
EU Climate Policy: What does it cost

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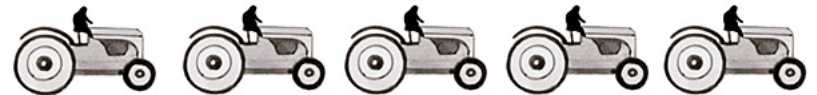
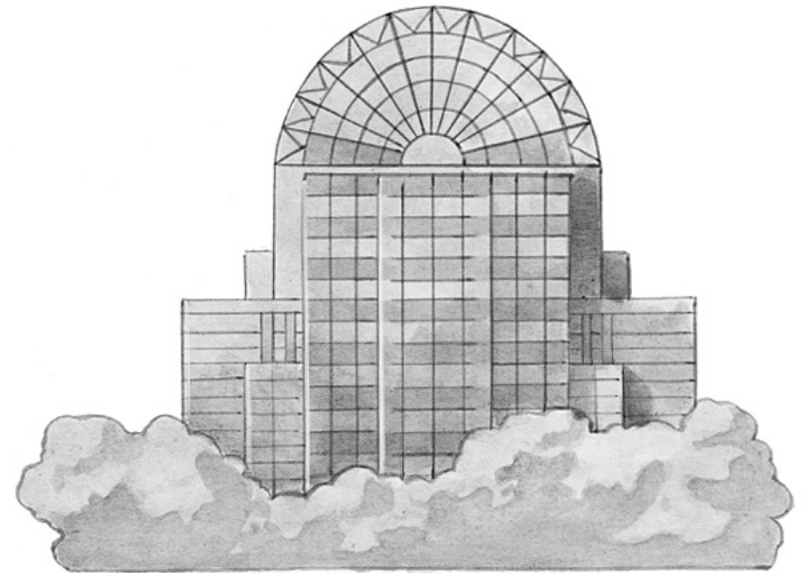
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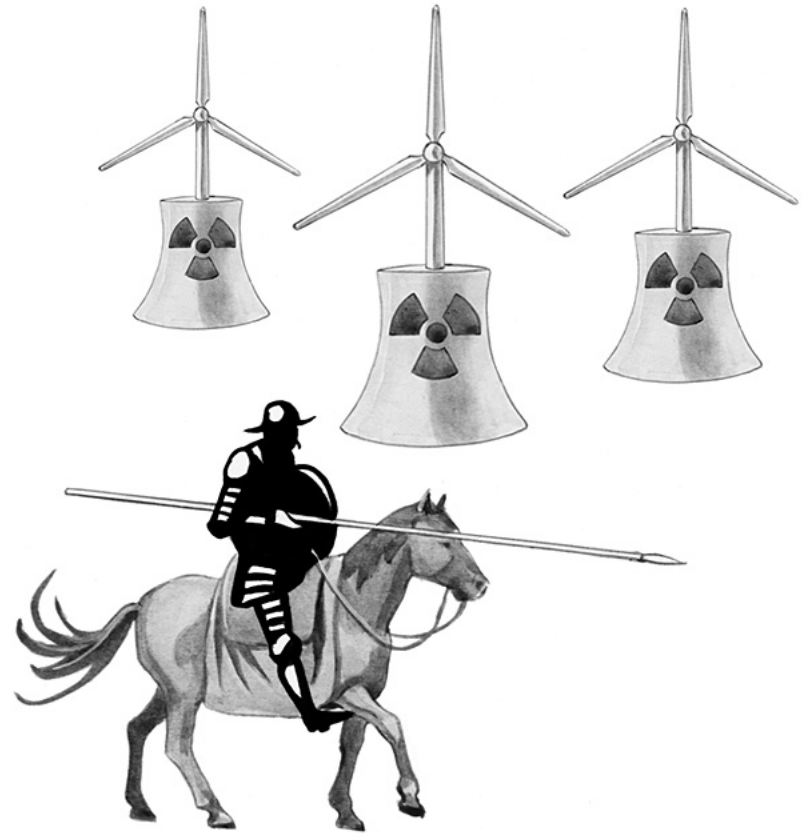
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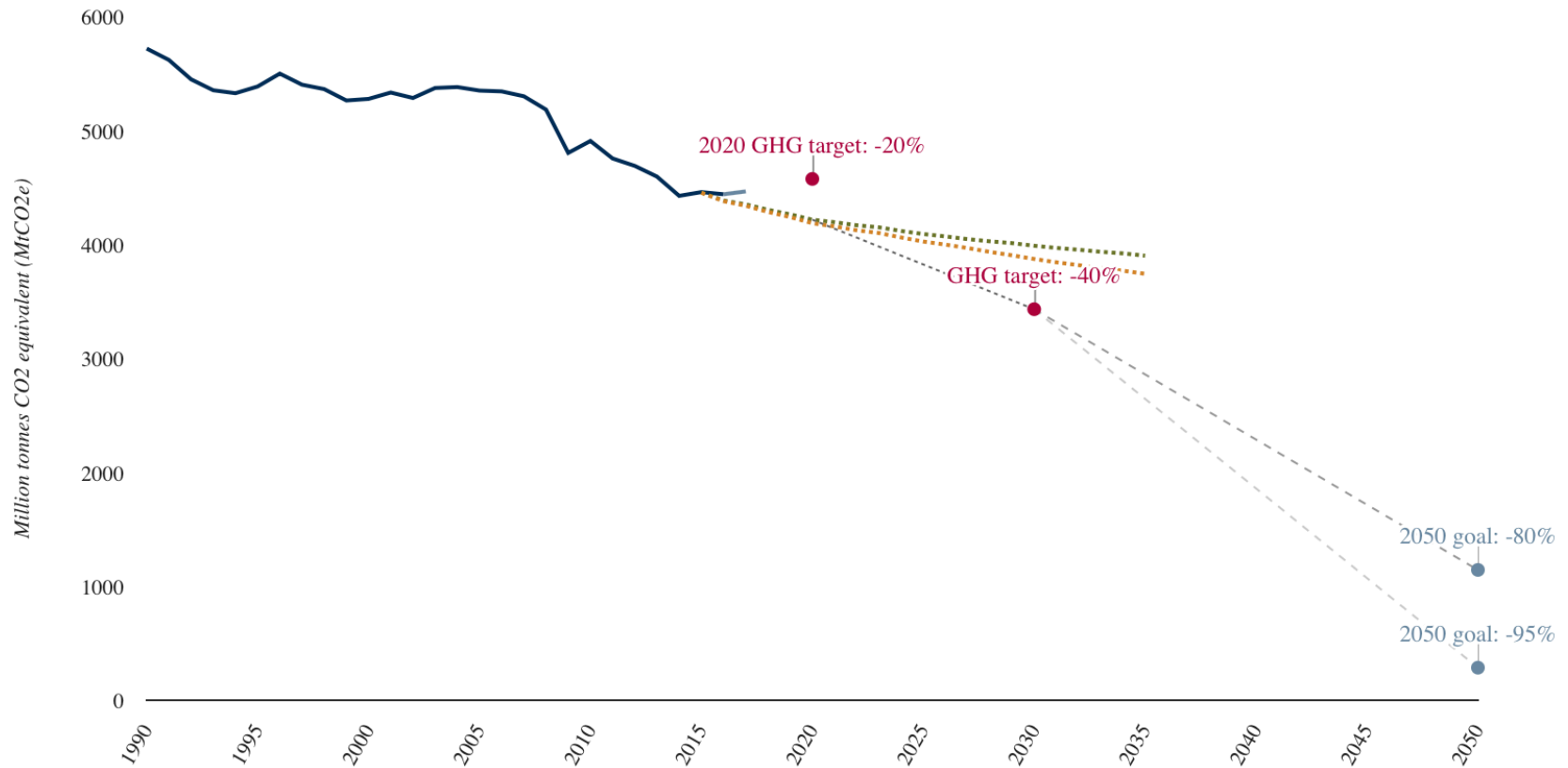


The objectives— EU Climate Policy





EU Climate Targets



EU Climate Targets

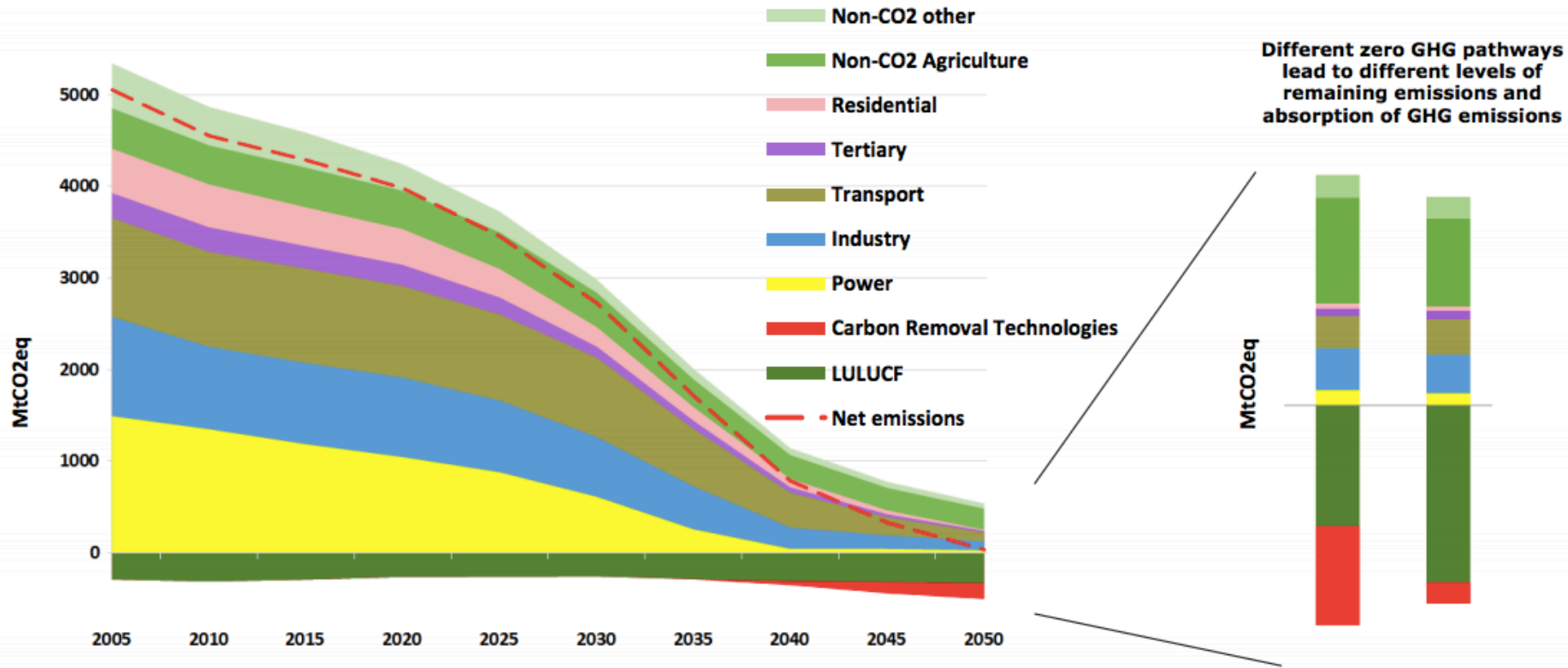


Figure 6. GHG emissions trajectory in a 1.5°C scenario⁸

Source: European Commission, *A Clean Planet for All* (2018)

What does it all mean for
society



Political Context for the European Commission

**93% OF EUROPEANS
BELIEVE CLIMATE
CHANGE TO BE
CAUSED BY HUMAN
ACTIVITY**



93% OF EUROPEANS
believe climate change to be
caused by human activity



85% OF EUROPEANS agree that
fighting climate change and using
energy more efficiently can create
economic growth and jobs in Europe



Source: Special Eurobarometer 479

**THE EU HAS SUCCESSFULLY DECOUPLED GREENHOUSE
GAS EMISSIONS FROM ECONOMIC GROWTH**

Greenhouse
Gas Emissions
down 22%



1990-2017

EU GDP
up 58%



1990-2017





Pressure from two sides



Funding the transition



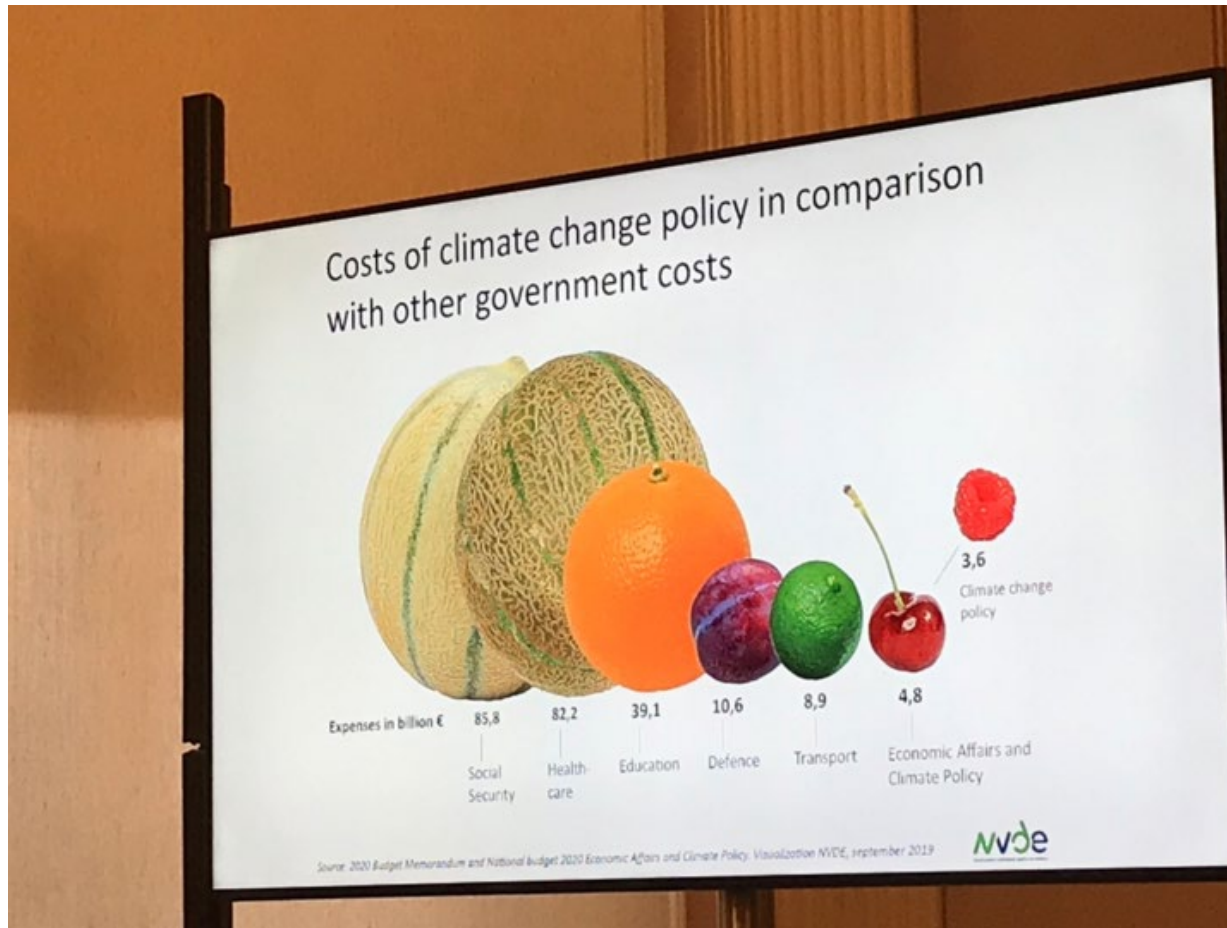


How much does it cost for the EU?

€180 billion/year

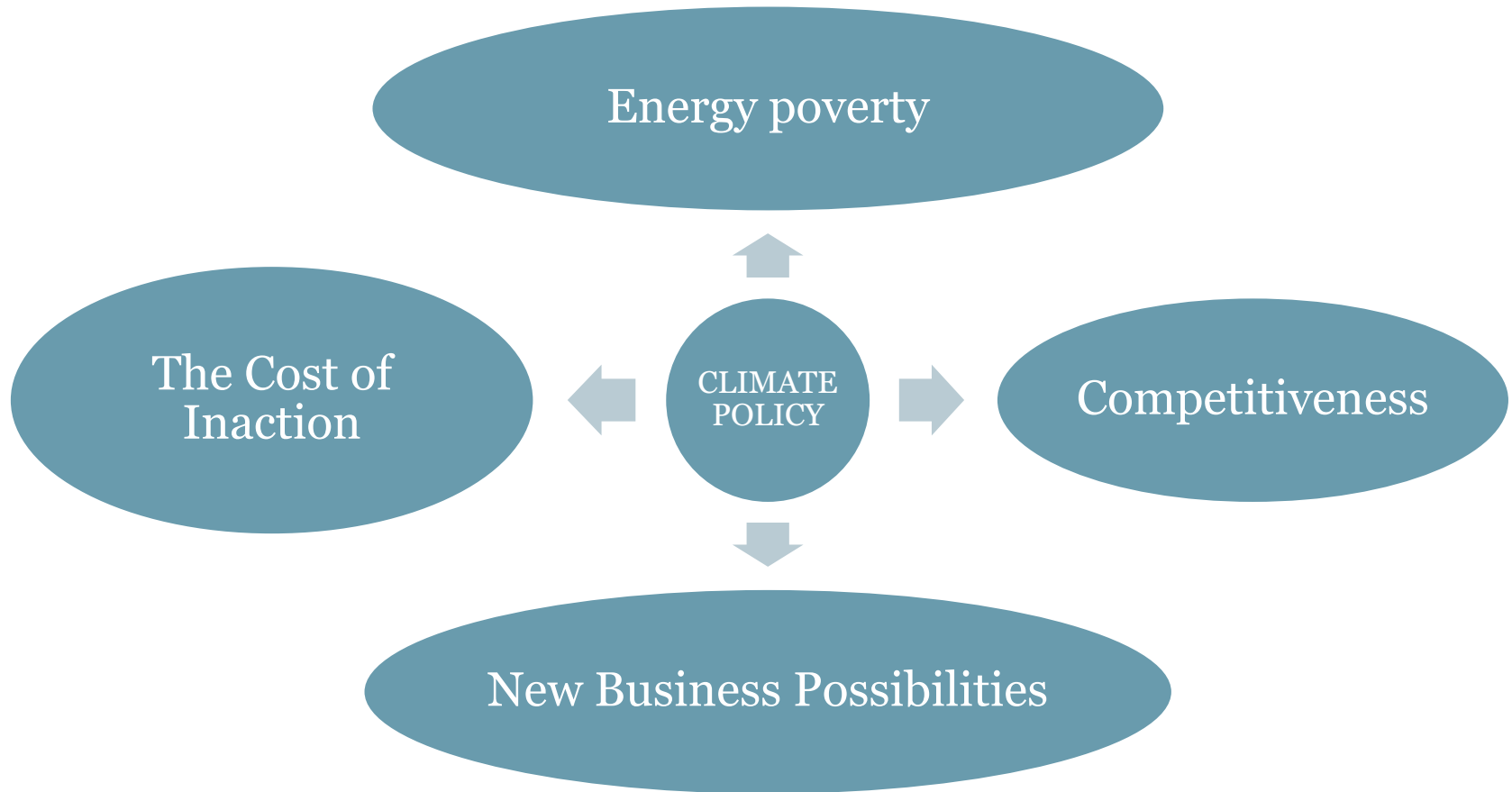
Investments needed to reach 40% emission reductions by 2030

Is it a lot?



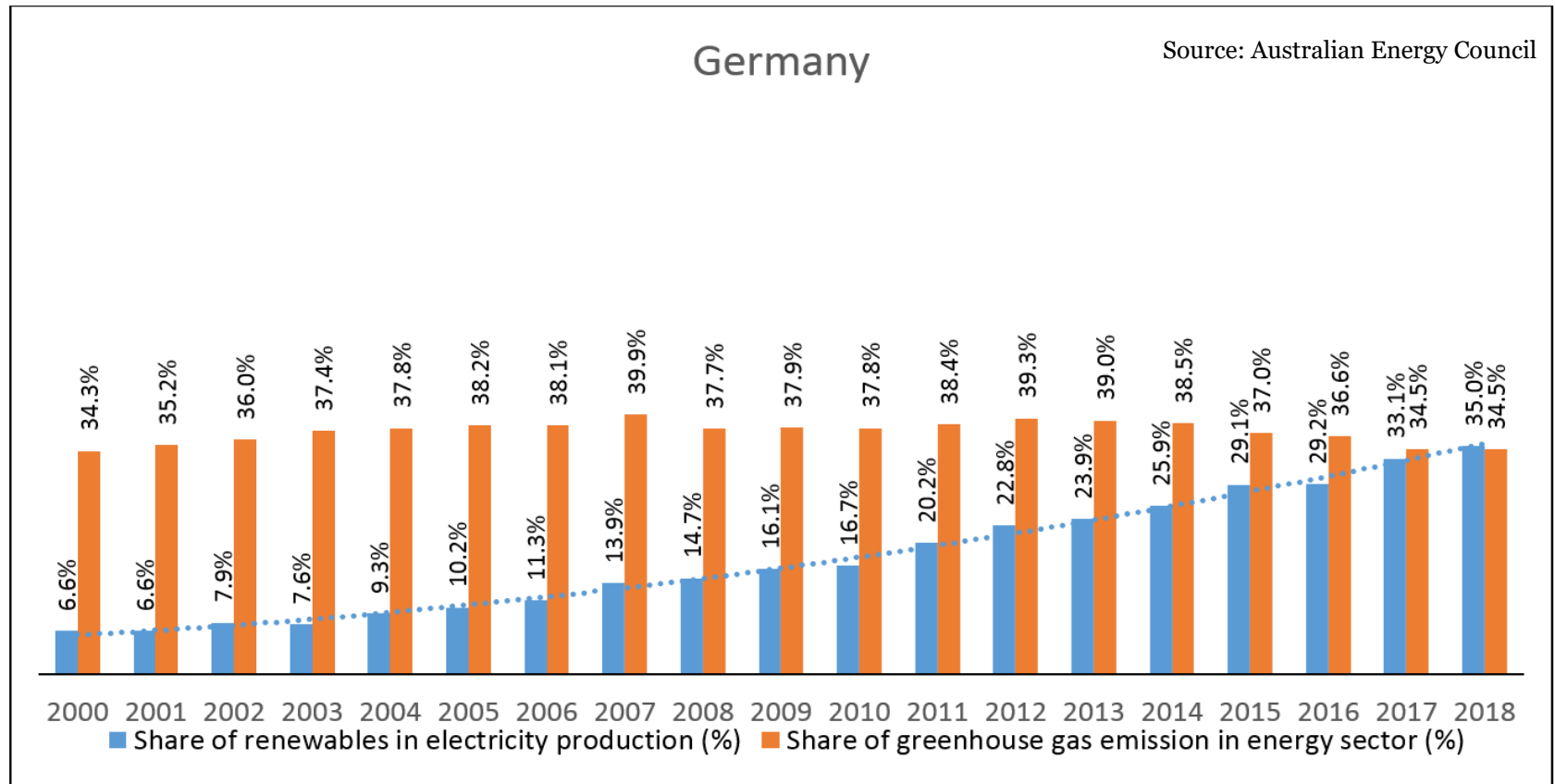


Can we afford it? What to consider

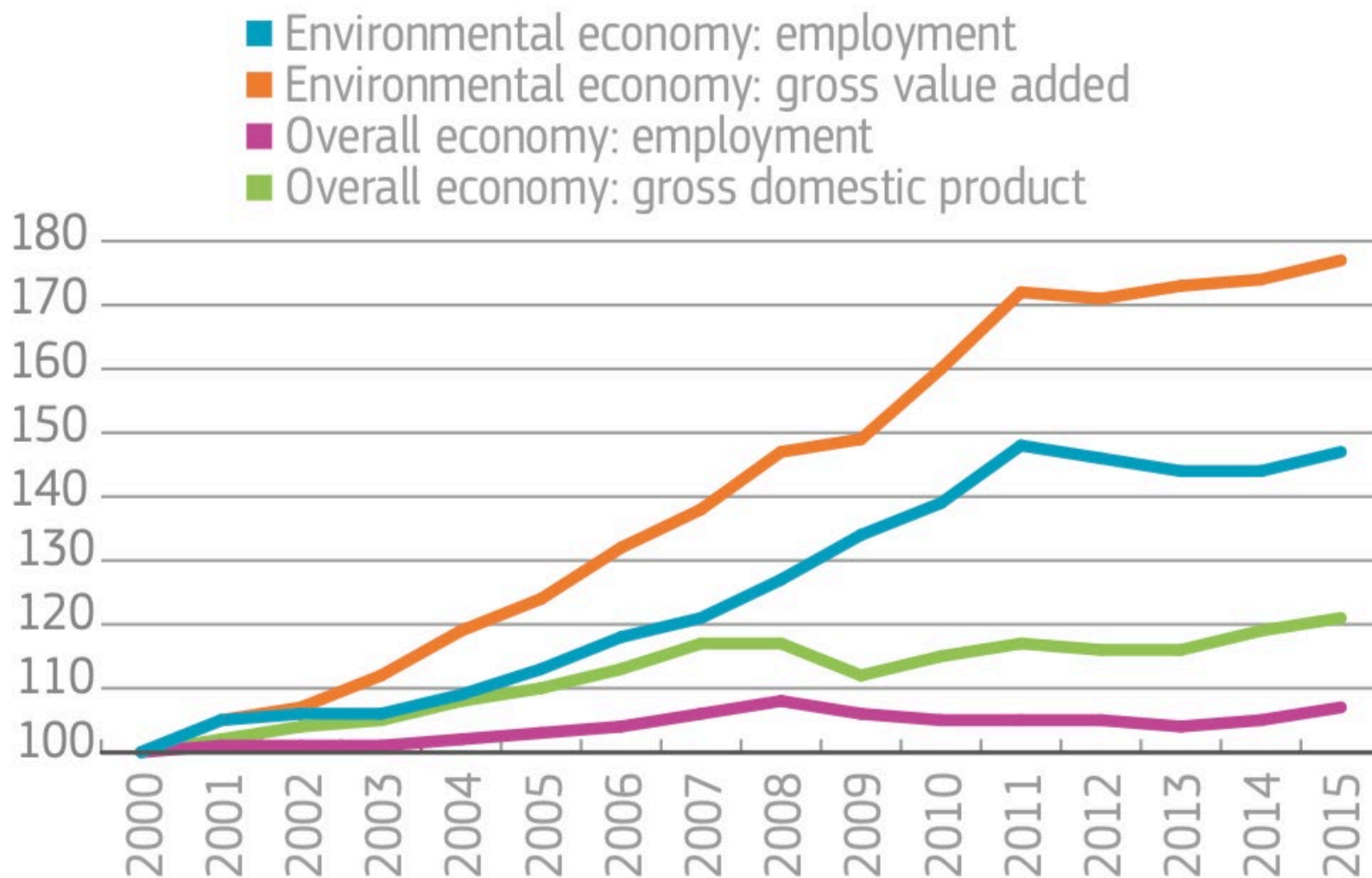




Is the money well spent?



Environmental economy growing faster than overall economy



Source: Eurostat, European Commission

More Europeans unable to pay their utility bills in recent years

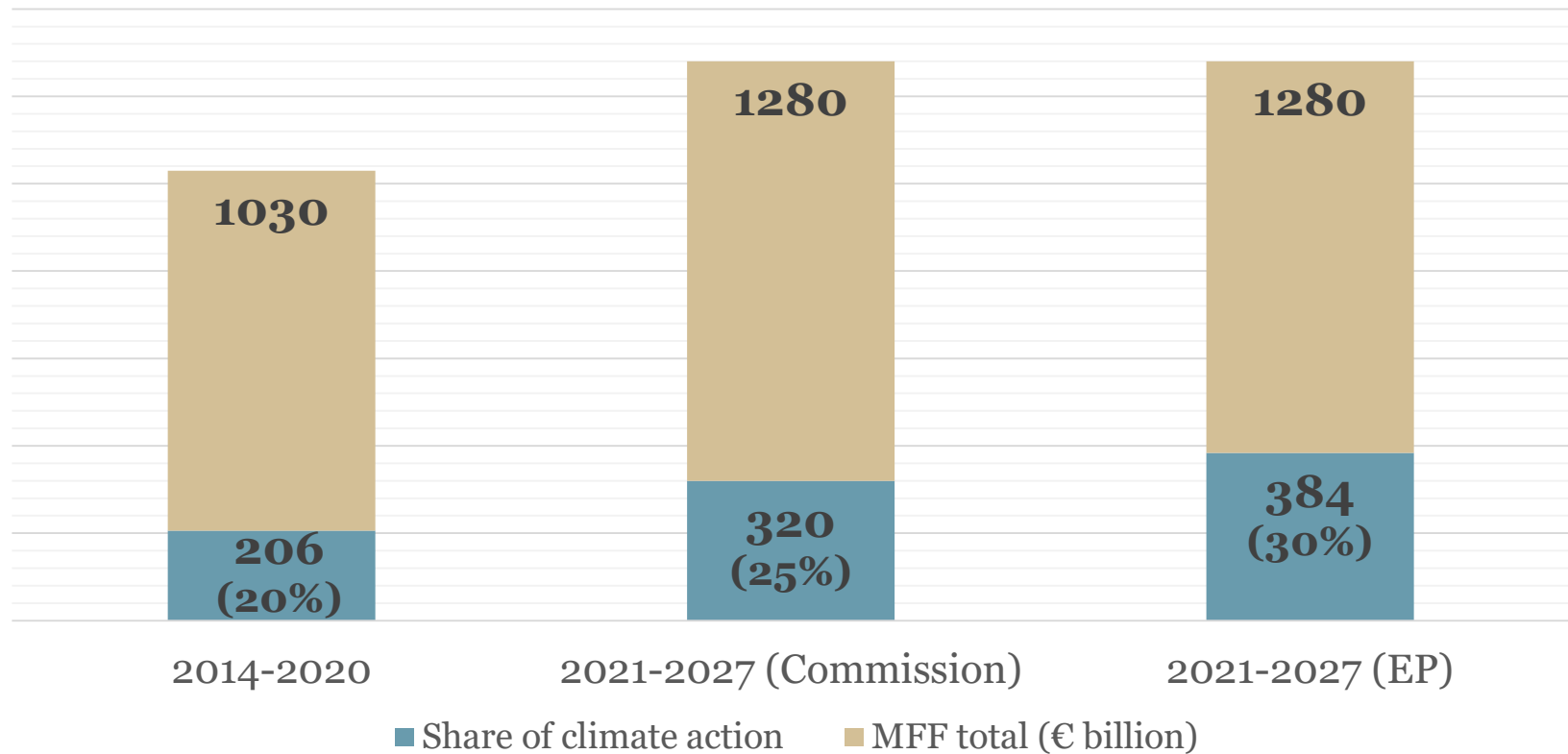
Share of population facing arrears on utility bills, 2004 - 2016



Source: Eurostat, Energy poverty indicator



Where does the money come from? – EU Budget





Where does the money come from? – EU Funding Available

Sustainable
Europe
Investment Plan

Structural
Support for Coal
and Carbon
Intensive Regions

Sustainable
Finance


EIB

Just Transition
Fund

Horizon Europe

In conclusion

- The EU is looking to address climate change and emission reductions with **unprecedented ambition and urgency**
 - **Cost and impact on society unknown**
 - Reforms on the regulatory framework to push the transition will happen fast and have significant consequences to all energy sectors
 - Necessitates **active stakeholder engagement** at the EU level
 - The EU wants to ensure that no region or industrial sector is left behind and avoid political unrest – will the Just Transition be enough?
 - The German model has not shown results in line with the 2020, 2030, and 2050 emission reduction targets – **alternative solutions** to transform the energy sector are needed
-



Täna väga!



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