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Irish Government Economic & Evaluation Service

Spending Review 2022 – Estimating the Potential Cost of Compliance with 2030 Climate Targets and Energy Targets

Department of the Environment, Climate and Communications

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Spending Review 2022 – Overview, Aims & Objectives



Overview

- This paper represents a first step at estimating the cost of compliance with EU climate targets.
- At the time of publication, significant data limitations prohibit greater estimate certainty. As such, best available data alternatives are used, and it is noted that the authors Departments continue to monitoring and update this analysis as new data and information is sourced.

Aims and Objectives

- The paper outlines the proposed approach to estimating the potential costs of compliance on an annual basis out to 2030, in order to present potential implications if Ireland fails to make sufficient progress towards the legally binding EU climate and energy targets and in implementing the new Climate Action Plan 2023.

Spending Review 2022 – Key Findings



- The Climate Action Plan 2023 sets out the policies and measures that Ireland must take towards meeting our revised emissions reductions targets under Fit For 55.
- These expenditure estimates, coupled with the environmental science, accentuate the importance of implementation of the new Climate Action Plan 2023.
- Government Departments should continue to prioritise climate action, ensuring the annually updated climate action plans detail the necessary actions and measures for meeting sectoral targets.
- Prudent expenditure management requires policymakers to align estimated expenditures with available resources. Policymakers will have to consider the potential risk to the exchequer that a failure to achieve emissions reductions would give rise to.