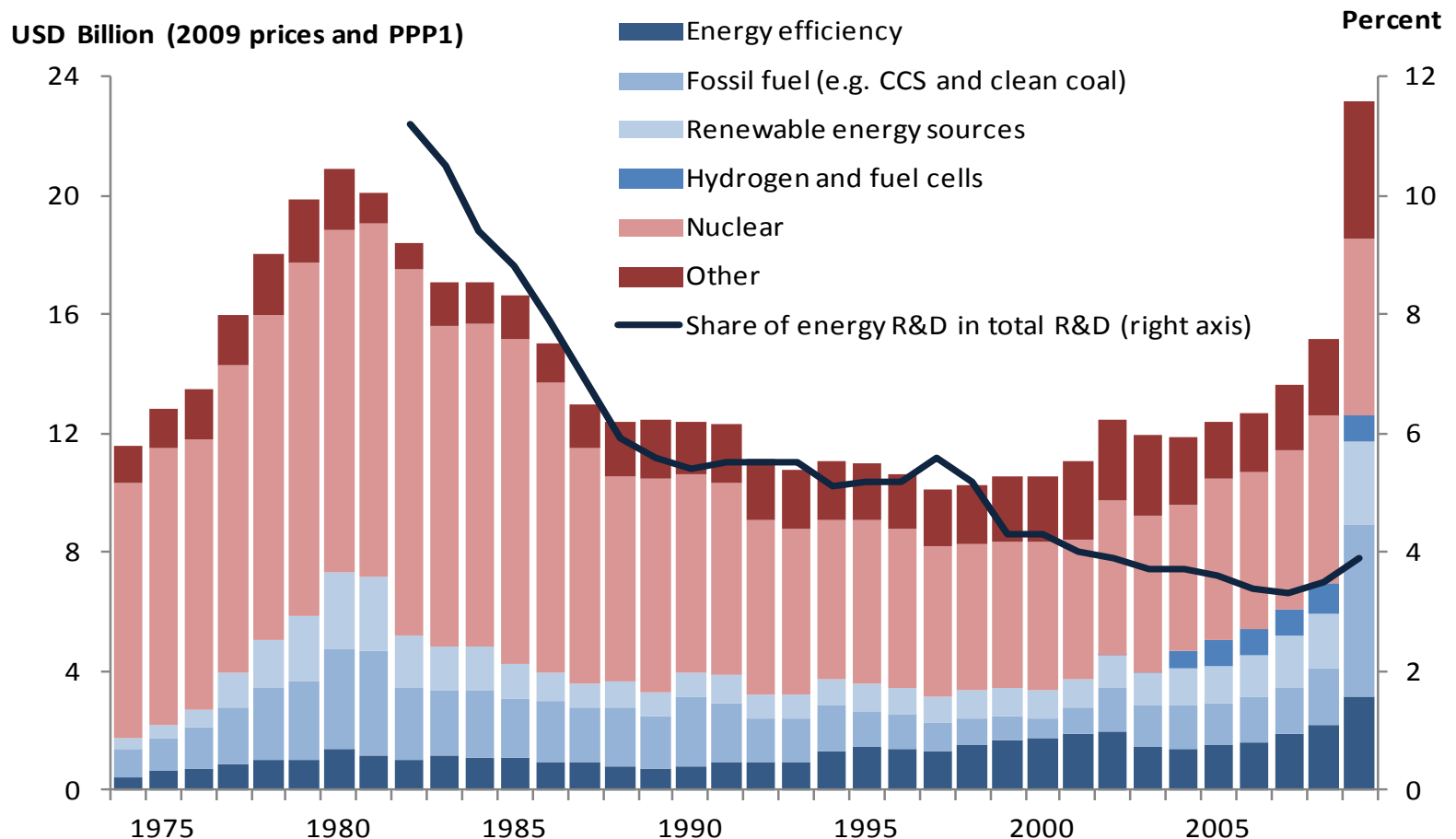
Income gains from unilateral fossil fuel subsidy removal (% change in HH income vs BAU)



Source: OECD and IEA analysis see website: www.oecd.org/iea-oecd-ffss

Energy RD&D

Except in 2009 for the green stimulus, public RD&D on energy as share of total R&D budgets has declined in real terms over the last 35 years (IEA).



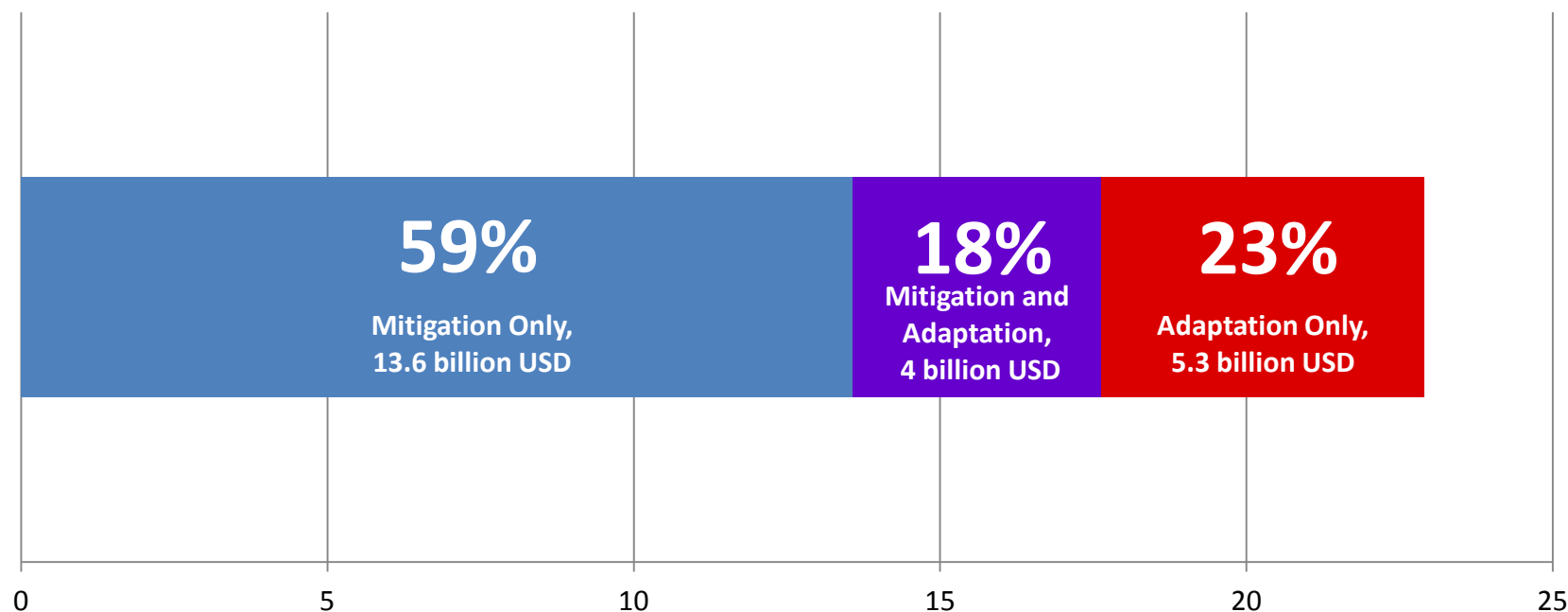


Environmental Outlook to 2050: Climate Change Chapter

Simon Upton
Director, OECD Environment Directorate

December 2011, Durban

Total climate-related aid, 2010

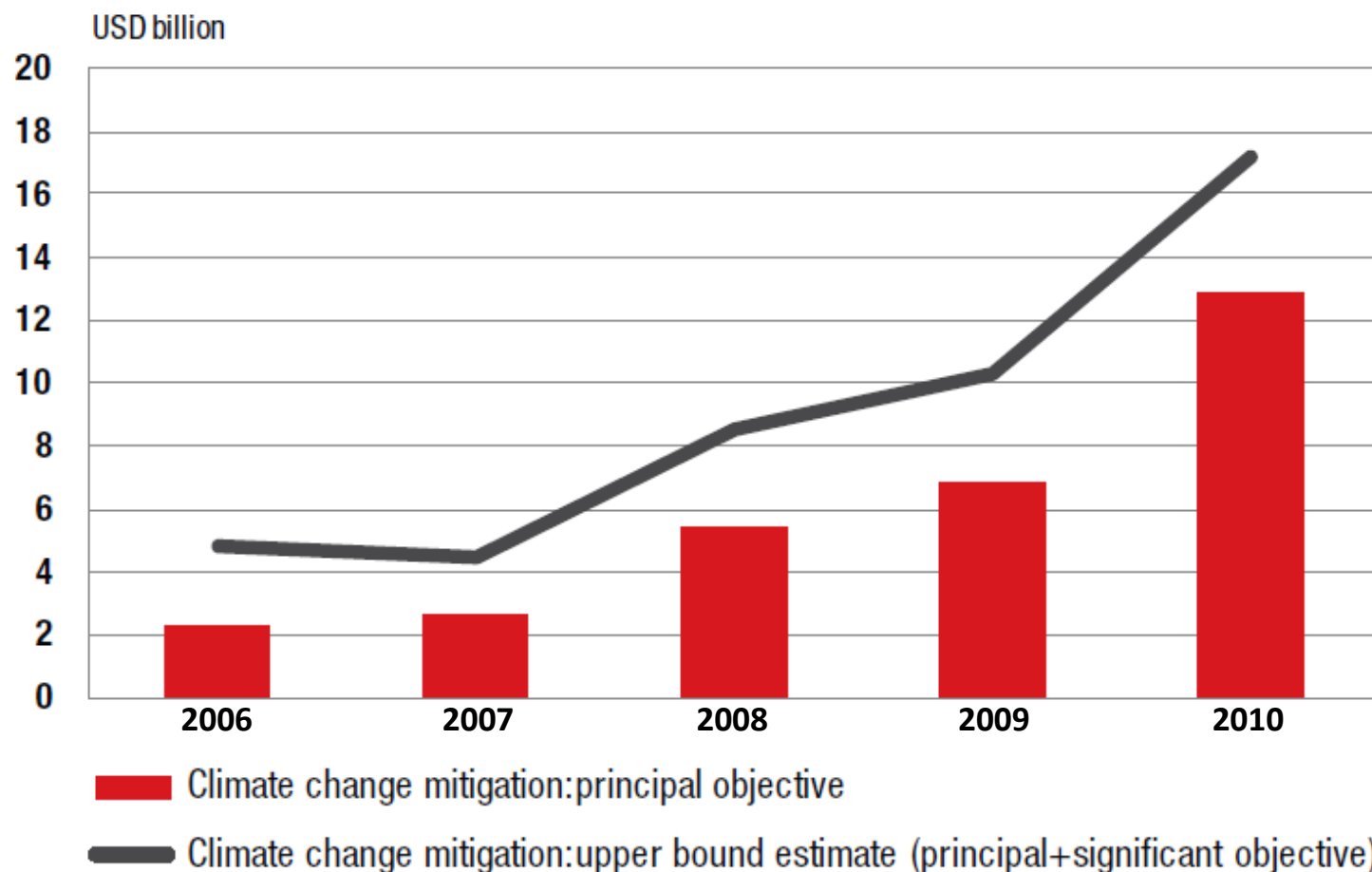


Total: 22.9 billion USD

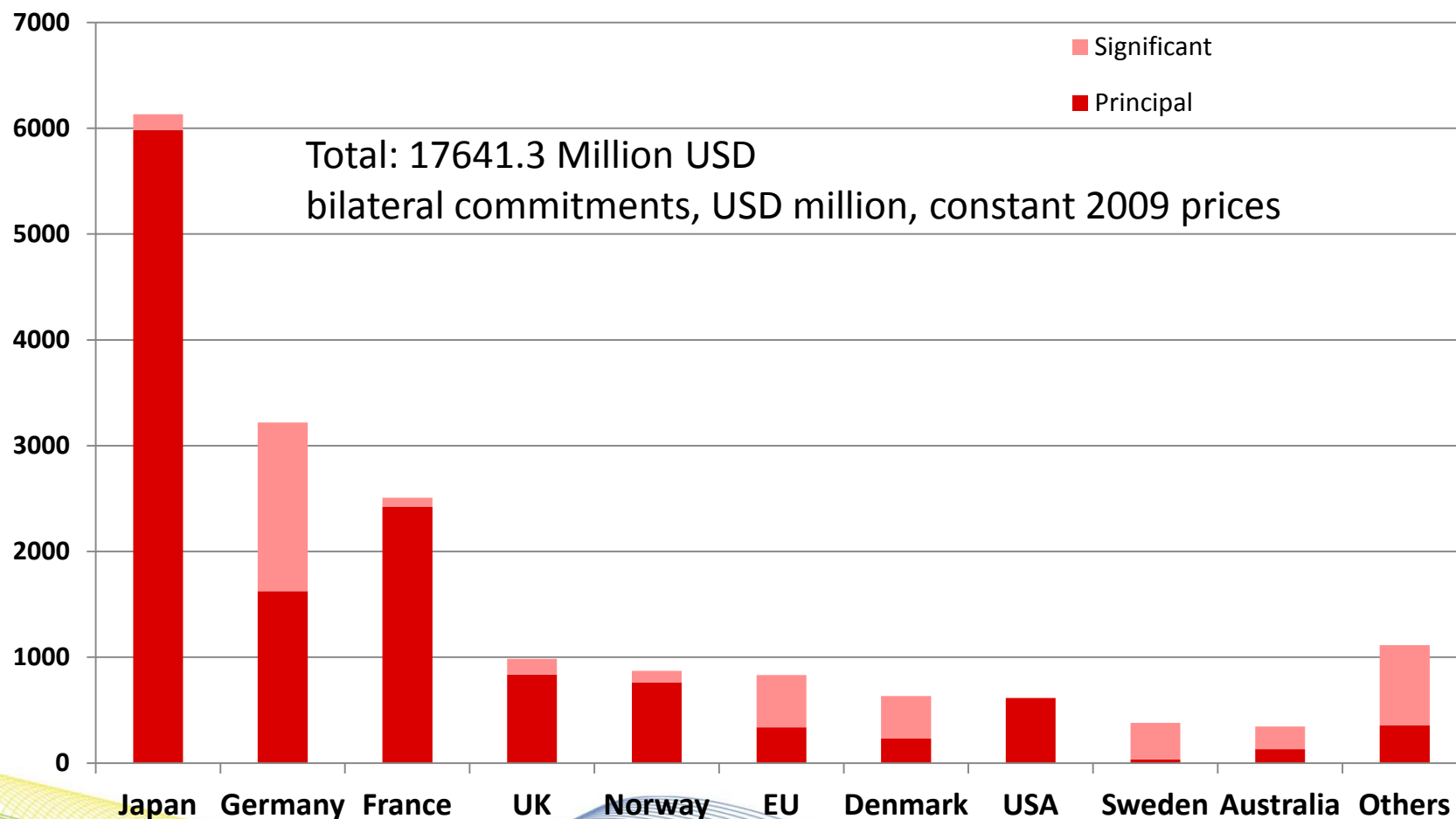
bilateral commitments, USD billion, constant 2009 prices

Mitigation-related aid, 2006-10,

bilateral commitments, USD billion, constant 2009 prices



Mitigation-related Aid, 2010



Adaptation-related Aid, 2010

