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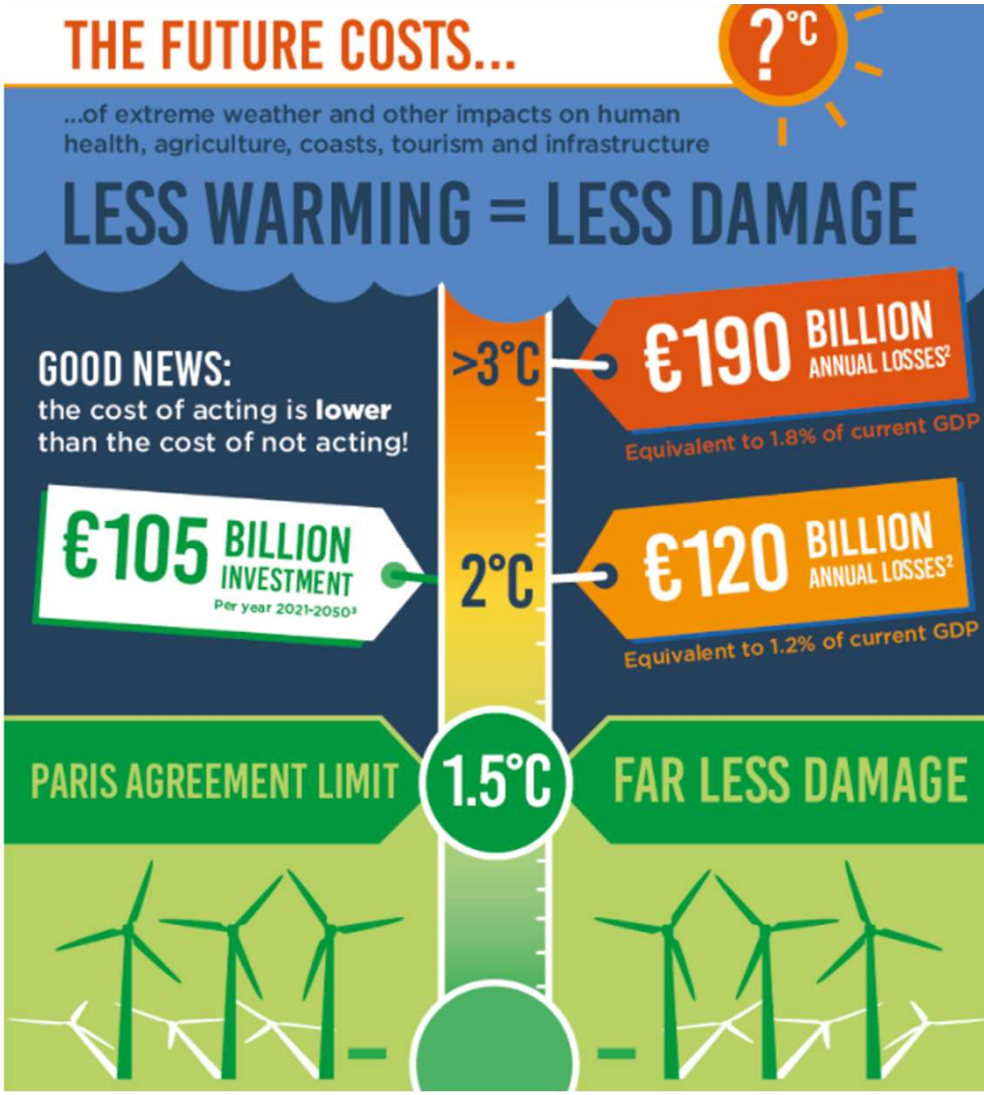
Doc. Dr. Vaida Šerevičienė

The cost of inaction on climate change

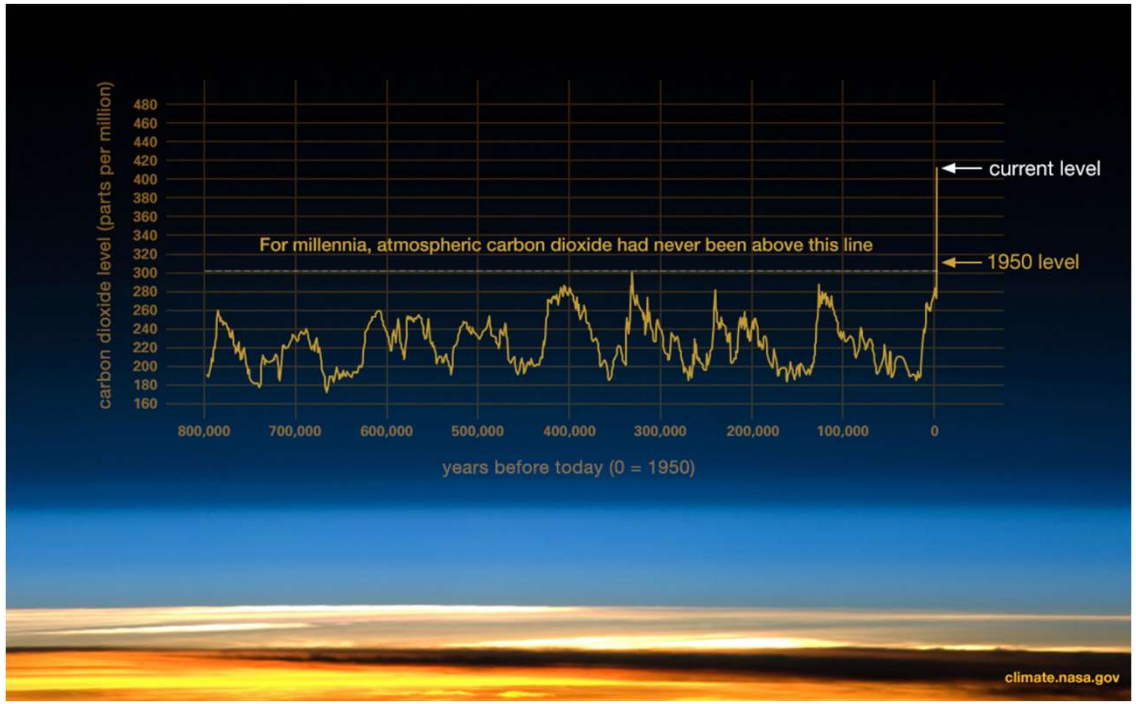
2021 05 12

“climate-related extreme weather events already cost Europe dearly…”

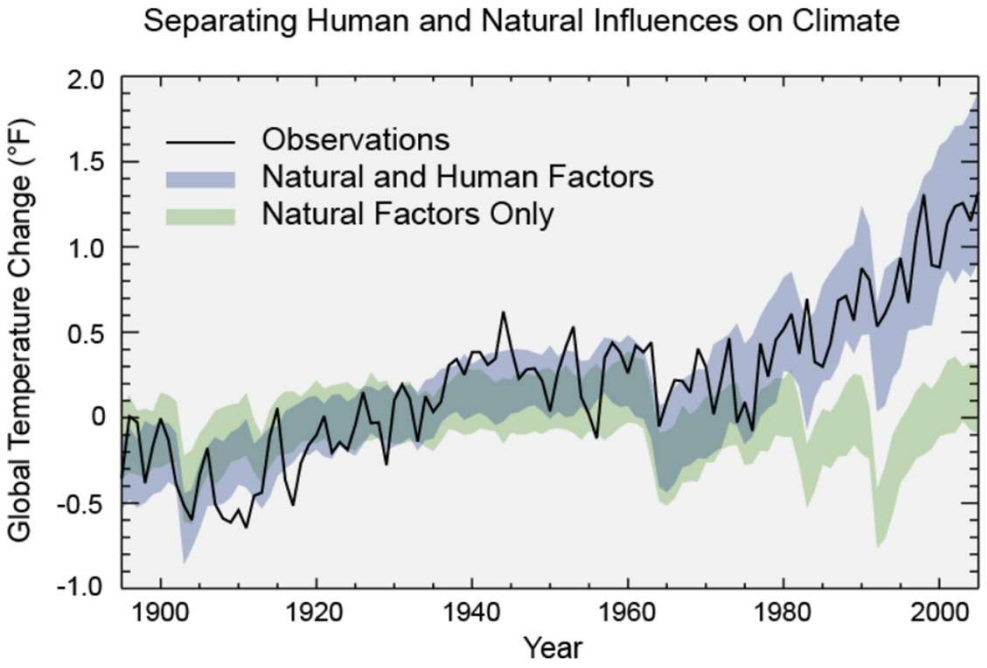


Infographic: Costs of inaction on climate change in Europe.
https://caneurope.org/infographic-costs-of-inaction-on-climate-change-in-europe/

Why this is happening?



Source: Climate Change: How Do We Know?
https://climate.nasa.gov/evidence/



Source: Causes of Climate Change.
https://19january2017snapshot.epa.gov/climate-change-science/causes-climate-change_.html

The Cost of Climate Inaction

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- The cost of climate inaction can be broken down into three categories:
- **direct costs** (physical losses from extreme weather events, wildfires, rising sea levels);
- **indirect costs** (weaker growth, lower asset values and returns, created by a damaged planet);
- **the cost of uncertainty** (the investor premium paid for new risks and volatility).

Climate action

Setting targets for **greenhouse gas** emission reductions is a **key driver** for climate action and vital to ensure the world is on track to avoid catastrophic climate change.

In 2015, the global community agreed to try to limit temperature rise to 1.5°C above pre-industrial levels.

In 2019, the EU agreed on a long term climate target and pledged to reach a climate-neutral economy by 2050.

The EU is a global leader in the transition towards a more carbon efficient economy.

22%

succeeded in lowering GHG emissions

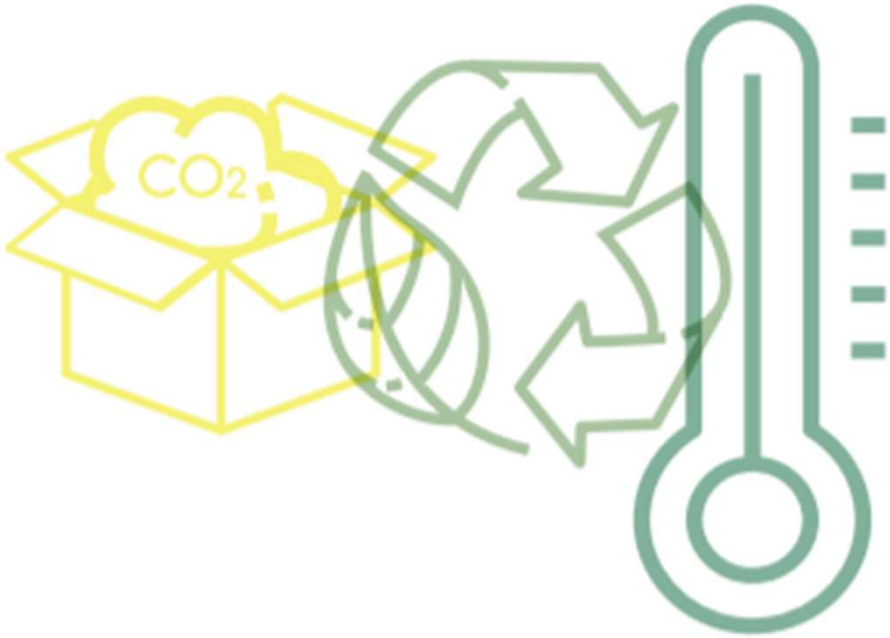
58%

gross domestic product (GDP) increased

Climate-neutral Europe

The European Commission's vision outlines main strategic building blocks:

- **energy efficiency**;
- deployment of **renewables**;
- **clean,** safe and connected **mobility**;
- competitive industry and **circular economy;**
- **bioeconomy**;
- tackling remaining CO_2 emissions with **Carbon Capture and Storage (CCS)**.



Research, innovation and deployment

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Climate action goes hand in hand with innovations!

The focus of EU research should be on transformational GHG-neutral solutions in areas such as:

- electrification, e.g. renewables, smart networks and batteries;
- hydrogen and fuel cells;
- energy storage;
- carbon-neutral transformation of energy intensive industries;
- the circular economy;
- the bioeconomy;
- sustainable practices in agriculture and forestry.

Sources

The Economist Intelligence Unit Limited. 2015. The cost of inaction: Recognising the value at risk from climate change. 64 p.

EU publications. Going climate-neutral by 2050. A strategic long-term vision for a prosperous, modern, competitive and climate-neutral EUeconomy

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Climate Change: How Do We Know? https://climate.nasa.gov/evidence/

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Thank you!