

Going green

Climate risks and opportunities in the SE European neighbourhood

Fotios KALANTZIS

Senior Economist - Economics Department

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Outline

- ▶ **Country Climate risk assessment**
 - ▶ Economics department assessment

- ▶ **Corporates climate strategies**
 - ▶ Data from the Enterprise Survey (see www.enterprisesurveys.org)

- ▶ **EIB's climate strategy**
 - ▶ State-of-play and where we want to be

Climate risk assessment

How do different countries perform in the SE EU neighbourhood?

Taxonomy of climate change risks – Countries view



Adaptation: ability to reduce the vulnerability to the effects of climate change, alleviate the effects, moderate damage. It includes the economic stability, institutional capacity.

Mitigation: actions to reduce GHG emissions

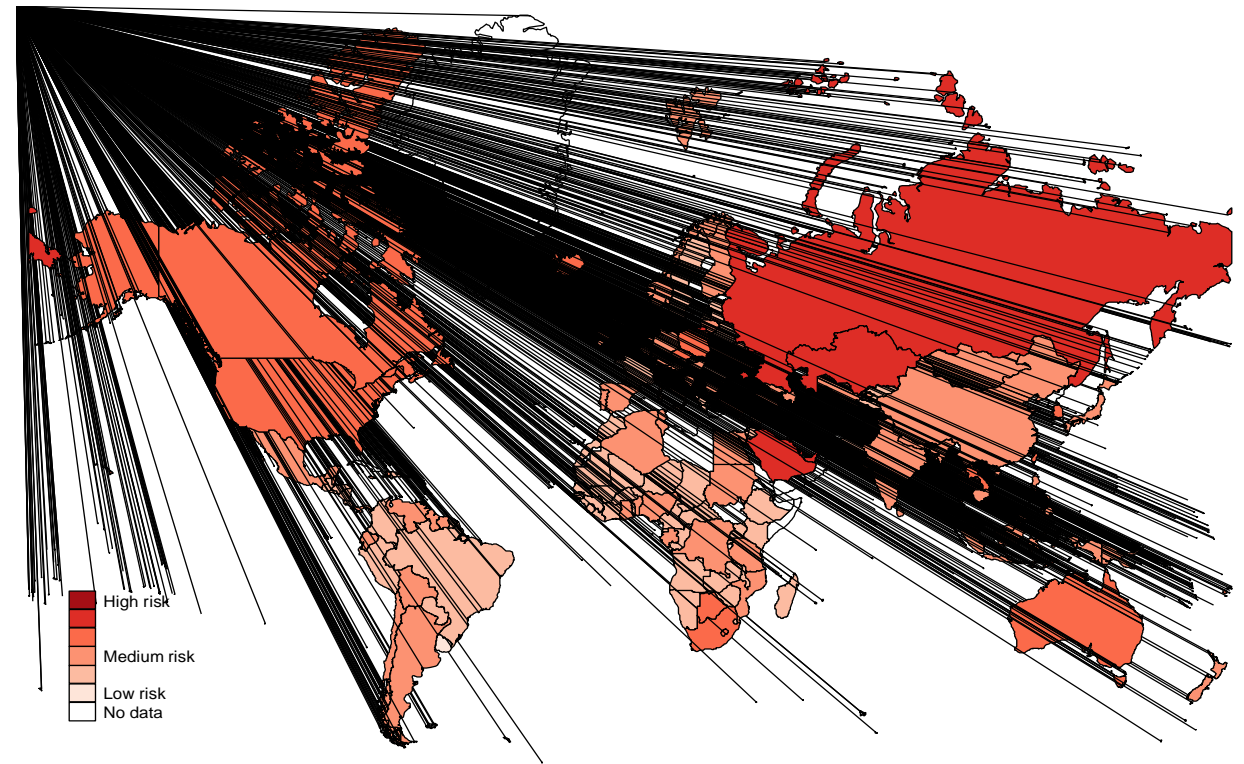
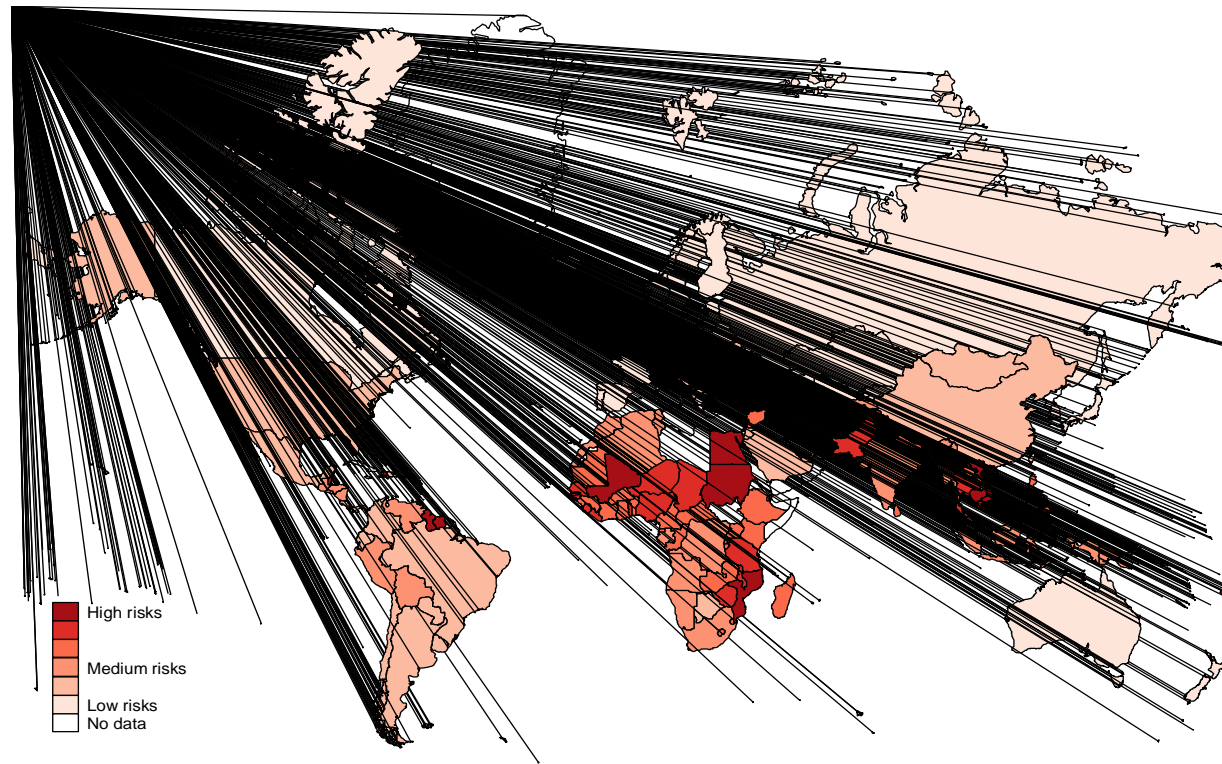
Which are the most vulnerable countries to physical and transition risks?

Physical risks

Poorer, smaller, and exposed to waters and heat

Transition risks

Fossil fuel producers, developed and those with delayed climate action plans



Source: Economics department, EIB

Zooming in on SE EU neighbourhood...

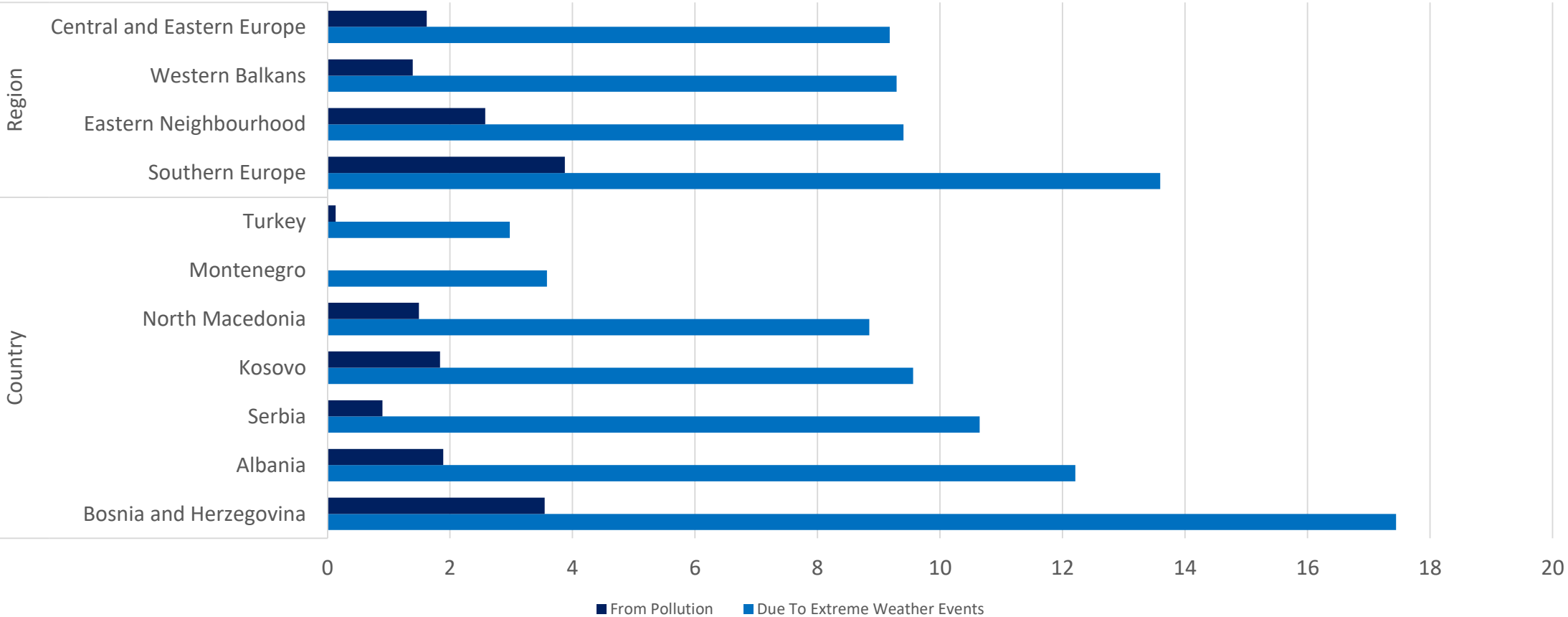
Classification of transition risks											
● Very low ● Low ● Elevated ● High ● Very high											
Country	Total	Emissions			FF Rents	Renewables		Energy Efficiency			Climate Ambition
	Composite indicator	Past	Current	Future	Current	Past	Current	Past	Current	Future	NDCs 2015
Central and East Europe											
Bulgaria	●	●	●	●	●	●	●	●	●	●	●
Croatia	●	●	●	●	●	●	●	●	●	●	●
Czech Republic	●	●	●	●	●	●	●	●	●	●	●
Estonia	●	●	●	●	●	●	●	●	●	●	●
Hungary	●	●	●	●	●	●	●	●	●	●	●
Latvia	●	●	●	●	●	●	●	●	●	●	●
Lithuania	●	●	●	●	●	●	●	●	●	●	●
Poland	●	●	●	●	●	●	●	●	●	●	●
Romania	●	●	●	●	●	●	●	●	●	●	●
Slovakia	●	●	●	●	●	●	●	●	●	●	●
Slovenia	●	●	●	●	●	●	●	●	●	●	●
South EU											
Cyprus	●	●	●	●	●	●	●	●	●	●	●
Greece	●	●	●	●	●	●	●	●	●	●	●
Italy	●	●	●	●	●	●	●	●	●	●	●
Malta	●	●	●	●	●	●	●	●	●	●	●
Portugal	●	●	●	●	●	●	●	●	●	●	●
Spain	●	●	●	●	●	●	●	●	●	●	●
West Balkans- non EU27											
Albania	●	●	●	●	●	●	●	●	●	●	●
Bosnia and Herzegovina	●	●	●	●	●	●	●	●	●	●	●
Kosovo	●	●	●	●	●	●	●	●	●	●	●
Montenegro	●	●	●	●	●	●	●	●	●	●	●
North Macedonia	●	●	●	●	●	●	●	●	●	●	●
Serbia	●	●	●	●	●	●	●	●	●	●	●
Turkey	●	●	●	●	●	●	●	●	●	●	●

Climate strategies of firms

How do firms in the SE EU neighbourhood respond to the climate emergency?

A small proportion of firms experienced monetary losses due to climate change impacts...

Q: Over the last 3 years, have you experienced monetary losses due to extreme weather events or from pollution? (%)

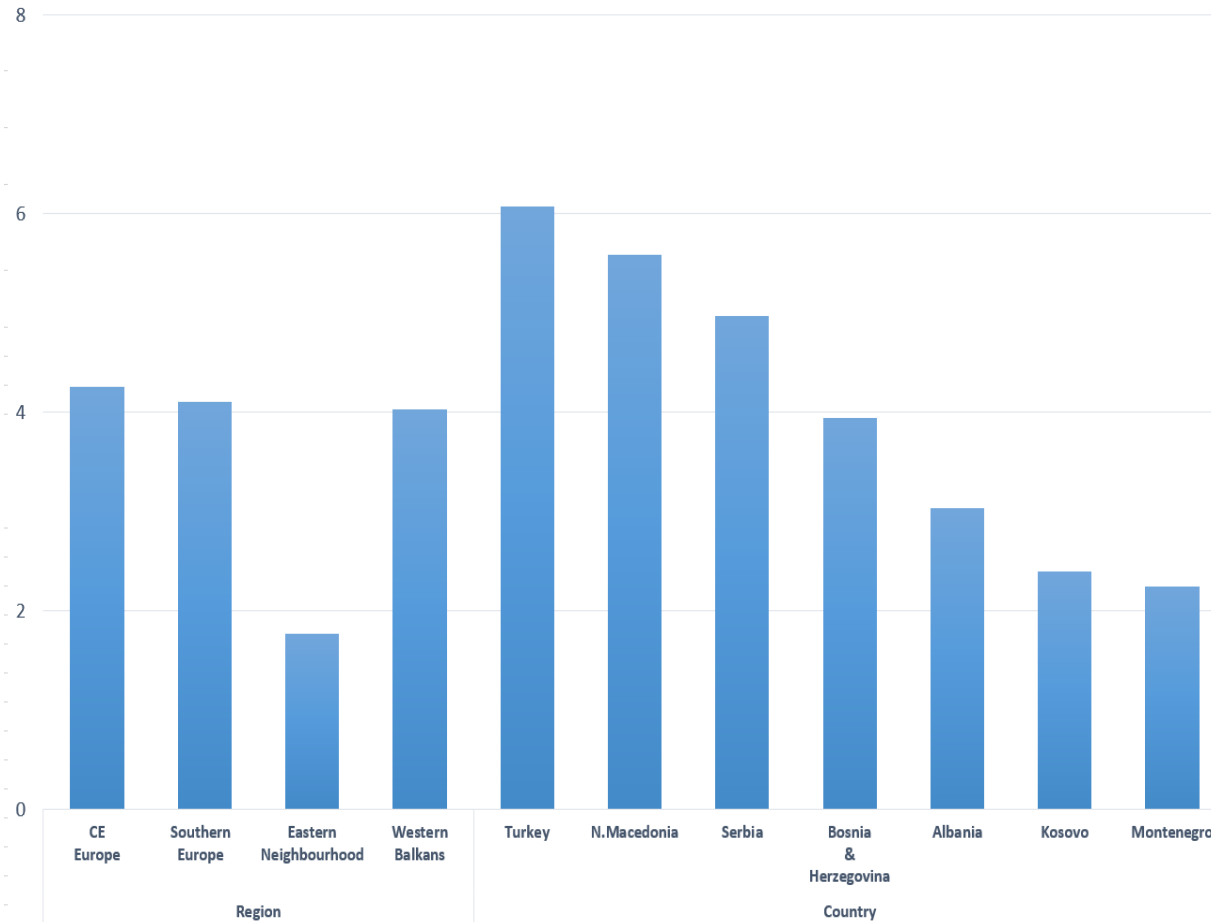


Note: Eastern Neighbourhood covers Armenia, Azerbaijan, Belarus, Moldova, Russia, Ukraine.

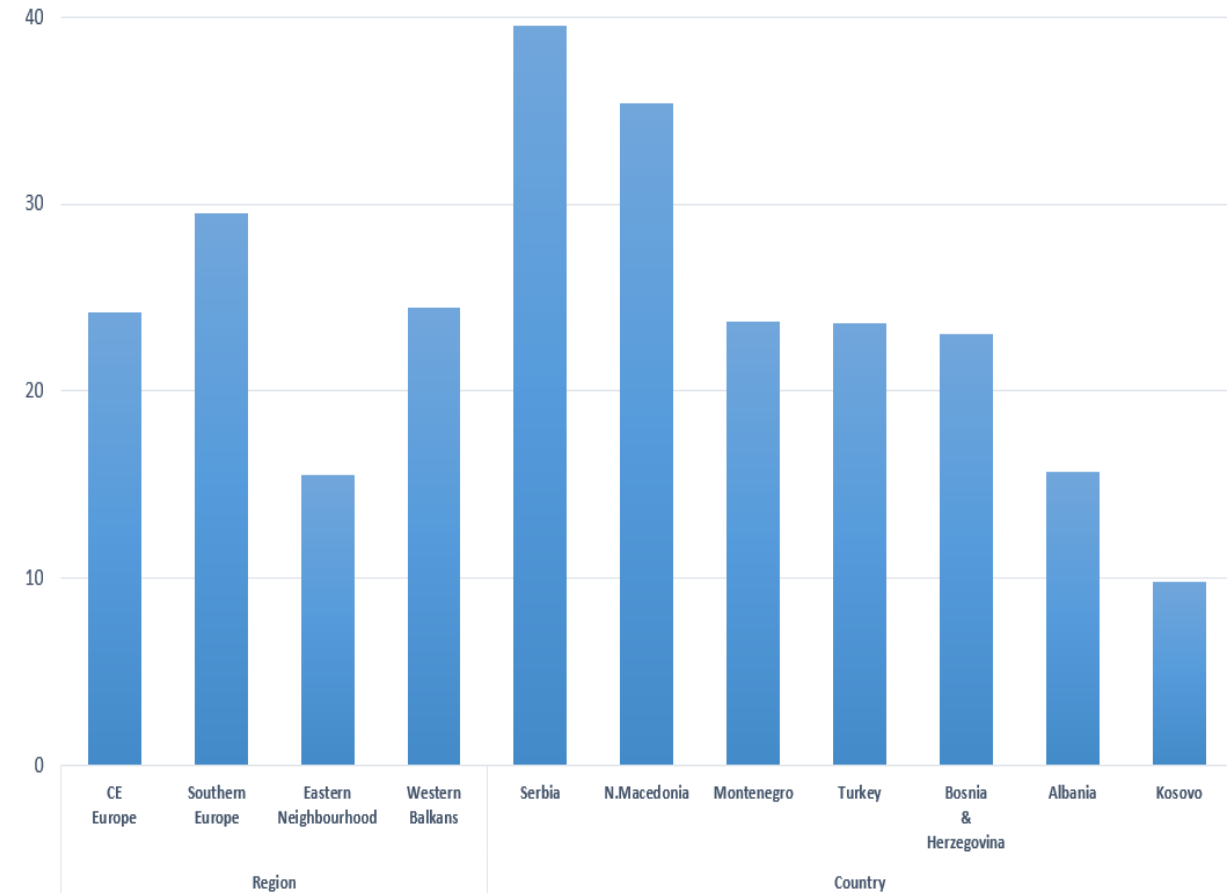
Source: Enterprise Survey

Firms prefer to set energy consumption targets, instead of CO2 targets...

Q: Over Last 3 years, did this establishment have targets for CO2 emissions? (%)



Q: Over Last 3 years, did this establishment have targets on energy consumption? (%)



Source: Enterprise Survey

Source: Enterprise Survey

Machinery upgrades, waste management, vehicles upgrade, lightening improvements most common adopted measures.....

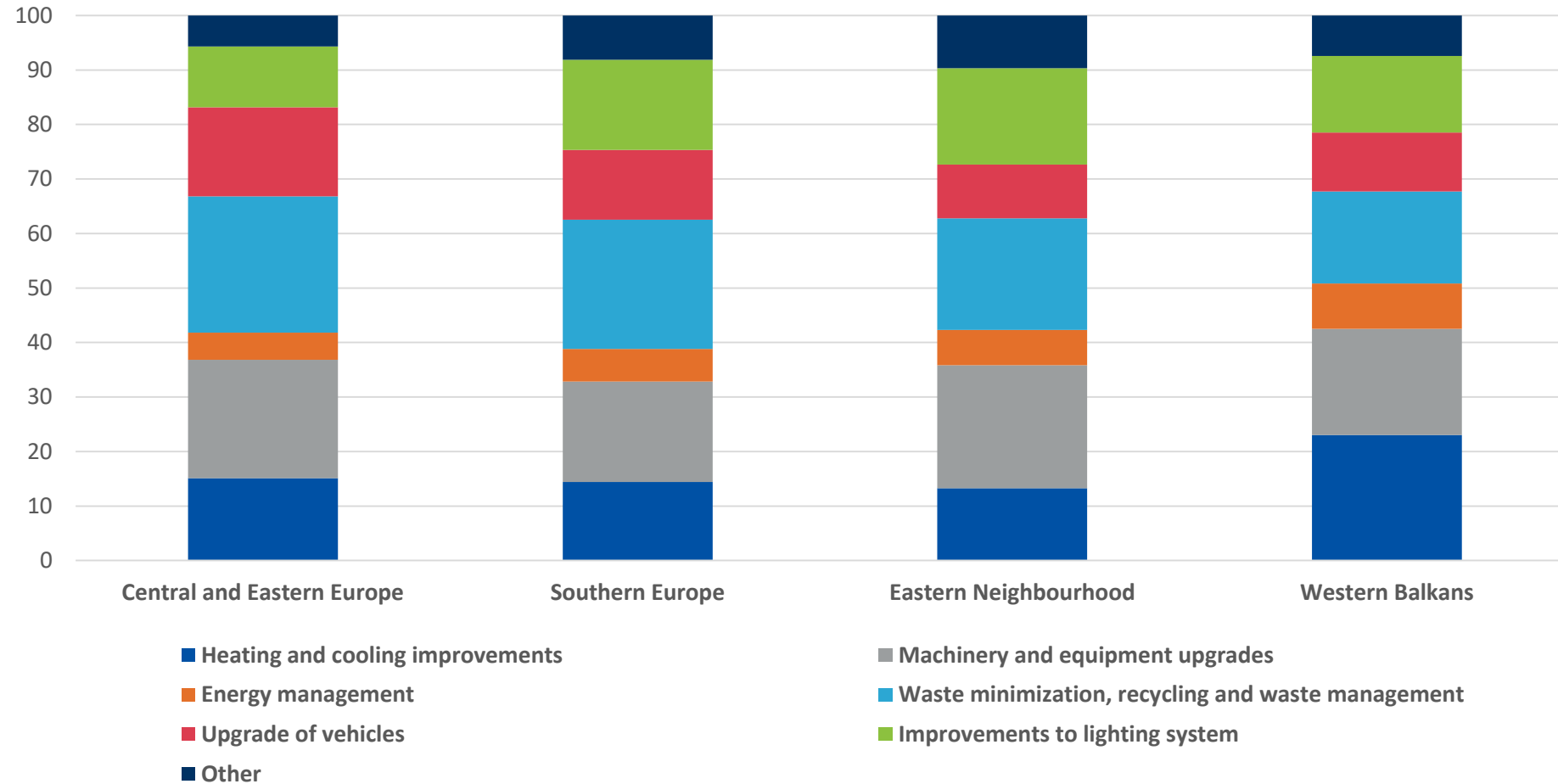
Q: Over Last 3 years, did this establishment adopted? (%)



Source: Enterprise Survey

Similar perceptions of the effectiveness of various measures in reducing firms' carbon footprint across regions.....

Q: Which Measure Has Contributed Most to Reducing Environmental Impacts? (%)



- ▶ Almost in **all regions the waste management and recycling** is considered as the **most effective** measure (17-25%)
- ▶ **Machinery upgrades** follow with shares ranging from 19% in WB to 22% in CE
- ▶ **Heating and cooling, together with lightning system improvements and vehicles upgrades** are additional measures that stand out

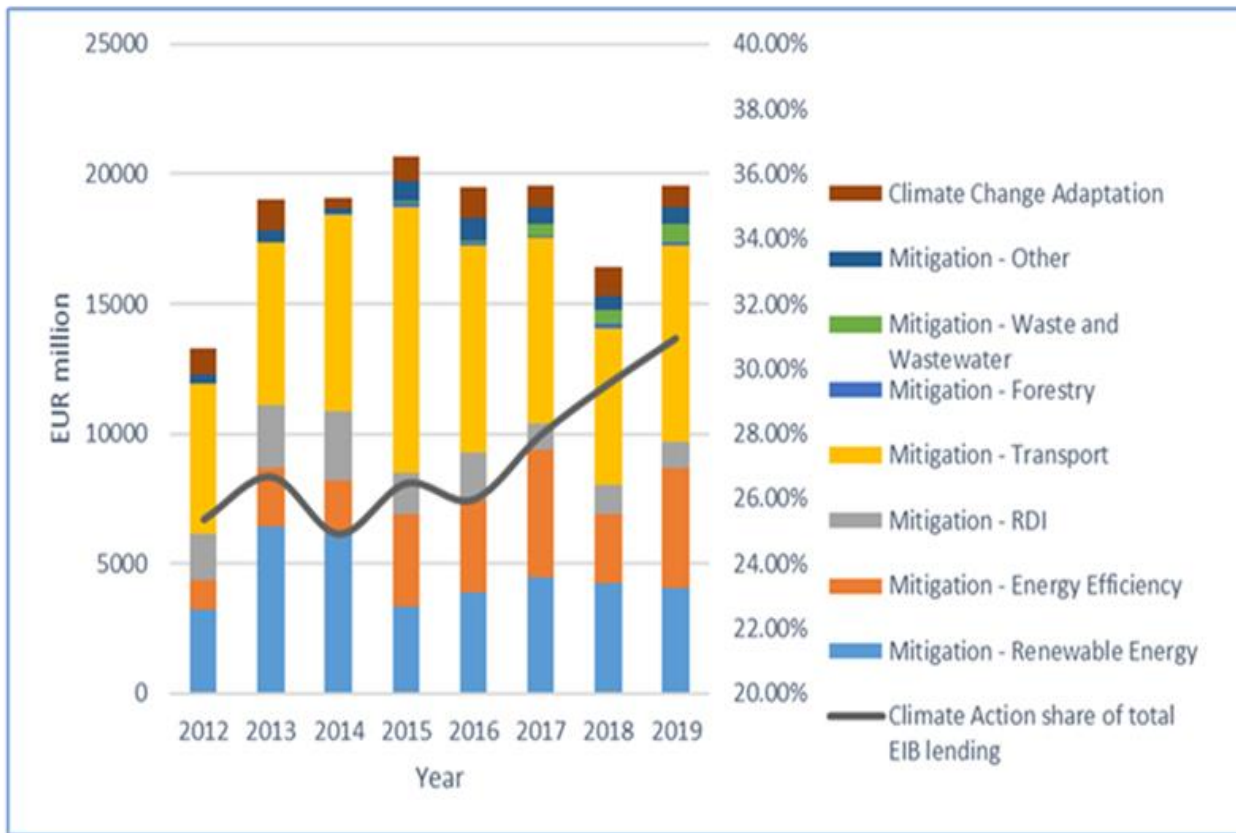
Source: Enterprise Survey

The EIB's role

What's the state of play and where we want to be?

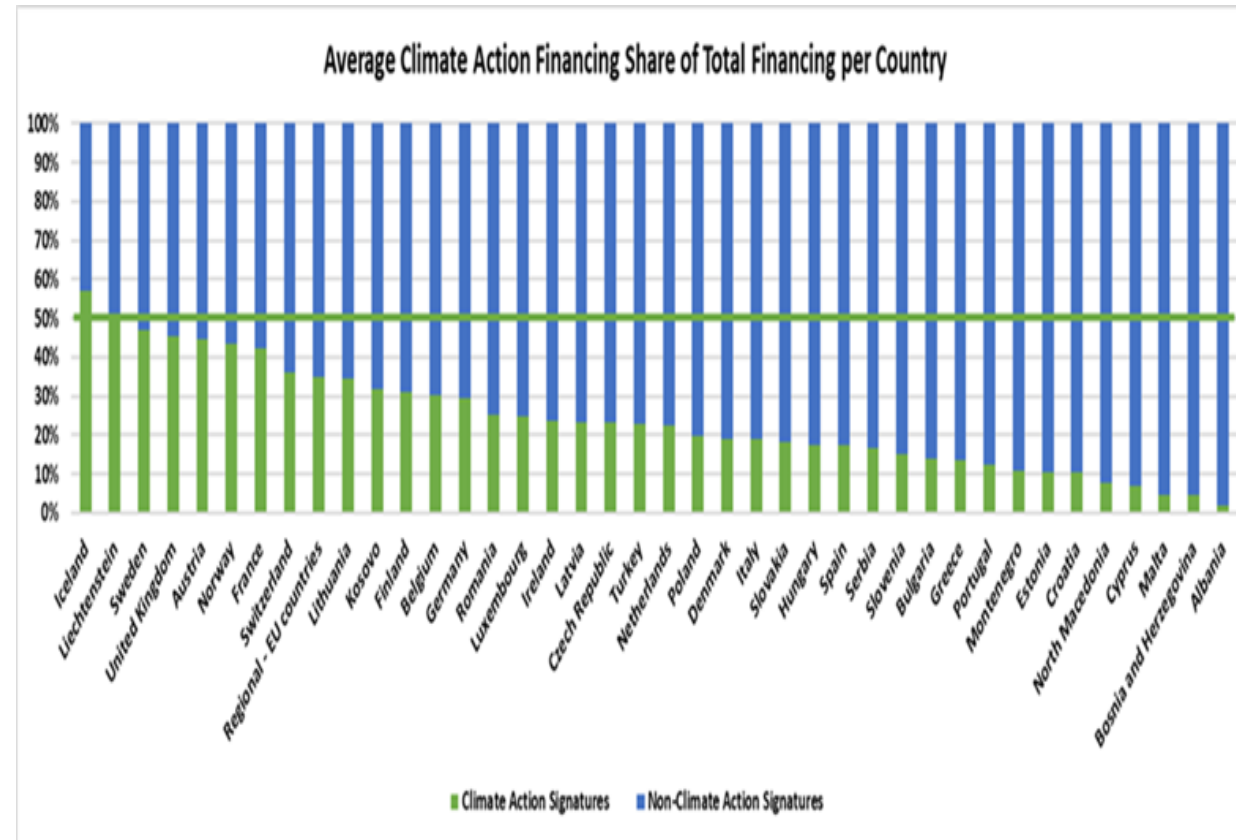
Strong growth in climate action (CA), large variation across countries – need to boost CA in certain countries.....

Climate action performance, 2012-2019



Source: EIB group

Climate action performance by country, 2012-2019



Source: EIB group

Concluding remarks

- ▶ **Climate risk assessment:** transition risks differ among countries within specific regions, whereas physical risks appear to be limited and similar
 - ▶ Some countries e.g. in Baltics or South EU, perform better either because of their low level of energy and carbon intensities or their earlier move towards a low-carbon economy,
 - ▶ others appear to be more exposed due to their geographical position (non-interconnected islands MT, CY – dependence on fossil fuels) or the degree of climate ambition
- ▶ **Climate strategies of firms:** the majority of firms in the SE neighborhood, especially in the West Balkans appear to be less concerned about their environmental impacts
 - ▶ Firms tend to invest more in measures requiring lower amounts, such as lightning system improvements, but also invest in measures that require higher investments – including machinery and vehicles upgrades
- ▶ **EIB's role:** critical in the region by helping countries implementing their decarbonisation plans and making sure that no one is left behind