

Council of the European Union

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NOTE

From:	General Secretariat of the Council
То:	Council
No. prev. doc.:	9104/21
No. Cion doc.:	6521/21 - COM(2021) 82 final
Subject:	Conclusions on Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change
	- Approval

- On 24 February 2021, the <u>Commission</u> published a communication entitled 'Forging a climate-resilient Union: the new EU Strategy on Adaptation to Climate Change' ('the Strategy').¹ The Strategy outlines how the EU can adapt to the unavoidable impacts of climate and become climate resilient by 2050 by making adaptation smarter, swifter and more systemic and by stepping up international action on adaptation to climate change.
- On 18 March 2021, an exchange of views was held on the Strategy during the informal videoconference of the <u>Ministers of Environment</u>. The Ministers also discussed the topic during an informal videoconference held on 23 April 2021, focusing on the water challenges in the context of climate change adaptation and on the international dimension of the Strategy.

¹ Doc. 6521/21 + ADD 1 + ADD 2

- 3. The <u>Presidency</u> prepared a set of draft Council conclusions on the Commission communication, which were discussed by the <u>Working Party on the Environment (WPE)</u> at several informal videoconferences and, most recently, during the meeting of the WPE held on 21 May. Agreement in principle was reached at the level of the WPE following an informal silence procedure.
- 4. On 2 June, the <u>Permanent Representatives Committee</u> confirmed agreement on the draft conclusions with a view to their submission to the <u>Council</u> (Environment) for approval. The <u>PL</u> delegation submitted the statement set out in the Addendum to this note, to be entered in the minutes of the Council at the time of the approval.
- 5. The <u>DK</u> delegation maintains a Parliamentary scrutiny reservation on the text.
- 6. In light of the above, the <u>Council</u> (Environment) is invited to:
 - approve the draft Council conclusions in the Annex to this note at its meeting on 10 June 2021;
 - decide to enter in the minutes of the Council meeting the statement set out in the Addendum to this note.

ANNEX

Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change

- Draft Council conclusions -

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING the Council conclusions on:

- Biodiversity the need for urgent action²
- the Farm to Fork Strategy³
- perspectives for the EU forest-related policies and EU forest strategy post 2020⁴
- Climate and Energy Diplomacy Delivering on the external dimension of the European Green Deal⁵;

RECOGNISING that biodiversity loss and climate change as well as their respective impacts and solutions are intrinsically linked;

RECOGNIZING that extreme events related to climate change are becoming more frequent, more intense and more persistent, and that slow-onset events affect ever-larger areas, both increasing the risk of significant human, material and natural losses;

² 12210/20.

³ 12099/20.

⁴ 12695/1/20 REV 1.

⁵ 5263/21.

RECOGNIZING the urgent need for the European Union and its Member States as well as all other countries to enhance their adaptive capacity, strengthen resilience and reduce vulnerability to climate change, as a key component of the long-term global response to climate change; NOTING the overall cost-effectiveness of adaptation action, especially by using nature-based solutions with safeguards, and the tangible added benefits for nature, society and the economy that successful climate-adaptation can bring;

RECOGNIZING that alongside mitigation efforts, adaptation efforts are crucial to ensure the resilience of societies and ecosystems to the existing and projected climate risks; STRESSING the need to ensure that all related initiatives under the European Green Deal are mutually supportive;

ACKNOWLEDGING that the EU Biodiversity Strategy for 2030, is one of the key initiatives of the European Green Deal, which aims at making the EU's economy sustainable and climate-neutral by 2050, at protecting, restoring and sustainably using biodiversity, at improving the wellbeing and health of citizens and at ensuring the sustainability, circularity and inclusiveness of the EU's economy;

LOOKING FORWARD to the adoption of the European Climate Law which will require that the relevant Union institutions and the Member States ensure continuous progress in enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change in accordance with Article 7 of the Paris Agreement;

RECOGNIZING the work already carried out by the EU and its Member States, including as a result of the 2013 EU Adaptation Strategy; UNDERLINING the fact that all Member States have adopted a national adaptation strategy and or plan;

RECOGNIZING the national character and needs of climate change adaptation, as the consequences of a changing climate depend on national, regional and local conditions;

RECOGNIZING the responsibility of the Member States in the design of the policy responses to climate change and risk, as well as the importance of developing EU responses to common and international adaptation challenges; EMPHASIZING the need for the EU to support and complement the Member States' action to protect their citizens;

RECOGNIZING that adaptation policy and action need to consider the social dimension of climate change, including the importance of integrating a gender perspective, ensuring just resilience and paying special attention to the most vulnerable groups which are disproportionately affected by climate hazards.

Forging a climate-resilient Union

 STRONGLY WELCOMES the Commission's Communication "Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change" ("the Strategy"); ACKNOWLEDGES the Strategy as a key initiative of the European Green Deal in the pursuit of the green transformation and for sustainable growth; ENDORSES its long-term vision of a climate-resilient Union by 2050 that is fully adapted to the unavoidable adverse impacts of climate change; 2. CONSIDERS that the economic recovery from the pandemic must be based on efficient, effective and sustainable solutions focusing on increasing climate resilience, in particular nature-based solutions⁶ including ecosystem-based adaptation, fostering climate change adaptation and mitigation, enhancing and promoting biodiversity protection, contributing to the Sustainable Development Goals and ensuring food security; ACKNOWLEDGES that nature-based solutions need robust environmental and social safeguards in order to create win-win solutions for climate change adaptation, mitigation and conservation of biodiversity;

Smarter adaptation

3. RECOGNIZES the importance of improving climate and disaster risk management as well as early-warning systems as key to averting and minimising material, natural and human losses, reducing economic and societal costs, improving the health and well-being of citizens as well as improving resilience and enhancing biodiversity and ecosystem services; in this context EMPHASIZES the need to exchange and acquire more comparable and better data for assessing climate risks and to make better use of existing data, knowledge and platforms to identify potential multidimensional impacts of climate related hazards;

⁶ See e.g. https://ec.europa.eu/info/research-and-innovation/research-area/environment/naturebased-solutions_en : 'Solutions that are inspired and supported by nature, which are costeffective, simultaneously provide environmental, social and economic benefits and help build resilience", as referred to in Council Conclusions on "Biodiversity - the need for urgent action".

- 4. STRESSES the importance of adapting cultural heritage to natural disasters and slow-onset effects of climate change, while retaining the values represented by such heritage; EMPHASIZES the importance of integrating and utilizing expertise in architecture, design and cultural heritage in this context; STRESSES that integrated approaches to disaster risk management of the built environment, including built heritage and cultural landscapes, should be sought through specific activities such as community-based disaster risk management, the integration of climate resilience considerations into the criteria for the construction and renovation of buildings and critical infrastructure whilst safeguarding cultural heritage, disaster preparedness and emergency response, early warning systems, infrastructure support, multi-hazard risk assessments, planned relocation and resilient livelihoods, thus strengthening its disaster preparedness while also increasing the resilience of European settlements and communities;
- 5. SUPPORTS the Commission's intention to strengthen the development and the use of digital technologies for data collection, data representation and climate change scenarios to underpin informed decision-making, including exchange of knowledge, best practices and solutions while using synergies and avoiding duplication of efforts and structures; In this regard, STRESSES in particular the importance of further developing the Copernicus program for assessing climate change impacts, including data at the regional and local level, in case of obvious synergies and needs, and WELCOMES in this regard the launch of the Knowledge Centre on Earth Observation; ENCOURAGES the Commission to take into account national developments and specifications;
- 6. UNDERLINES the role of the Climate-ADAPT platform and WELCOMES the intention of the Commission to further update and expand its capabilities, in consultation with Member States, including its role in enhancing monitoring and evaluation of adaptation; INVITES the Commission and Member States to better link the Climate-ADAPT platform with national platforms and to support regional and local authorities in gaining access to climate-related risk data and adaptation knowledge technologies; ENCOURAGES the Commission to progressively provide these associated tools in all EU official languages;

7. NOTES that climate change and the resulting geographical shifts in distribution of pathogens, as well as more frequent and more extreme weather events such as heatwaves, floods or storms, have significant effects on health and on the quality of life; therefore, WELCOMES the establishment of the European Climate and Health Observatory; STRESSES the need to further define the responsibilities and objectives of the Health observatory, also in relation to existing and future institutions and RECOGNIZES the importance of the One Health approach;

More systemic adaptation

8. UNDERLINES the need to promote the systemic nature of adaptation by enhancing adaptation mainstreaming into all relevant legislation and policies in a coherent and consistent manner at all relevant levels, including through enhanced cross-sectoral communication and coordination, as well as the utilization of existing processes, instruments and measures to strengthen resilience; UNDERLINES that all adaptation strategies and plans at all levels must be based on the best available scientific evidence, while respecting the precautionary principle; WELCOMES the proposed policy coherence principles: ensuring that regulation and funding take into account the effects of climate change and the associated risks to avoid creating new exposure; reducing existing risk by building up resilience, prevention and preparedness and managing residual risk;

- 9. STRESSES the relevance of the monitoring and evaluation process to assess the effectiveness and performance of adaptation policies and measures; furthermore INVITES the Commission to develop, in close coordination with Member States, further guidance on adaptation monitoring and evaluation, including through the use of a harmonised framework of standards and indicators reflecting regional and local specificities which may be integrated into geographic information systems that support vulnerability assessments at the territorial level; and to provide guidance, in close cooperation with Member States, setting out common principles and practices for the identification, classification and prudent management of material physical climate risks when planning, developing, executing and monitoring projects, through climate vulnerability and risk assessments based on the relevant ISO and European standards and methods already used by the Member States; moreover, STRESSES the need to prevent the duplication of data collection, monitoring and evaluation requirements and to promote synergies with existing processes and reporting obligations at Union or international level while building on national experience and practice;
- 10. NOTES the relevance of developing further tools to integrate climate scenarios and potential impacts into economic and financial policies in order to enhance macro-fiscal resilience and ensure that financial and fiscal frameworks are climate-proof and sustainable; INVITES the Commission to further elaborate and explore, in consultation with Member States, ways to measure and manage the potential impact of climate-related risks on public finances while preventing the duplication of data collection, monitoring and evaluation requirements and avoiding the creation of additional administrative burden;

- 11. WELCOMES the intention of the Commission to explore ways to further facilitate and foster cooperation between local, regional and national levels in their respective adaptation work; EMPHASIZES the importance of increasing local and regional resilience, the role of local and regional administrations as key drivers of adaptation and the need to support them accordingly at Union level while taking into account the principle of subsidiarity; STRESSES that the implementation of climate adaptation measures and solutions depends to a large extent on local and regional conditions, including the implementation of nature-based solutions, which will enable specific climate vulnerabilities to be addressed effectively and efficiently, taking also into account other environmental vulnerabilities as well as the availability of freshwater throughout the year; INVITES the Commission to provide complementary knowledge, education and information on best practices and solutions for local and regional authorities, which are crucial to promoting local action and investment in adaptation, in consultation with the Member States, building on existing guidance and knowledge which take into account national specificities;
- 12. RECALLS the need to further engage and empower citizens in order to step up action on adaptation and to ensure the leadership of national, regional and local authorities and communities in the design and implementation of adaptation measures to promote the achievement of resilience in a just and fair way; WELCOMES in this regard the European Climate Pact; STRESSES the importance of considering the social justice considerations and distributional effects of the impacts of climate change and of ensuring that no one is left behind; WELCOMES efforts to promote long-term economic diversification strategies and policies that enable workers to requalify and move towards green growth sectors, while ensuring a sufficient and highly skilled workforce; further WELCOMES support for education and training with a view to the reskilling and upskilling of workers for a just and fair resilience;

Faster adaptation

- 13. UNDERLINES that it is crucial to ensure adequate financing in order to accelerate adaptation action; In this regard, HIGHLIGHTS the increased spending target to at least 30% for climate action, including adaptation, in the Multiannual Financial Framework for 2021-2027, and at least 37% under the Recovery and Resilience Facility; REMAINS FULLY COMMITTED to working towards the ambition of reaching the 7,5% in 2024 and 10% in 2026 and in 2027 of annual spending targets for biodiversity under the Multiannual Financial Framework, while considering the existing overlaps between climate and biodiversity goals; furthermore WELCOMES the European Investment Bank (EIB) Group Climate Bank Roadmap 2021-25 and its enhanced ambition on adaptation to climate change, and looks forward to the upcoming EIB adaptation plan;
- 14. STRESSES that the private and public sectors need to work together more closely, in particular on financing adaptation; ACKNOWLEDGES the private sector's critical role in delivering the necessary technology and solutions and mobilizing and leveraging the capital required; RECOGNISES in this regard the relevance of the EU taxonomy for the identification and development of sustainable activities for climate adaptation, respecting the 'do no significant harm' principle within the meaning of the EU Taxonomy Regulation⁷ and avoiding maladaptation; INVITES the Commission to provide examples of best practices and solutions in the context of financing of adaptation measures both in the public and private sector;

Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

- 15. UNDERLINES the need for better understanding of the exposure of private investments to climate related risks; in this context WELCOMES the entry into force of the Sustainable Finance Disclosure Regulation⁸ and the publication of the Commission proposal on the revision of the Non-Financial Reporting Directive, and LOOKS FORWARD to the forthcoming Renewed Sustainable Finance Strategy;
- 16. ACKNOWLEDGES the importance of research and innovation in the improved understanding of climate change impacts and the development of adaptation solutions; WELCOMES the proposed role of the Horizon Europe Mission on Adaptation to Climate Change, including Societal Transformation, as well as of other adaptation-relevant Missions, including on soil health and food, climate-neutral and smart cities, healthy oceans, seas, coastal and inland waters, in the roll-out of solutions which aim to improve Europe's climatepreparedness, accelerate adaptation actions and deepen societal transformation towards climate-resilience; STRESSES the need to take into account all critically important ecosystems in the implementation of the adaptation-relevant Horizon Europe Missions; INVITES the Commission and the Member States to focus on upscaling successful pilot studies and the implementation of measures and to ensure that EU funded science also addresses specific needs at regional and local scale;

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability- related disclosures in the financial services sector, OJ L 317, 9.12.2019, p. 1.

- 17. RECOGNIZES the importance of the climate-water nexus as many hazards of climate change are related to the hydrological system (sea level rise, intensive rainfall, floods, water scarcity and droughts, melting of glaciers, changes in snow cover and sea ice conditions); HIGHLIGHTS the challenges related to the increased risk related to situations where there is not enough water or, conversely, too much water, in particular severe droughts and the changes in the availability of fresh water due, *inter alia*, to changes in the precipitation regime, in terms of quantity, quality and distribution throughout the year; furthermore STRESSES that the problem of water scarcity will be exacerbated by rising temperatures, especially in arid and semi-arid areas, and, consequently, will lead to increased evaporation and greater need for water in different environments, including urban and agricultural, and AFFIRMS the fundamental role that sustainable water management and healthy water-related ecosystems play in overall climate resilience; SUPPORTS the continued promotion of Integrated Water Resource Management and effective sustainable and integrated water governance, with the involvement of all sectors, which foster cooperative approaches to the transboundary challenges of water;
- 18. CALLS for integrated cross-sector and cross-border water management that contributes to increased resilience, the promotion of sustainable water use, the protection and conservation of aquatic ecosystems and the improvement of flood risk and water scarcity and drought management strategies, incorporating future floods and drought risk and arranging timely and reliable exchange of data and early warnings;

- 19. NOTES that nature-based solutions, including the sustainable management, restoration and conservation of ecosystems and their services, which enhance or maintain biodiversity and contribute to the increase of areas with natural habitats, are particularly well suited for climate change adaptation measures together with other rural and urban approaches, including the promotion of water saving technologies and solutions in agriculture such as changing to less water-demanding crops, as well as greening of cities and the promotion of water reuse in industry, agriculture and in the context of urban planning, households and buildings; HIGHLIGHTS their important role in improving climate resilience to water impacts, essential for sustaining healthy water, oceans, soils, mires and bogs, and that they can significantly boost the supply of clean, fresh water and reduce the risk of flooding and droughts; Moreover, RECOGNIZES the importance of further integrating adaptation measures in sustainable forest management, as an example of nature-based solutions, highlighting the multifunctional role of forests, in particular in stabilising and cooling local climates, regulating hydrological cycles and contributing positively to the carbon cycle;
- 20. STRESSES the need for increased valorisation of ecosystem services as part of a nature-based approach to climate adaptation, in particular those associated with sustainable agriculture, forest resilience, biodiversity and the water cycle; REFERS in this context to the UN Decade on Ecosystem Restoration 2021 2030 and the UN Decade of Ocean Science for Sustainable Development; ACKNOWLEDGES that an ecosystem-based management of resources and the reduction of non-climatic stressors can improve terrestrial and marine ecosystem resilience and maintain ecosystem services; RECOGNIZES the detrimental effects of invasive alien species on natural habitats and ecosystem services and CONSIDERS the control of alien species, especially those which become invasive due to climate change, as a climate change adaptation measure;
- 21. NOTES the need to mainstream climate adaptation into spatial planning aspects and management in the EU and in Member States' frameworks by considering the potential impacts of climate change in the spatial distribution of climate risks, the risk and viability of projects, and the overall long-term rationality of spatial organisation models;

- 22. WELCOMES the set of actions identified in the Commission's Communication as they provide guidance for the collection of data, best practices and reports on the impacts of climate change and how to implement adaptation activities; INVITES the Commission to provide Member States with further background on as well as a timeline for the Strategy's various implementation measures and instruments, to update the Council on a regular basis on the implementation of the initiatives outlined in the Communication and to involve Member States during the implementation phase of the Strategy;
- 23. RECOGNIZES the need to increase the insurance penetration rate for climate related disasters so as to decrease the economic and societal losses in the event of extreme weather and natural disasters; RECOGNIZES the use of insurance as a risk transfer mechanism to absorb financial losses related to climate risks as one of the steps towards enhanced risk management and anticipation rather than post-disaster actions; INVITES the Commission, in consultation with Member States, taking into account and building on already existing frameworks, to develop a framework that enhances the use of insurance against climate-related risks to support Member States in promoting national insurance disaster schemes that encourage users to invest in adaptation;
- 24. RECOGNIZES that the EU's outermost regions already face stark adaptation challenges as a result of their specific vulnerabilities that makes them particularly susceptible to the effects of climate change; WELCOMES all efforts to mitigate such effects, such as the exchange of best practices and solutions to common adaptation challenges among the outermost regions and their neighbours, to be fostered and supported by the Commission and Member States, and the endorsement of global and regional adaptation-relevant initiatives;
- ACKNOWLEDGES that other EU regions and associated territories, such as the Mediterranean and the Arctic, including islands and island states, also face specific challenges related to climate change;

Stepping up international action

- 26. WELCOMES the introduction of the international dimension in the Strategy, taking into account that the adverse impacts of climate change are having far-reaching effects both within and outside the Union; RECALLS that the Paris Agreement established the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, and recognized the importance of support for and international cooperation on adaptation efforts; RECOGNIZES the importance of a balanced approach between action on mitigation and adaptation;
- 27. INVITES the Commission to prepare an EU adaptation communication in line with the Paris Agreement and taking into account to the extent possible the Katowice Climate Package, and to transmit it to the Council with a view to submitting it to the UNFCCC on behalf of the Union and its Member States in time for COP26; UNDERLINES that the Commission's Communication on the new EU Strategy on Adaptation to Climate Change should be the basis for the EU adaptation communication, along with information provided by Member States as detailed below; further INVITES Member States to submit, as appropriate, their national adaptation communications, in line with the Paris Agreement and taking into account to the extent possible the Katowice Climate Package; UNDERLINES that the information provided by Member States on adaptation as part of the reporting requirements under the Governance Regulation could provide a basis for such Member States submissions;

- 28. UNDERLINES that many of our international partners have long been on the frontlines of climate change and have valuable experience that can help Europe to become more climate resilient; STRESSES the EU's role in supporting adaptation globally, and EMPHASIZES the need to provide continued support to developing countries particularly vulnerable to the adverse impacts of climate change, with specific focus on adaptation in the Least Developed Countries, Small Island Developing States and Africa; NOTES the importance of the cooperation on adaptive capacity building with countries in the Southern Neighbourhood, Western Balkans and in the context of the Eastern Partnership;
- 29. RECOGNIZES that in an increasingly globalized world we are all closely interconnected and that the impacts of climate change have knock-on effects across borders and continents; STRESSES the need for deepened political engagement on climate change adaptation with international and regional partners, and neighbouring countries; UNDERLINES the importance of multi-stakeholder partnerships with public and private entities, including for sharing and applying of knowledge, expertise and innovations, such as through the InsuResilience Global Partnership; RECOGNIZES the importance of development and exchange of evidence-based information for assessing and managing climate risks, advancing insurance and other risk finance mechanisms and enhancing monitoring and evaluation; STRESSES the need to exchange knowledge and expertise on innovative solutions, as well as to enable the application of local knowledge and increase ownership of adaptation actions among local governments and actors; STRESSES that a humanitarian- development-peace nexus approach is essential for achieving climate resilience in fragile and conflict-affected countries; UNDERLINES the effects of climate change as a threat multiplier in the context of international stability and security, affecting in particular people in already fragile and vulnerable situations; ACKNOWLEDGES the need for appropriate climate risk and foresight assessments highlighting possible security implications of climate change;

- 30. UNDERLINES that the EU's external action on adaptation should be based on the economic, environmental and societal development model of the UN Sustainable Development Goals, the Paris Agreement and its long-term goals and implementation framework, the Sendai Framework for Disaster Risk Reduction as well as the European Green Deal, taking into account national planning processes, policies and strategies of developing countries that are the EU's international partners;
- 31. ACKNOWLEDGES that there is an urgent need for international finance for climate change adaptation in line with the Paris Agreement, both from public and private sources, and for- its more efficient use for climate change adaptation action; RECOGNIZES the need for increased quality, effectiveness and predictability in adaptation finance; STRESSES the need for grant-based resources for adaptation, particularly for the most vulnerable countries, as well as the need to mobilize private finance to support adaptation action in partner countries, including by mainstreaming adaptation issues across all financial flows; RECONFIRMS the commitment of the EU and the Member States to further scale up mobilization of international climate finance; STRESSES that external funding instruments should address both mitigation and adaptation action in a balanced manner; URGES all developed countries, and other parties in a position to do so, including International Financial Institutions and development banks, to increase finance for adaptation in line with the Paris Agreement, supported by transparency in the implementation and continuous assessment of the effectiveness of the funding provided.