

# NAT/609 EU strategy on adaptation to climate change

Brussels, 16 October 2013

## **OPINION**

of the
European Economic and Social Committee
on the

Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on an EU strategy on adaptation to climate change

COM(2013) 216 final

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On 16 April 2013, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on an EU strategy on adaptation to climate change COM(2013) 216 final.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 1 October 2013.

At its 493rd plenary session, held on 16 and 17 October 2013 (meeting of 16 October), the European Economic and Social Committee adopted the following opinion by 134 votes to 1 with 8 abstentions.

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### 1. Conclusions and recommendations

- 1.1 The EESC supports the strategy on adaptation to climate change proposed by the Commission, while at the same underlining that mitigation policies are a key priority given the negative impact that climate change has already had in Europe.
- 1.2 The implementation of the new adaptation plan must take account of the fact that higher temperatures in Europe and the possibility of an increased rate of extreme phenomena may cause damage to people, the economy and the environment that is greater than initially thought.
- 1.3 The adaptation strategy must include specific measures for urban areas home to three quarters of the European population and for rural areas which are especially sensitive to variations in climate.
- 1.4 Since action by the Member States is crucial, it should be pointed out that insufficient progress has been made in certain areas since the publication of the White Paper in 2009. The Commission must therefore consider the need to play a more active role, making use of its powers under the TFEU.
- 1.5 The EESC believes it is very important that the next Multiannual Financial Framework (MFF) allocates 20% of the total budget to climate-related measures. The sum of EUR 192 bn for this purpose represents a big increase.

- 1.6 Both the new adaptation strategy and the MFF represent significant progress in the integration of the EU's various policies and financial instruments.
- 1.7 The Commission proposal should offer a broader financial overview, including the key contributions to be made by the Member States, the business sector and families.
- 1.8 The Committee calls on those Member States which have yet to do so to act swiftly to draw up and rigorously apply national adaptation strategies.
- 1.9 In the remarks made in this opinion, the EESC broadly endorses the actions proposed by the Commission.
- 1.10 The EESC suggests specifically examining the structural changes required by the adaptation strategy in certain policies and in the production of goods and services, taking account of the impact on employment, industry, construction and RDI, among other things.

### 2. Gist of the Communication

- 2.1 The 2009 White Paper on Adapting to climate change<sup>1</sup> proposed a two-phase framework for action, the first phase of which (2009-2012) comprised an adaptation strategy based on 33 measures.
- 2.2 The communication under consideration relates to a second phase focussing on three objectives:
  - promoting action by Member States;
  - better informed decision-making; and
  - climate-proofing EU action, promoting adaptation in key vulnerable sectors.

In accordance with these objectives, eight actions are proposed.

- 2.3 The Commission takes the view that by prioritising coherent, flexible and participatory approaches, it would be cheaper to take early, planned adaptation action than to pay the price of not adapting. According to various estimates, on the basis of current trends, climate change will involve major financial costs for the EU, especially in the worst case scenarios, if adequate steps are not taken<sup>2</sup>.
- 2.4 Adaptation measures will have to be taken at local as well as regional and national levels.

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<sup>1</sup> COM(2009) 147 final.

<sup>2</sup> Commission Staff Working Document, SWD(2013) 132 final.

### 3. General comments

- 3.1 The EESC supports the Strategy on adaptation to climate change proposed by the Commission and agrees with its statement that uncertainty cannot be used as an excuse for inaction. At the same time, it underlines that mitigation policies are a key priority given that the data available sufficiently demonstrates the negative impact that climate change has already had in Europe and the expectation that it will get worse in the future.
- 3.2 In the mid-1990s, the EU began a campaign to limit global warming to 2°C above preindustrial levels, a limit that was finally established at the Cancún Conference (2010). Respecting that limit requires a considerable reduction in greenhouse gas emissions, but the trend is moving in the opposite direction. In implementing the new adaptation plan, account must be taken of the fact that the temperature in Europe is rising faster than the average for the rest of the planet, with the possibility of an increased rate of extreme phenomena causing harm to people, the economy and to the environment greater than initially estimated.
- 3.3 The EESC points out that in **urban areas** home to three quarters of the European population the replacement of natural vegetation with buildings and constructions of any type worsens the damage caused by certain natural phenomena. Heat and floods, amongst other things, will affect families particularly vulnerable people (children and the elderly) economic life, tourism and infrastructures, with negative effects on employment and people's quality of life. **Rural areas** on the other hand are especially sensitive to the variability of the climate given its impact on agriculture, livestock farming and logging, with the risk of depopulation and increased poverty.
- 3.4 An important factor associated with adaptation to climate change is that the variability of climate indicators changes according both to time and microregion. It is above all a question of temperatures, snow, rain, wind and humidity. Planning and construction standards will have to be adapted to future maximum and minimum values. Forests, for example, will have to be sufficiently resilient to deal with the strongest hurricane they are ever likely to encounter in their lifetime, which is usually one hundred years.
- 3.5 Adapting to climate change will inevitably involve costs, and these will take the form of implicit debt according to the definition of basic principles underpinning the method for calculating public debt. In the event that an additional deficit of this type occurs in the public finances, the implicit debt will become explicit. However, substantial damage can be avoided with, for example, anti-flood protection measures. The outcomes of investments in adaptation differ significantly depending on the source of financing, whether this be the EU, the national level, businesses or families. The Commission proposal only quantifies the EU's sources in some detail. However, it will be necessary to use all of these sources and to do so using structures and volumes which are effective.

- 3.6 To date, fifteen EU Member States have adopted national adaptation strategies, but only thirteen have specific action plans. Four years after the White Paper, and despite the urgency of the issue, the adaptation process, according to the Commission, "is in most cases still at an early stage, with relatively few concrete measures on the ground". In light of this, the Committee calls on those Member States which have yet to do so to act swiftly to draw up and rigorously apply national adaptation strategies.
- 3.7 Within the EU's adaptation strategy, the Commission has so far played a crucial role supporting, promoting and coordinating the decisions of the Member States, who are primarily responsible for adopting effective and coordinated measures to prevent the risks of climate change. The action by Member States is vital, but we should stress that insufficient progress has been made on adaptation in certain areas since the publication of the White Paper. The Commission must therefore consider the need to play a much more active role in relation to climate change, making use of its powers under the TFEU.
- 3.8 In the proposed Multiannual Financial Framework (MFF) 2014-2020<sup>3</sup>, the Commission suggested that a minimum of 20% of the total budget be dedicated to climate-related actions. The EESC considers it very significant that the Council and the European Parliament have accepted this principle. In the new MFF, climate-related actions as a whole (mitigation and adaptation) account for around EUR 192 billion. This is a considerable increase, bearing in mind that adaption measures only received EUR 6 billion under the MFF 2007-2013.
- 3.9 The EESC considers it crucial for climate actions to be incorporated in a cross-cutting way into the Union's different policies and financial instruments (Cohesion Fund, Structural Funds, R+D, CAP, trans-European networks etc.). Both the new strategy and the MFP 2014-2020 represent progress in this direction.
- 3.10 Given the EU's mitigation and adaptation policies and the worsening effects of climate change represent an increase in the workload of the European Environment Agency (EEA), the EESC suggests that consideration be given to increasing human and financial resources.
- 3.11 The Committee points out that an adaptation strategy must take account of the effects of climate change on human health a subject on which studies already exist (see *Impacts of climate change in human health in Europe. PESETA-Human health study.* 2009) and the need to have adequate emergency services in the event of extreme phenomena.

<sup>3</sup> COM(2011) 500 final.

## 4. Specific comments

## 4.1 Action 1: Encourage all Member States to adopt comprehensive adaptation strategies

- 4.1.1 The Commission refers to the creation of an adaptation preparedness scoreboard by 2014. In 2017, basing itself on the reports it receives as set out in the Monitoring Mechanism Regulation (currently under negotiation) and on the adaptation preparedness scoreboard, the Commission will assess whether action being taken is sufficient, and will propose, if necessary, a legally binding instrument.
- 4.1.2 The EESC is in favour of the possibility of applying Article 192 TFEU on the legislative procedure in relation to the environment. Any European legislation should provide for specific measures, time limits for application, control mechanisms and possible penalties for non-compliance. Given the urgency of the matter, the Committee suggests that the time periods for this decision be reconsidered.
- 4.2 Action 2: Provide LIFE funding to support capacity building and step up adaptation action in Europe (2013-2020)
- 4.2.1 The Committee has spoken in favour of the proposal for a LIFE Regulation and considers the increase in the budget to EUR 3.2 billion for 2014-2020<sup>4</sup> to be a good sign. The Climate Action sub-programme (EUR 904.5 million in the Commission's initial proposal) includes three priority areas, in principle as follows: climate change mitigation (45%), adaptation to climate change (45%) and governance and information (10%).
- 4.2.2 The Commission has identified five vulnerable areas among which the funds will have to be distributed fairly:
  - cross-border management of floods;
  - trans-boundary coastal management;
  - mainstreaming adaptation into urban land-use planning;
  - mountain and island areas:
  - sustainable management of water (desertification and forest fires in drought-prone areas).
- 4.3 Action 3: Introduce adaptation in the Covenant of Mayors framework (2013/2014)
- 4.3.1 The Covenant of Mayors established on the initiative of the Commission proposes achieving the target set by the EU of reducing emissions by 20% by 2020, which should, of course, be fully supported.

<sup>4</sup> OJ C 191, 29.6.2012, pp. 111-116.

4.3.2 The Commission only says briefly that it "will support" adaptation in cities, but provides no more detail. Given the voluntary nature of the covenant, it may be a good idea for the signatories, with the Commission's support, to daw up quantifiable objectives and mechanisms for following up measures relating to adaptation. The EESC believes that the Commission should deal with these issues so that we have a genuine EU policy on adaptation in urban areas, in which some Member States have experience (e.g. the Performance Indicator for Climate Change Adaptation - NI188 – in the United Kingdom).

# 4.4 Action 4: Bridge the knowledge gap

- 4.4.1 The Commission mentions four key knowledge gaps, stating that it "will further work" with Member States and stakeholders in addressing them:
  - information on damage and adaptation costs and benefits;
  - regional and local-level analyses and risk assessments;
  - frameworks, models and tools to support decision-making and to assess how effective the various adaptation measures are;
  - means of monitoring and evaluating past adaptation efforts.
- 4.4.2 Horizon 2020 (2014-2020 period) allocates EUR 1.962bn to the Joint Research Centre, with a further EUR 656m to be provided by Euratom. What is involved here is a considerable increase (around EUR 17bn) on the 7th Framework Programme.
- 4.4.3 The EESC wishes to point out that the lack of specific data on some aspects cannot be an excuse for postponing decisions, since there is multiple evidence of the negative effects of climate change.
- 4.5 Action 5: Further develop Climate-ADAPT as the 'one-stop shop' for adaptation information in Europe and inclusion (in 2014) of the future Copernicus climate services
- 4.5.1 The Committee supports the decision to centralise in Climate-ADAPT the collection and dissemination of information on climate change. The interaction between Climate-ADAPT and national platforms will require an additional effort on the part of the Member States given that, currently, only six of them have comprehensive portals on the subject. The information provided by the regional authorities and the private sector is insufficient at present.
- 4.5.2 The EESC believes that the climate services of Copernicus (collection of information through the European network of satellites and systems located on the ground) are of vital importance for the adoption of measures. Combined with the observations of other services, particularly those of NASA, Europe contributes to the global fight against climate change.

- 4.6 Action 6: Facilitate the climate-proofing of the Common Agricultural Policy (CAP), the Cohesion Policy and the Common Fisheries Policy (CFP)
- 4.6.1.1 **CAP**: Overall, agriculture is directly or indirectly responsible for 30% of greenhouse gas emissions. It therefore has significant potential to reduce emissions using more efficient cultivation methods. Unlike other sectors, direct emissions are inherent in the production method. Its specific characteristics should therefore be recognised.
- 4.6.1.2 In its opinion on "The link between climate change and agriculture at European level"<sup>5</sup>, the Committee emphasised the serious problems which drought will cause in the south of Europe and pointed out, amongst other things, that "agriculture is not only a victim of climate change, but also contributes to greenhouse gas emissions". It therefore "urges the Commission to conduct a more detailed analysis of differences between various types of agricultural land use in terms of climate impact, so that policy options can be developed, for example in relation to support for farmers".
- 4.6.1.3 The EESC takes note of the fact that, under the political agreement on the CAP of 26 June 2013, between 2014 and 2020 over EUR 100bn will be invested to help agriculture deal with the challenges associated with the quality of soil, water, biodiversity and climate change. To this end, 30% of direct payments will be linked to carrying out agricultural practices of benefit to the environment and at least 30% of the budget of rural development programmes will be earmarked for "green agriculture".
- 4.6.1.4 **Cohesion**: Failure to act, or delays in taking action, could upset cohesion in the EU. The effects of climate change can be expected to exacerbate social differences in the EU. Particular attention should therefore be paid to the social groups and regions which are most exposed to it and which are already disadvantaged for various reasons, such as poor health, low incomes, inadequate housing or lack of mobility.
- 4.6.1.5 For the 2014-2020 programming period, the Commission must send a clear message to the effect that all European policies should be linked to climate change mitigation and adaptation. Adaptation must be included explicitly in each National Strategic Reference Framework and in Operational Programmes. In this regard, the EESC suggests that the approval of projects be conditional upon compliance with environmental objectives. Projects with a negative impact in terms of climate change should be reduced to a minimum or entirely excluded. The Commission's legislative proposals on cohesion policy, which will enter into force in 2014, mention adaptation to climate change, but the EESC believes that requirements should be raised.

<sup>5</sup> OJ C 27, 3.2.2009, p. 59.

- 4.6.1.6 **CFP:** The Commission does not indicate specific measures in this connection. According to the FAO, the basic objective of adaptation policies must be to ensure the sustainability of the aquatic ecosystems on which fishing depends.
- 4.6.1.7 One of the areas which will be seriously affected by climate change will be forestry, which is a key natural depository of CO2. The very strong winds associated with hurricanes will destroy wooded areas, which will therefore have to be replaced prematurely. The number of destructive forest fires will increase during dry and hot periods. These factors will have a considerable impact on the sector's economy and the various roles played by the countryside.

# 4.7 Action 7: Ensuring more resilient infrastructure

- 4.7.1 This is probably the greatest challenge facing public authorities in a climate change adaptation strategy. The main threats to infrastructure include the damage and destruction caused by extreme meteorological events, which may be exacerbated by climate change; coastal floods of riverbanks and floods resulting from higher sea levels; difficulties in the provision of electricity, drinking water and the impact of temperature rises on companies' operational costs. Some infrastructure may be not affected directly, but is not operational if physical access to services is not possible (such as ITCs).
- 4.7.2 Public and private investors must take account of the anticipated effects of global warming in financial plans for infrastructure projects. Certain works will require investments from the Member States, which in many cases are subject to budgetary restrictions because of the economic crisis.
- 4.7.3 Building on the mandate to assess climate change implications for Eurocodes, the Commission proposes working with European standardisation organisations (CEN, CENELEC and ETSI), financial institutions and scientific organisations to establish the changes needed in buildings and public works standardisation programmes. In this regard, the EESC would point out that standardisation models must prioritise the robustness and reliability of infrastructure over the purely economic considerations of profitability for investors. Since there are cases in Europe of the narrowing of rivers and the removal of marshland exacerbating the effect of floods, appropriate urban planning models should be established. At the same time, measures such as green roofs or facades could for example be recommended in buildings where this is possible.
- 4.7.4 The adaptation strategy must take account of the ageing population, since older people, and especially the more elderly, are very vulnerable when there are extreme temperatures and humidity. For example, consideration must be given to installing low-emission air conditioning systems which are sufficiently powerful and reliable in healthcare centres and residential care homes.

4.7.5 The EESC has in earlier opinions (ces1607-2011 and ces492-2012) supported the introduction of a two layer approach of the Transeuropean Transport Networks (TEN-T) and the creation of designated European transport corridors, motivated by a wish to create a coherent transport network for the most important goods and passenger transport flows. The EESC consider this to be a useful goal and also based on a need to set priorities for the employment of scarce financing resources. However, concentration of infrastructure investments to such corridors also increase the vulnerability of the EU transport system if interruptions occur. The EESC stresses the need for taking account of this when planning and financing such corridor investments. Apart from good resilience in building structures, this also should mean preplanned diversions and bypasses as part of such European transport corridors.

## 4.8 Action 8: Promote insurance and other financial products

- 4.8.1 The report by the Joint Research Centre of the European Commission (2012), Natural catastrophes: Risk relevance and insurance coverage in the EU, demonstrates the need for better statistical information. However, the information available suggests that market penetration (private insurance cover and *ex ante* or *ex post* government intervention as a proportion of GDP) is generally low. In relation to floods, for example, penetration rates are not very high in the majority of Member States, except in cases where flood cover is included together with other covers. These rates are also low in relation to storm and drought risks, although the latter appears to have a moderate impact in the Member States.
- 4.8.2 The EESC welcomes the Commission's decision to present a Green Paper on insurance of natural and man-made disasters<sup>6</sup> in order to strengthen the insurance market and ease the excessive burden of risk on the public budget. It would like to make the following points on this matter:
  - the adoption of appropriate adaptation measures enables insurance costs to be reduced,
  - an adequate insurance policy which provides for the situation of producers is especially important for the agricultural sector,
  - given the scale of the risks, the State must always act as the ultimate insurer, and
  - social policies to cover the most vulnerable people and those without sufficient resources to acquire insurance policies are necessary.
- 5. The EESC suggests specifically examining the structural changes which will be required by adaptation in certain policies and in the production of goods and services. Although the effects of climate change mainly affect farming, forestry, construction of buildings and infrastructure, many other economic sectors may require adaptation measures. Some aspects which may be taken into consideration are:

COM(2013) 213 final.

- Employment. No detailed analytical studies have so far been carried out into the impact of adaptation measures on the professional training of workers and the effect on employment.
- Industry. Given the considerable diversity of industrial sectors, the impact of climate change is not uniform. Where necessary, adaptation will require investments and in some industries, such as the steel industry, there has already been a considerable effort to cut emissions, both in terms of technology and finances. The required investments will have to be taken into account in financial forecasts and in measures to inform investors adequately.
- Construction. Residential construction and infrastructure works will be profoundly affected by adaptation measures and this will likely involve increased costs. Eurocodes have yet to establish requirements in this connection and this is something that will undoubtedly be rectified<sup>7</sup>.
- RDI. Over recent decades, climate change has already had an impact on the allocation of
  resources (the EU's new financial plan is proof of this) and in the research programmes of
  universities and specialist centres. New careers and professional profiles have been
  created. It is a trend that is likely to increase in future.

Brussels, 16 October 2013.

The President
of the
European Economic and Social Committee

Henri Malosse		

7 <u>OJ C 198, 10.7.2013, p. 45-50</u>.