



Advancing the EU Climate and Energy Policy Agenda
In the context of the Hungarian Presidency of the Council of the EU
Budapest, 25th of June 2024
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Paris Pact Payoff

Speeding up the green transition for socio-economic co-benefits

Main message:

Climate action is not just necessary, but economically rational. Protecting people and the planet from the devastating impacts of dangerous climate change is a moral duty, as well as a pragmatic choice.

The results of our study prove that climate and social action go hand in hand and following a 1.5°C compatible energy transition presents considerable and quantifiable economic co-benefits in terms of health, employment, cost of living, avoided welfare losses, energy security, and avoided resource extraction. This translates into gross emission cuts of at least 65% by 2030 for Europe compared to the currently planned 55-57%.

BENEFITS OF BOLD AND ACCELERATED
CLIMATE ACTION OUTWEIGH THE COSTS

DIRECT BENEFITS

at least
€ 1 trillion
by 2030



The **direct co-benefits** arising from a **1.5°C-compatible scenario** amount to at least **€1 trillion by 2030** for Europe.

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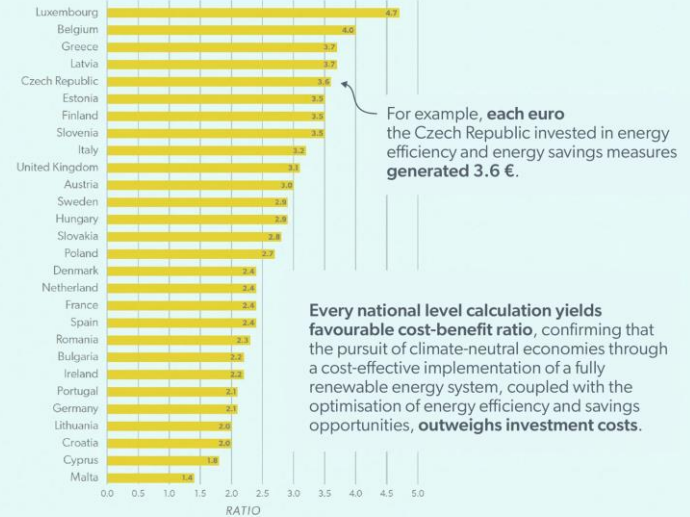
Speeding up the green transition for socio-economic co-benefits

1 trillion Euro in direct co-benefits already by 2030 and for every Euro spent a return on investment of up to 4 Euro. The report also crunches data for a subset of 13 EU Member States, among them Bulgaria, Czechia, Hungary, Poland. **Every national level calculation yields a favourable cost-benefit ratio, confirming that the pursuit of climate-neutral economies through a cost-effective implementation of a fully renewable energy system, coupled with the optimisation of energy efficiency and savings opportunities, outweighs investment costs.** In other words each Euro invested in energy efficiency and energy savings measures would generate [2.2 EUR for BG, 2.3 for RO, 2.7 for PL, 2.8 for SK, 2.9 for HU and 3.6 EUR for CZ] of co-benefits. These results provide an unequivocal rationale for taking ambitious action even if taking into account co-benefits only.

[The largest economies logically experience higher co-benefits in absolute terms for a scale effect. In relative terms the expected co-benefits range from 2% of 2019 GDP (e.g. for Malta and Ireland) to more than 10% (Slovakia), with an EU average of approximately 6%.]

EU BENEFITS FROM ACHIEVING HIGHER CLIMATE AND ENERGY TARGETS

OVERVIEW OF COST-BENEFIT RATIOS (BCR CALCULATION)



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Co-benefit category // Monetised indicators

- **Energy system/security:** Avoided fossil fuel imports/ Avoided combustion generation investments
- **GDP / Welfare impact:** Aggregate demand effects / Public budget effects
- **Resources:** Material Footprint (sum of abiotic & biotic & unused) / life-Cycle wide fossil fuel consumption (additional to direct combustion) / Metal ores avoided extraction
- **Health:** Avoided life years lost and premature mortality PM2.5 / Avoided premature mortality due to ozone/ Avoided excess winter mortality and winter morbidity (asthma)