

NAT/815 New EU Strategy on Adaptation to Climate Change

OPINION

European Economic and Social Committee

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change

[COM(2021) 82 final]

Rapporteur: **Dimitris DIMITRIADIS**Co-rapporteur: **Kęstutis KUPŠYS**

Referral European Commission, 25/02/2021

Legal basis Article 304 of the Treaty on the Functioning of the European

Union

Section responsible Section for Agriculture, Rural Development and the Environment

Adopted in section 23/06/2021 Adopted at plenary 07/07/2021

Plenary session No 562

Outcome of vote

(for/against/abstentions) 229/3/12

1. Conclusions and recommendations

- 1.1 Adoption of the EU Strategy on Adaptation to Climate Change is strongly supported by the European Economic and Social Committee as a crucial step towards the European Green Deal (EGD) target of climate neutrality and resilience by 2050. However, the Committee would have liked to see the proposed areas of action not only outlined in general terms, but also to have been made clear with concrete examples. People need to be given a clearer picture of what the changes could look like.
- 1.2 The risk of economic damage and loss of life due to the increased frequency and intensity of climate-related extreme weather effects will continue. Equally important is the risk that both climate change impacts and the climate adaptation effort may exacerbate existing inequalities. Adaptation, with equity at its core, is thus essential to protect European citizens' lives, employment and livelihoods, especially those of the more vulnerable, who are traditionally hit more harshly by climate change.

In the framework of a just transition, civil society organisations play a key role. In particular, the involvement of social partners must be ensured in order to successfully implement adaptations in the world of work and to maintain decent working conditions through social dialogue and collective bargaining.

- 1.3 Implementation of the Strategy, as well as the European Green Deal, should be based on a systemic approach, aspiring to simultaneously address multiple objectives and promote policy instruments and technological solutions that can be used across the various sectors of the economy.
- 1.4 In particular, the Committee calls for "equal emphasis" on financing mitigation and adaptation. It is crucial for all climate policies at all levels to combine mitigation and adaptation strategies.
- 1.5 The EESC sees the need for specific adaptation guidelines, targets and monitoring tools, benchmarks and indicators to help provide transparency around resource allocation, anticipate and manage climate change impacts, and assess the progress of climate adaptation, while building local, national and regional capacity for using all of these tools.
- 1.6 The EESC sees nature-based solutions, the bioeconomy and the transition to a circular economy as essential climate adaptation approaches and, at the same time, as an opportunity for the EU to recover in an environmentally and socially sustainable way.
- 1.7 The Committee calls on the Commission to seek better alignment of climate adaptation policies with climate justice in future adaptation policy work. The Committee acknowledges that climate change can have differing social, economic, public health and other adverse impacts on communities and advocates addressing existing inequities head on through long-term mitigation and adaptation strategies, so that no one is left behind.
- 1.8 To support businesses in their own adaptation and in their efforts to provide society with adaptation solutions, the EU needs to further enable and encourage conditions for innovation,

- investment and trade that enhance sustainable development. Climate adaptation and its costs should also be an integral part of the EU's industrial strategy.
- 1.9 The EESC believes that agriculture, forestry and fisheries are among the most directly affected businesses. At the same time, however, they can contribute to adaptation solutions, carbon sequestration and food security. Intensive research and innovation, as well as rewards for the proven creation of carbon sinks, are needed to support these sectors.
- 1.10 The annual average economic losses from climate-related disasters are in the hundreds of billions of dollars. The UN report on the Human Cost of Disasters also paints a stark picture: "Over the last twenty years, 7 348 disaster events were recorded [...] disasters claimed approximately 1.23 million lives [...] and affected a total of over 4 billion people (many on more than one occasion). Additionally, disasters led to approximately US\$ 2.97 trillion in economic losses worldwide." There are several sources of EU funding available for financing adaptation: the budget of the European Green Deal, the MFF and NextGenerationEU. The EESC calls for more clarity on the different options, as well as user-friendly procedures to ensure timely access to financing at a practical level. In addition, the abolition of fossil fuel subsidies and a green fiscal reform would free up considerable resources from public budgets, address systemic inconsistencies, and generate new revenues to finance climate adaptation. The EESC is critical of the fact that a specific roadmap for abolishing the environmentally harmful subsidies has yet to be put forward.
- 1.11 The EESC also calls for measures that will make channelling investment to the fossil fuel industry the least favourable strategy for financial institutions, and create an incentive for allocating private financial flows to activities supporting climate mitigation and adaptation. This is important for investments both inside and outside the EU; in order for the Union to emerge as a global standard-setter in the field of sustainable finance, the Commission should keep the bar high and follow science-based and technology-neutrality principles, including in the EU Taxonomy.
- 1.12 The Strategy acknowledges the need for additional international finance for climate change adaptation, including from public sources; however, the EESC urges the Commission to clarify how exactly it will unlock barriers to accessing finance for the most vulnerable countries, communities and sectors globally and how it will include proposals for the integration of gender and tackling inequalities at regional and local level.
- 1.13 Special consideration needs to be paid by the EU to international cooperation in its various forms, including investment, trade and innovation partnerships, with the aim of enhancing adaptation measures globally and especially in developing countries.
- 1.14 Overall, the Committee sees the Strategy as a basis for a legally binding initiative, obliging Member States to develop national climate change adaptation plans and strategies. The European Climate Law will be instrumental in achieving binding climate-related policies.

1.15 Local and regional governments, as the implementing authorities for most adaptation initiatives, should be supported with sufficient resources to develop capacity in this area, including in the design of adaptation policy.

2. **Background**

- 2.1 The European Commission adopted its new EU strategy on adaptation to climate change on 24 February 2021¹. The new strategy sets out how the European Union can adapt to the impacts of climate change and become climate-resilient by 2050.
- 2.2 The adoption of the EU Strategy on Adaptation to Climate Change with its four objectives to make Europe's adaptation smarter, swifter and more systemic, and to step up international action on adaptation to climate change is welcomed by the European Economic and Social Committee as a crucial step in the important policy-making process.
- 2.3 In the Strategy, making adaptation smarter means "improving knowledge and availability of data, while managing the inherent uncertainty brought upon us by climate change; securing more and better data on climate-related risk and losses, and making Climate-ADAPT the authoritative European platform for adaptation knowledge". Making adaptation more systemic is about "supporting policy development at all levels of governance, society and the economy and in all sectors by improving adaptation strategies and plans; integrating climate resilience in macro-fiscal policy and promoting nature-based solutions for adaptation". Speeding up adaptation across the board involves "accelerating the development and rollout of adaptation solutions; reducing climate-related risk; closing the climate protection gap, and ensuring the availability and sustainability of fresh water".
- 2.4 The annual average economic losses from climate-related disasters are in the hundreds of billions of dollars. Reports show² that should current trajectories of emissions persist, parts of southern Europe are expected to experience extreme heat events once every two years and yields of rain-fed maize are expected to decrease by 50%. These differentiated impacts could contribute to creating further divergence rather than convergence in the EU. The COVID-19 pandemic has proven that it is paramount to understand and integrate the connection between environmental and public health agendas in policy-making, bearing in mind that combating biodiversity threats can help reduce the risk of future zoonotic diseases and pandemics, and recognising that pandemic recovery measures and climate adaptation measures have the same objective of resilience for the future³.
- 2.5 The EESC's opinion on the strategy aims to provide a civil society perspective on the strategy's objective and its underpinning actions.

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:82:FIN

² https://www.eea.europa.eu//publications/climate-change-impacts-and-vulnerability-2016

^{3 &}lt;u>https://covid19commission.org/enhancing-global-cooperation</u>

3. General comments

- 3.1 The EESC emphasises that joint implementation of the SDGs, the EGD, the Climate Law, the Climate Pact, and the development and implementation of the Recovery and Resilience Plans, need to be facilitated by both climate mitigation and climate adaptation strategies. The EESC strongly supports the European Commission's new EU strategy on adaptation to climate change, adopted on 24 February 2021.
- 3.2 The EESC emphasises that despite intensive measures for combating climate change, there is an urgent and long-lasting need for adaptation. The risk of economic damage and loss of human life due to the increased frequency and intensity of climate-related extreme weather effects will continue. Equally important is the risk that both climate impacts and the climate adaptation effort may exacerbate existing inequalities. Adaptation will be vital for protecting European citizens' human rights in respect of security, decent work and resilient livelihoods.
- 3.3 The EESC shares the Commission's concern about health risks arising from climate change and the consequent need to better understand them, through the European Climate Adaptation Platform Climate-ADAPT. However, as both the World Health Organization⁴ and the European Environment Agency⁵ have highlighted, there is evidence of the unequal impact of environmental pollution and degradation on socially deprived communities and vulnerable groups. The concept of environmental inequality should therefore be incorporated into the Union's policies in view of the social dimension of climate change.
- 3.4 The Committee notes that if the right measures are taken, adaptation will generate a win-win impact in terms of avoiding losses due to climate change, generating economic benefit, increasing social justice, and improving environmental safety.
- 3.5 Implementation of the new EU Strategy on Adaptation to Climate Change, as well as the EGD, should be part of a systemic approach, aspiring to address multiple objectives and promote policy instruments and technological solutions that can be used across the various sectors of the economy. A comprehensive systemic analysis method, and the relevant tools for its implementation, are thus needed to ensure that multiple objectives are simultaneously addressed.
- 3.6 The EESC sees the need for specific adaptation guidelines, targets and monitoring tools, benchmarks and indicators to help anticipate and manage climate-change impacts and assess climate adaptation progress.
- 3.7 The Committee notes that nature-based solutions, the bioeconomy and the transition to a circular economy are essential climate adaptation approaches and refers to its previous opinions

-

WHO Europe, 2019, Environmental health inequalities resource package, Regional Office for Europe, Copenhagen.

⁵ EEA Report No 21/2019.

on the bioeconomy⁶ and the circular economy⁷. Moreover, sustainable forest, soil and water management practices serve both adaptation and mitigation, as well as providing the basis for climate-resilient, climate-neutral and sustainable food and biomass production.

- 3.8 The EESC calls for "equal emphasis" on financing mitigation and adaptation. It is crucial for all climate policies at all levels to combine mitigation and adaptation strategies, and the EESC calls for further steps to ensure this principle is upheld, given that mitigation safeguards against deepening the climate crisis for future generations, while adaptation safeguards current and future generations from the extreme weather events caused by already existing climate change. The EU climate-tracking methodology of the EU budget should be modified to explicitly differentiate between adaptation and mitigation expenditure.
- 3.9 For example, EU Member States should inform the authorities charged with reviewing the National Energy and Climate Plans that adaptation and mitigation strategies should be given the same emphasis, due to the increased climate ambition of the EU and the impact of COVID-19. Cities and municipalities should also be engaged and supported, possibly through the Covenant of Mayors, to integrate adaptation into their mitigation plans and create synergies.
- 3.10 The EESC is convinced of the need for a stakeholder-inclusive approach to the co-design and co-development of the relevant adaptation pathways. These plans should be co-created in an integrated way with the relevant mitigation pathways, as mitigation and adaptation are interrelated and affect each other. Capacity-building and public outreach to support adaptation activities should be envisaged for all relevant stakeholders, including young people. For the young, and especially children, better alignment between the education system and the employment needs of the ongoing "fourth industrial revolution" will be crucial.
- 3.11 Taking economic and environmental aspects into account, mitigating the possible negative social impacts of adaptation policies is essential to ensure broad support for implementation of the strategy. The EESC calls for specific additional actions for vulnerable groups of stakeholders, with a particular focus on gender, age and minority groups.
- 3.12 The EESC notes that adaptation innovation and implementation require patient, long-term and strategic finance, and that there is a significant entrepreneurial role for the state in facilitating this patience. The costs associated with EU decarbonisation policies will need to be minimised and shared across different sectors to ensure that low-income population groups and vulnerable communities do not carry an unfair share of the financial burden. A UN Sustainable Development Solutions Network (SDSN) Europe report⁸ shows that appropriate countermeasures should be put in place to avoid any increase in inequality and to ensure broader support for the sustainability transition.

_

OJ C 440, 6.12.2018, p. 45; OJ C 240, 16.7.2019, p. 37; OJ C 47, 11.2.2020, p. 58; CCMI/160 Sustainable inclusive bio-economy new opportunities for European economy (own-initiative opinion)

OJ C 264, 20.7.2016, p. 98; OJ C 230, 14.7.2015, p. 99; NAT/764 Developing synergies across different circular economy roadmaps (own-initiative opinion); OJ C 367, 10.10.2018, p. 97; OJ C 345, 13.10.2017, p. 102

⁸ https://www.unsdsn.org/the-future-europe-wants-a-green-and-digital-job-based-and-inclusive-recovery-from-covid-19-pandemic

- 3.13 There are several EU funds available for financing adaptation. The EESC calls for more clarity on the different options, as well as user-friendly procedures to ensure timely access to financing for actors at a practical level.
- 3.14 Development and use of financial tools for adaptation policies (subsidies, credit swaps, adaptation bonds, reducing emissions from deforestation and degradation/REDD, etc.) should be further strengthened. In order to increase the global ambition of the Strategy, it is essential to discuss and encourage the use of new potential instruments such as debt-for-climate swaps to ensure financial flows for countries in need of immediate action.
- 3.15 The EESC also stresses the importance of integrating the risks and deep uncertainties (when the probabilities of events are not known) relating to climatic natural disasters into the models and tools used to design macro-fiscal policies.
- 3.16 The Strategy should be followed by a blueprint spelling out the roadmap for its implementation at European, national, regional and local levels, including how to support different sectors of the economy and society in understanding and tackling climate risks, paying particular attention to the most vulnerable sectors and communities.
- 3.17 Coordination of adaptation measures with the COVID-19 recovery programmes is essential at the pandemic and "post-pandemic" stages.

4. Specific comments

EU-level measures

- 4.1 The EESC calls on the Commission to seek better alignment of climate adaptation policies with climate justice. In tackling climate change challenges, no one should be left behind and the needs of the most vulnerable, who are often the least prepared and in many instances the least responsible for the current state of the climate, must be addressed first.
- 4.2 Within Europe, climate change impacts will hit geographical regions differently. Political responses and climate adaptation efforts therefore need to consider these differences and the specific features of various regions.
- 4.3 It is crucial to establish local vulnerability indexes (VIs) to guide adaptation strategies, which should be developed in three dimensions: geographical or regional vulnerability, sectoral or economic vulnerability, and social vulnerability.
- 4.4 The existing structure for adaptation projects frequently focuses on the impacts of climate change rather than on the root causes of vulnerability. The EESC therefore calls for deep integration and mainstreaming of climate change adaptation planning in all relevant EU policies, strategies and measures.

- 4.5 First and foremost, it is important to invest in strengthening human capital, i.e. facilitating the creation of technological and social innovations and providing knowledge and tools for European citizens to prepare adequately for the climate challenges ahead. Special attention should be paid to the education and skills of underrepresented and marginalised people.
- 4.6 It is also important to provide enterprises with tools and support for assessing and managing the impacts of climate change. Climate impacts are targeted at all industries, either directly or indirectly. Climate adaptation and its costs should thus be an integral part of the EU's industrial policy and should also be considered in state aid.
- 4.7 Agriculture, forestry and fisheries are among the most directly affected businesses. At the same time, however, they can contribute to adaptation solutions, carbon sequestration and food security. Intensive research and innovation, as well as rewards for the proven creation of carbon sinks, are needed to support these sectors. Furthermore, the EESC recognises the urgent need to address climate-driven changes in the oceans through flexible, adaptive and quick fisheries management decisions with a view to ensuring the long-term sustainability of low-carbon animal protein production in Europe.
- 4.8 Digitalisation provides many opportunities for climate adaptation, e.g. in monitoring, modelling, production and communication, and should be fully utilised. Appropriate measures are also needed to ensure the climate resilience of EU-wide critical infrastructure such as energy, transport and digital networks and systems.
- 4.9 Nature-based solutions will help the EU adapt to the new climate reality and minimise the potentially devastating impacts of climate change. They provide a way for the EU to recover in an environmentally and socially sustainable way. The EESC asks for vigilance to ensure that local communities are truly engaged in their deployment and design.
- 4.10 Divesting from fossil fuels and investing in climate adaptation measures should go hand in hand. The Committee therefore considers the EU Taxonomy for sustainable finance as an important tool enabling the EU to become more ambitious with respect to climate change adaptation. Furthermore, adapting environmental taxation and shifting taxes from labour to the use of natural resources could both address systemic inconsistencies and generate new revenues to finance adaptation, as well as speed up divestment from environmentally harmful activities.
- 4.11 The EESC takes note of the first set of technical criteria for determining activities that make a substantial contribution to climate change mitigation and adaptation⁹. It calls for science-based and technology-neutral taxonomy criteria that will make channelling investments to the fossil fuel industry the least favourable strategy for financial institutions and create an incentive for allocating private financial flows to activities that support climate mitigation and adaptation measures.

https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM:2021:188:FIN

4.12 Overall, the Committee sees the Strategy as a basis for a legally binding initiative obliging Member States to develop national climate change adaptation plans and strategies.

Measures at national and subnational level

- 4.13 First and foremost, national-level inertia has to be overcome with the help of strong political leadership and responsibility, and active civil society involvement. For this to happen, Member States should be incentivised to give high priority to the EGD in general, and climate change adaptation issues in particular, when setting their long-term policy objectives to 2050 and beyond. Moreover, explicit adaptation spending targets and transparency are needed to avoid adaptation being marginalised. Member States' budget climate-tracking methodologies should be modified to explicitly differentiate between adaptation and mitigation expenditure.
- 4.14 The Committee believes that it is crucial for every member of society to see and feel how adaptation measures help them to improve their particular living conditions and face future risks. National adaptation strategies must therefore include maintaining strong social security support to manage the impending transition.
- 4.15 A strong focus on implementing modern innovation and enterprise policies oriented towards greener and more resilient production systems, and active labour market policies focused on job creation, new skills, retraining and training for workers, are needed to enhance proper adaptation at national level. The approach should actively engage workers in co-designing capacity-building programmes.
- 4.16 New investment in public services and infrastructure are necessary to ensure climate-resilient water, energy, transport and digital systems. Proper land-use planning is also crucial as it lays the foundation for decreasing the vulnerability of buildings to weather extremes.
- 4.17 Equity related considerations should be made to environmental taxation and other economic mechanisms for managing the environment, which would support incentives for climate mitigation, provide revenues to support adaptation efforts and mitigate the regressive effects of these policies on disproportionately affected groups of stakeholders. The same goes for fossil fuel subsidies, whose abolition promised on numerous occasions will free up considerable resources from public budgets, which could in turn be put to use in climate adaptation. The EESC is critical of the fact that a timetable for abolishing harmful subsidies has yet to be put forward, even though it has been under discussion for more than 30 years.

International cooperation and a stronger EU global role

- 4.18 The EESC endorses the need for "stepping up international action for climate resilience", as the Commission puts it, as we agree with the Commission's statement that "our climate change adaptation ambition must match our global leadership in climate change mitigation".
- 4.19 The EESC stresses that, outside the EU, the least developed countries and small island developing states are hit hardest by climate change impacts, as well as being more vulnerable to economic shocks, inequalities and the COVID-19 health crisis.

- 4.20 In line with the Africa-EU Partnership strategy, the EESC advocates working with the most endangered countries in Africa. Programmes, such as the Covenant of Mayors for Sub-Saharan Africa, that enable local and national actors to collaborate on mitigation and adaptation plans should be further supported. As the Commission notes, the World Bank has pointed out that in Sub-Saharan Africa alone climate change may trigger the migration of up to 70 million people by 2050, with significant social, economic and environmental implications. The Eastern Partnership format would provide another platform for joint action.
- 4.21 The Strategy acknowledges the need for additional international finance for climate change adaptation, including from public sources, and will aim to increase financing for adaptation through the EU instruments for external action. However, the EESC urges the Commission to clarify how exactly it will unlock barriers to accessing finance for the most vulnerable countries, communities and sectors globally, and how it will include proposals for the integration of gender and tackling inequalities. Grants-based finance for adaptation should be essential here.
- 4.22 It is important to make the necessary resources available for research and for putting research results into practice. In this respect, special attention should be paid to the countries of the "Global South", which are carrying out many promising projects to combat the effects of climate change. It is important to ensure the necessary financial and logistical support for these projects.
- 4.23 To make private finance work for climate, particular emphasis should be placed on disincentivising private financial institutions from funding harmful activities outside EU borders, and reorienting those financial resources to adaptation activities. The EU must participate actively in international cooperation to develop a common taxonomy and step up its role as an emerging standard-setter for the sustainable finance ambition.
- 4.24 The EESC believes that to support resilience-building in response to global crises, the EU should advance strong positions on adaptation finance during negotiations. The EU should support achieving a 50% balance in mitigation and adaptation finance. This has to be done while also keeping a focus on this year's COP26.
- 4.25 The Adaptation Action Plan in the new EIB Group Climate Bank Roadmap must give special consideration to encouraging investment in adaptation in developing countries, without exacerbating debt vulnerabilities.
- 4.26 Climate adaptation is also a matter of trade and foreign direct investment. Climate change affects e.g. global supply chains, access to foreign raw materials, and logistics. Despite the risks, climate change provides opportunities for EU enterprises to provide adaptation solutions for global markets. Managing risks and seizing opportunities need to be considered and facilitated by EU trade policy. Trade should also be part of partnerships with developing countries to enhance their adaptation possibilities.
- 4.27 The Committee notes that the current global political momentum is unprecedented. Europe's leadership role is undisputed: the European Green Deal was the first political commitment

announced with the right level of ambition and direction. President Joe Biden's climate change summit¹⁰ in April 2021 was a remarkable success, and represents a tipping point. The world's largest economies – the United States, China, the European Union, Japan, the United Kingdom, India, Canada, Korea, Brazil – are finally aligning around the goal of deep decarbonisation. The EESC acknowledges that the EU has to build on this momentum and enhance global efforts to further the Paris-aligned climate change mitigation and adaptation ambition.

Role of civil society actors

- 4.28 Successful implementation of adaptation is impossible without the active support of civil society actors.
- 4.29 The adaptation pathways should therefore be co-developed with all relevant stakeholders: decision-makers, employers and workers, NGOs, the financial sector, scientists and technology developers. Civil society, at national, regional and, most importantly given the local nature of adaptation policies local level, should be engaged at all stages of planning and implementation.
- 4.30 The Strategy should also promote and monitor the involvement of the social partners in different sectors at European level and in all the Member States, and ensure a strong bipartite and tripartite social dialogue, as well as encouraging collective bargaining where appropriate.
- 4.31 Stakeholder engagement tools should be developed, established and used, including those facilitated by citizen science.
- 4.32 The EESC notes that there is a need to earmark significant financial resources designed to make these tools operational, which calls for scientific design of the tools and investment in capacity-building.
- 4.33 Civil society organisations also play an important role in awareness-raising, including on topics related to consumption habits, energy and transport use, and nature conservation. They play an important role in mobilising society, conveying climate protection messages to people and providing public information to support decisions about what can be done to combat and adapt to climate change.
- 4.34 Most importantly, it is civil society actors who implement adaptation measures in practice. For example, many adaptation measures are already being implemented by businesses, which need to anticipate changes, for example in product demand, investment and production conditions, and insurance eligibility. Enterprises also develop and provide society with adaptation solutions. This must be supported by enabling and encouraging the conditions for innovation, investment and trade.

_

President of the United States of America Joe Biden and climate envoy John Kerry assembled world leaders representing 82% of world carbon emissions, 73% of the world population and 86% of world economic output to commit to bold climate action. Source: https://ourworldindata.org/co2-emissions

- 4.35 Employers and workers are best placed to identify the challenges and risks that climate change consequences pose to their workplaces, such as exposure to high temperatures, natural ultraviolet radiation, and other health and safety hazards posed by climate change. They should be involved in the design and implementation of adaptation policies at all levels, with special emphasis on working conditions.
- 4.36 The consumption of materials, products and services has a direct impact on the extent of natural resource extraction and emission levels, with important implications for other planetary boundaries. Consumer behaviour can influence emissions and resource use both directly and indirectly, and thereby also the extent of climate change.
- 4.37 However, the EESC notes that active consumer involvement is not a magic wand, any more than the involvement of any single partner. Climate change mitigation and adaptation require awareness and commitment by everybody in society, facilitated by governments and other policy-makers. Bold policy action and a speedy green transition above all will be the ultimate drivers of sustainable development and will determine in particular the success of climate change mitigation and adaptation action.

Brussels, 7 July 2021

Christa Schweng

The president of the European Economic and Social Committee