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COVER NOTE

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To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Subject:	COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT *Accompanying the document* COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Forging a climate-resilient Europe - The new EU Strategy on Adaptation to Climate Change

Delegations will find attached document SWD(2021) 26 final.

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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE 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} - {SEC(2021) 89 final} - {SWD(2021) 25 final}

The impacts of climate change are being felt here and now. Climate change is already having pervasive impacts on people, the planet and prosperity. Temperatures have repeatedly broken long-term records in recent years. The last five years were the hottest on record, with heatwaves, droughts and wildfires across Europe. A string of record-breaking heatwaves made July 2019 the hottest month ever recorded and July 2020 a very close second.

Recent projections estimate global warming of up to 4°C under current climate policies, and around 3°C if all countries meet the Nationally Determined Contribution (NDC) targets submitted by end 2020 under the Paris Agreement. Globally, greenhouse gas emissions are not on track to achieve the temperature goals set in the Agreement. Even stopping all greenhouse gas emissions would not prevent the climate impacts that are already occurring, which are likely to continue for decades. This accelerating pace of climate change impacts is one of the drivers of the need for the EU's new adaptation strategy.

The European Commission announced the new adaptation strategy as a key priority under the European Green Deal, recognising adaptation as a crucial component of the long-term global response to climate change. It is a clear call for action, as Europe is underprepared for the increasing intensity and frequency of the impacts of climate change. It also anchors adaptation firmly in the proposal for a European Climate Law to create a framework for achieving climate neutrality in the EU by 2050, and in the governance of the Energy Union and climate action. Although the recent evaluation of the 2013 EU adaptation strategy demonstrated that steady progress has been made on all fronts, it identified new and evolving problem drivers posing a significant threat to our way of life, with severe impacts on people's health and wellbeing as well as on livelihoods and assets. International developments confirm the urgent need to step up action on adaptation, as reflected in the Paris Agreement, the 2030 Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction.

The aim of this new strategy is to create a framework to step up action by addressing the four key problems identified:

1) there are gaps in data and methodologies to underpins decision making, due to insufficient knowledge and awareness on climate change adaptation, risk, vulnerability and resilience;

2) weaknesses in planning, monitoring, reporting and evaluating climate change adaptation, including the low priority and commitment given to adaptation in some regions, which have led to the generally slow pace of adoption and implementation of local adaptation strategies;

3) the slow pace action due to inadequate public and private-sector investment, and a lack of awareness or implementation of cost-effective solutions, which all hinder action; and lastly,

4) climate impacts generated outside the EU, which the 2013 adaptation strategy did not take into account or address, with international policy developments and increasing spillovers.

With the goal of stepping up action to increase climate resilience and adapt to the unavoidable impacts of climate change, the new strategy will pursue these objectives: 1) improve knowledge of climate impacts and solutions; 2) step up planning and climate risk assessment; 3) accelerate adaptation action and 4) build climate resilience globally. Only by achieving progress on all these four objectives, can the EU move closer to its overarching goal of a climate-resilient society.

Two policy options (made up of a representative selection of the most impactful measures designed for the new strategy) were assessed against their potential impact and achievement of these objectives, **compared to a baseline to continue action under the 2013 strategy**:

- **Option 1 (more ambition)** proposes making ambitious changes to both the form and nature of the eight actions in the 2013 strategy. It also proposes a wide range of new

measures to deepen their impact. This represents a clear step up in ambition, with commensurate increases in visibility and effectiveness for EU-level action while remaining well within the policy scope of the 2013 strategy.

- **Option 2 (more ambition and change)** includes the changes proposed under Option 1 and adds 6 new actions to the strategy, each of which include a number of new measures. This represents a higher level of political ambition in EU adaptation policy, including in its international commitments. It expands into thematic areas of prime importance (e.g. innovation, ecosystem services, closing the climate protection gap) and by seeking to add greater policy coherence to EU actions on adaptation, including internationally, it constitutes a clear step up from the baseline.

Option 2 performs best on almost all measures and is therefore the preferred option. The assessment was made in the context of different climate (temperature) scenarios, and shows robustness to this sensitivity check. Economic modelling and qualitative analyses estimate that it would yield the greatest benefits for economic welfare, reducing losses to economic welfare and employment compared to the baseline. It would also generate a more positive impact overall than Option 1 on the economic impacts of competitiveness, trade and investment, and innovation and research. Option 2 identifies positive social impacts in terms of income distribution, welfare and social inclusion, as well as major positive impacts for public health and safety. The assessment of Option 2 was also positive on environmental impacts, in terms of its impact on climate resilience, the quality and availability of natural resources, reducing pollution, and on biodiversity and ecosystem services. Lastly, it was assessed to generate considerably more positive impacts in non-EU countries and international relations. The benefits of both options increase at higher temperature (where climate damages are higher), but Option 2 remains best.

The strategy proposes monitoring and evaluation indicators (for the strategy and for adaptation in general), acknowledging the complexity and uncertainty inherent in tracking adaptation and climate resilience**.** The recommendations on monitoring and evaluation also highlight some of the next steps needed to further advance and refine this approach as part of the process to implement the strategy.