Current Pledges, Offsets and their consistency with 2ºC

Bangkok, April 3rd, 2011

PLURINATIONAL STATE OF BOLIVIA
Abatement for 2°C

Gt of CO₂e per year in 2020

- Business as usual 2020: 56 Gt
- Abatement consistent with 2°C: 14 Gt
- Emissions consistent with 2°C: 42 Gt

Sources:
- UNEP, The Emissions Gap Report, Are the Copenhagen Accord Pledges Sufficient to Limit Global Warming to 2°C or 1.5°C?, www.unep.org/publications/ebooks/emissionsgapreport/
Emissions pledges

<table>
<thead>
<tr>
<th>Country</th>
<th>Lower ambition</th>
<th>Higher ambition</th>
<th>Base Year</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>17%</td>
<td>17%</td>
<td>2005</td>
<td>The U.S. submission states “in the range of 17%”</td>
</tr>
<tr>
<td>Europe</td>
<td>20%</td>
<td>30%</td>
<td>1990</td>
<td>We also apply the EU-27 pledge to other countries in Europe</td>
</tr>
<tr>
<td>Japan</td>
<td>25%</td>
<td>25%</td>
<td>1990</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>17%</td>
<td>17%</td>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>5%</td>
<td>25%</td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>10%</td>
<td>20%</td>
<td>1990</td>
<td></td>
</tr>
<tr>
<td>Developing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>40%</td>
<td>45%</td>
<td>2005</td>
<td>Below 2005 intensity (per GDP)</td>
</tr>
<tr>
<td>India</td>
<td>20%</td>
<td>25%</td>
<td>2005</td>
<td>Below 2005 intensity (per GDP) and excludes ag sector</td>
</tr>
<tr>
<td>Brazil</td>
<td>36%</td>
<td>39%</td>
<td>2020</td>
<td>Below 2020 reference emissions</td>
</tr>
<tr>
<td>Mexico</td>
<td>30%</td>
<td>30%</td>
<td>2020</td>
<td>Below 2020 reference emissions</td>
</tr>
<tr>
<td>South Africa</td>
<td>34%</td>
<td>34%</td>
<td>2020</td>
<td>Below 2020 reference emissions</td>
</tr>
<tr>
<td>Indonesia</td>
<td>26%</td>
<td>41%</td>
<td>2020</td>
<td>Below 2020 reference emissions</td>
</tr>
<tr>
<td>South Korea</td>
<td>30%</td>
<td>30%</td>
<td>2020</td>
<td>Below 2020 reference emissions</td>
</tr>
<tr>
<td>Others</td>
<td>Various</td>
<td></td>
<td>2020</td>
<td>We adopt the pledge assessment of Climate Analytics et al. (2010)</td>
</tr>
</tbody>
</table>

Abatement for 2°C and Current Pledges

Gt of CO₂e per year in 2020

Abatement consistent with 2°C

Lower End of Pledges

Higher end of Pledges

Implications of Offsets on Global Climate Change

Gt of CO$_2$e per year in 2020
Lower End Pledges

Abatement consistent with 2°C: 14
Pledged Abatement (Nominal): 6.6
Double-Counted Offsets: 1.1
Total Abatement Result: 5.5

Forecast Emissions for developed countries
Scenario: Offsets Count Twice Scenario

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>Europe</th>
<th>All Other Developed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAU Emissions</td>
<td>6.8</td>
<td>5.5</td>
<td>6.1</td>
<td>18.4</td>
</tr>
<tr>
<td>Pledged Abatement – Lower ambition</td>
<td>1.3</td>
<td>1.0</td>
<td>0.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Pledged Abatement – Higher ambition</td>
<td>1.3</td>
<td>1.5</td>
<td>0.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Assumed Offset Limit – Lower ambition</td>
<td>None</td>
<td>0.5</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Assumed Offset Limit – Higher ambition</td>
<td>None</td>
<td>0.8</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Forecast Offset Usage – Lower ambition</td>
<td>0.3</td>
<td>0.5</td>
<td>0.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Forecast Offset Usage – Higher ambition</td>
<td>0.2</td>
<td>0.7</td>
<td>0.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Forecast Internal Abatement – Lower ambition</td>
<td>0.9</td>
<td>0.5</td>
<td>0.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Forecast Internal Abatement – Higher ambition</td>
<td>1.1</td>
<td>0.8</td>
<td>0.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Fraction of Abatement as Offsets – Lower ambition</td>
<td>26%</td>
<td>47%</td>
<td>61%</td>
<td>41%</td>
</tr>
<tr>
<td>Fraction of Abatement as Offsets – Higher ambition</td>
<td>15%</td>
<td>45%</td>
<td>49%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Forecast Emissions, offset usage, and Abatement in 2020 in Developed Countries under Offsets Count Twice Scenario; Offset Use Limited by Potential of Current Mechanisms to 1.3 Gt CO2e.
Estimate of Offset Usage and Double-counting under four combinations of Pledge Ambition and Offset Mechanism

<table>
<thead>
<tr>
<th>Offset Mechanisms</th>
<th>Pledge Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
</tr>
<tr>
<td><strong>Current mechanisms</strong></td>
<td></td>
</tr>
<tr>
<td>Total Offset Usage</td>
<td>1.2</td>
</tr>
<tr>
<td>Double-counted Offsets</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Expanded mechanisms</strong></td>
<td></td>
</tr>
<tr>
<td>Total Offset Usage</td>
<td>1.2</td>
</tr>
<tr>
<td>Double-counted Offsets</td>
<td>0.8-1.2</td>
</tr>
</tbody>
</table>

Conclusions

- The gap in the abatement is 7.4 to 5.3 Gt. of CO₂e (53% to 38%)
- This can lead us to a 4°C to 5°C increase in the global temperature
- Developing countries are going to do more emission reductions than developed countries (54% vs. 46% in LEP and 57% vs. 45% in HEP)
- The offsets can be 16% of global nominal pledges (11 Gt. CO₂e for Lower End Pledges)
- Because of offsets the abatement can be only 5.5 Gt. for the Lower End Pledges.
- The gap in the abatement will be higher because of offsets: 8.5 Gt. for the Lower End Pledges. (61% of the 14 Gt. of CO₂e)
- With offsets developing countries will do even more effort than developed countries (65% versus 35%)