



Press Release

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Ireland's stark climate choice – act now or risk substantial costs later

Ireland must act now to avoid risking massive costs from missing its climate targets. The Fiscal Council and Climate Change Advisory Council has today issued a joint report. The report, 'A colossal missed opportunity', sets out potential costs for Ireland from missing agreed EU targets. These could amount to staggering payments of between €8bn and €26bn to Europe.*

The report underlines the clear choice facing the Government. It says it should act now or risk paying colossal costs in the years ahead. These costs could be avoided if the Government takes even a few stronger actions now. Doing so would mean investing this money in the Irish economy.

To illustrate how stronger policy would help, the report sets out three key actions. Upgrading Ireland's energy grid, speeding up the roll out of electric vehicles, and supporting changes in farming practices. These measures would cost just one-tenth of capital spending planned by the Government out to 2030. And they are less than half the upper cost estimate for missing targets.

If Ireland fails to comply with its EU requirements,** the size of potential costs depends on how close it gets to meeting each of its targets and the price. The price depends on broader progress across the EU in achieving the same targets.

The report finds that if the Government follows through on its ambitious Climate Action Plan, this would reduce potential costs by more than half. However, the plan is not being delivered at the scale or the speed required. With a faster and more comprehensive approach to implementing measures under the plan, it could potentially result in a fall of potential costs to between €3 and €12 billion.*** Speaking at the launch of the new report, Seamus Coffey, Chair of the Irish Fiscal Advisory Council, said, "This is a clear case of being able to reduce a massive fiscal risk. Ireland can take actions now to offset potential costs down the line. It can do so in a way that doesn't threaten the wider sustainability of the public finances."

Marie Donnelly, Chair of the Climate Change Advisory Council added, “While we have made some progress in reducing emissions, our pace of change is not enough to meet our national and EU climate targets. The Government must take clear and decisive action now to transition to a climate neutral economy. It is better to make the investments into Irish households, communities and businesses now, rather than paying significant compliance costs in the years ahead.”

ENDS

Notes to Editors

The report is under embargo until first thing 4 March 2025. It will be available on both Councils’ websites.

* This is based on Ireland’s projections on a ‘with existing measures’ basis. This scenario reflects emissions based on policies, regulations, and incentives that have already been implemented or adopted. As in, no further actions are taken beyond those currently in place.

** Effort Sharing Regulation, Renewable Energy Directive and the Land-Use, Land-Use Change and Forestry (or “LULUCF”) Regulation.

Range of cost estimates

€ billions

	Lower cost estimate	Upper cost estimate
With existing measures	7.5	26.4
With additional measures	3.4	11.9

The Effort Sharing Regulation sets binding national targets for reducing greenhouse gas emissions. It covers Ireland’s agreed commitments to reduce emissions up to 2030 from domestic transport, buildings, small industry, waste, and agriculture. The LULUCF Regulation sets binding national limits on net emissions from the land sector, including forests, wetlands, and agricultural land. The Renewable Energy Directive sets binding national targets for renewable energy share in total energy, heating and cooling, and transport.

*** This is based on Ireland’s projections on a ‘with additional measures’ basis. This scenario includes the impact of both existing measures and additional planned policies, regulations, and incentives that are likely to be adopted and implemented in the future. In Ireland’s case, these include many, but not all of the policies and measures outlined in Ireland’s Climate Action Plan 2024.