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REGULATORY SCRUTINY BOARD OPINION

**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**

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{SWD(2021) 25}
{SWD(2021) 26}



Brussels,
RSB

Opinion

Title: Impact assessment / EU strategy on adaptation to climate change

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

Climate change has impacts on the planet, people and prosperity. This makes adaptation to this change important. Continued mitigation of greenhouse gas emissions also plays a role. The new EU Adaptation Strategy was announced as part of the European Green Deal. This initiative is an update of the 2013 Climate Adaptation Strategy, which was positively evaluated in 2018. This impact assessment examines options to reach the objective of making the Union a climate-resilient society by 2050. It aims to adapt to the unavoidable impacts of climate change. This will contribute to the global goal on adaptation of the Paris Agreement. The revised Strategy should improve knowledge on climate impacts, accelerate adaptation action, and strengthen global climate resilience.

(B) Summary of findings

The Board notes the additional information provided in advance of the meeting and commitments to make changes to the report. In forming its opinion, the Board took into account that the impact assessment accompanies a high-level strategy, which raises particular challenges in terms of proportionate level of analysis.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

- (1) The report is not clear enough about what will be decided in this Strategy and which actions will require separate (legislative) follow-up. It does not sufficiently specify what actions should be taken at the EU-level, as opposed to national or local levels. It is not clear to what extent the listed actions refer to new elements, or whether they are part of other existing initiatives or programmes.**
- (2) There is a discrepancy between the positive outcome of the 2018 evaluation and the problem description that identifies a lack of preparation for climate change impacts.**
- (3) It is not clear what an appropriate degree of preparedness would be, taking into account the high degree of uncertainty on local climate change impacts.**

This opinion concerns a draft impact assessment which may differ from the final version.

(C) What to improve

(1) The impact assessment should state clearly which decisions will be taken as part of the Strategy and which actions will require separate follow-up proposals or analyses. The report should further differentiate between actions that should be taken at EU level and actions that will fall under the responsibility of (sub)national levels. It should also clarify why the list of measures is not exhaustive and how it intends to add additional measures.

(2) The report should explain why, despite the positive 2018 evaluation of the current Strategy, the EU is still underprepared for current and projected climate change impacts. The report should explain why it does not consider a legal instrument as one of the options.

(3) The report should elaborate on the role of uncertainty in the Strategy. It should present the rationale for stepping up the adaptation efforts in face of many uncertainties with respect to location, size and timing of the climate impacts. It should better integrate how uncertainty influences the desired level of climate adaptation. It should also consider harnessing the pooling of risks to mitigate local uncertainty and incentivising adaptation to balance expected damages.

(4) The report should define the baseline in more detail. It should be explicit about which existing (or proposed) initiatives are incorporated (e.g. Horizon Europe, other financial programmes, taxonomy, climate pact, relevant legislative acts...). On this basis, the options should further specify what the new elements of the proposed actions are and, where relevant, how they relate to and add value to linked initiatives.

(5) The report should clarify the expected degree of implementation, given the voluntary nature of many of the actions. The estimation of costs and benefits should be aligned to the expected compliance of concerned parties, and compared against the baseline. The impact analysis should relate the reported macroeconomic costs and benefits to the risks of higher local damages that adaptation aims to avoid.

(6) The report should discuss how future monitoring and evaluations will be carried out. It should set out how the ‘success’ of the adaptation strategy will be measured.

The Board notes the estimated costs and benefits of the preferred option(s) in this initiative, as summarised in the attached quantification tables.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The DG may proceed with the initiative.

The DG must revise the report in accordance with the Board’s findings before launching the interservice consultation.

Full title	EU strategy on adaptation to climate change
Reference number	PLAN/2020/7621
Submitted to RSB on	November 4, 2020
Date of RSB meeting	December 2, 2020

ANNEX: Quantification tables extracted from the draft impact assessment report

Table 15 Overview of Benefits (total for all provisions) – Preferred Option

<i>I. Overview of Benefits (total for all provisions) – Preferred Option</i>		
<i>Description</i>	<i>Amount</i>	<i>Comments</i>
<i>Direct benefits</i>		
A1 – Effective utilization of knowledge through systematic data collection and sharing, between key public and private partners.	Common benefits for public and private entities: Data harmonization; effective alignment between public and private responsibilities and effort sharing; improved adaptation planning; better informed decision making; better understanding between public and private losses. Reduced costs to be expected as robust data can drive CBA	Assumption: Climate data and knowledge is perceived as common good with great societal relevance. Data is of sufficient granularity
A2 – Proven performance from Climate-ADAPT as the ‘first-stop shop’ for adaptation information in Europe.	A single platform would reduce time to action, reducing costs. A first stop platform can guide to others without trying to stay up-to-date on everything at all time.	Distinction to be made between data provisioning, gathering of information and knowledge sharing. Different platforms for data, like Copernicus, EUROSTAT already provide some climate-related data. These services should be expanded per platform and linked to Climate-ADAPT
A3 - Robust evaluation, monitoring, reporting and implementation of adaptation strategies	Insight into Europe’s vulnerability at the efficient level of granularity. Uniform and harmonized indicators can track impacts across Europe, and promote better exchange between Member States.	
A4 - Mainstreaming nature-based adaptation, including coastal protection and green and blue infrastructure.	Socio-economic and environmental benefits are more easily associated with ecosystems services. Therefore making more robust business cases warranting contribution and progress for sustainable development goals	
A5 - Stepping-up efforts to build resilience in cities and empower local action.	Reduced public expenditures on losses as result of climate impacts as city action plans put into action.	
A6 - Further mainstreaming and integrating adaptation in EU legislation and instruments	Greater spending on climate resilience in sectors affected by policy.	
A7 - Climate Proofing of Infrastructure and Disaster Risk Management.	Standardized guidelines and procedures to design, develop and integrate climate proofing solutions to ensure robust and resilient infrastructure across Europe	
A8 - Closing the Climate Protection gap - microeconomic aspects of adaptation to climate change.	Having systematic approach to assess, reduce, and optimally transfer climate-related disaster risk in economic activities	
A9 - Supporting partner countries and regions in their efforts on climate change and disaster preparedness	Implementation of NDCs and to building capacity at national and sub-national level in line with national priorities and vulnerabilities	
A10 - Scaling up international adaptation finance and disaster risk financing, and unlocking private finance	Having more funds available from both the public and private sector, fostering the transition to be become climate resilient	
A11 - Strengthening EU engagement globally and learning from adaptation forerunners.	Access to granular and meaningful data information to ensure better informed decision making	
A12 - Horizon Europe Mission on adaptation to Climate Change effectively deploying adaptation Solutions	Better informed decision making by means of climate risk management and community-based emergency plans	
A13 - Closing the Climate Protection Gap - macroeconomic aspects of adaptation	Better-informed decision making for fiscal and financial stability: on disaster risk assessment and management, risk pooling and cross-sectoral losses.	
A14 - Ensuring the availability of Fresh water		

<i>Indirect benefits</i>		
A1 – Effective utilization of knowledge through systematic data collection and sharing, between key public and private partners.	Overall benefits to society from wide range of stakeholders benefitting from better data availability and informed decision making by public authorities and firms.	
A2 – Proven performance from Climate-ADAPT as the ‘first-stop shop’ for adaptation information in Europe.	N/A	Direct benefit to users is most relevant.
A3 - Robust evaluation, monitoring, reporting and implementation of adaptation strategies.	Benefits to vulnerable stakeholders as monitoring and reporting brings public action into focus, and stimulates further action.	
A4 - Mainstreaming nature-based adaptation, including coastal protection and green and blue infrastructure.	Benefits to biodiversity and climate change mitigation from projects in addition to main climate resilience benefits.	
A5 - Stepping-up efforts to build resilience in cities and empower local action.	Benefits to vulnerable stakeholders in cities as strengthened CoMo and action by cities can lead to co-benefits in air quality, transport and public spaces.	
A6 - Further mainstreaming and integrating adaptation in EU legislation and instruments	Benefits to recipients of funding, as their vulnerabilities will be better addressed.	
A7 - Climate Proofing of Infrastructure and beyond.	Long term benefits to public budgets in Member States as reduced costs for repairs from climate damages to infrastructure.	
A8 - Closing the Climate Protection gap - microeconomic aspects of adaptation to climate change.		
A9 - Supporting partner countries and regions in their efforts on climate change and disaster preparedness	Improved EU standing on adaptation, and working with partners, may support building of diplomatic coalitions in other climate (mitigation) areas, or policy and economic areas more broadly.	
A10 - Scaling up international adaptation finance and disaster risk financing, and unlocking private finance		
A11 - Strengthening EU engagement globally and learning from adaptation forerunners.		
A12 - Horizon Europe Mission on adaptation to Climate Change effectively deploying adaptation Solutions	Pioneering innovations can create opportunities for EU firms to commercialise success stories.	
A13 - Closing the Climate Protection Gap - macroeconomic aspects of adaptation		
A14 - Ensuring the availability of Fresh water	Better water pricing and practices improves resource efficiency and water availability and quality for ecosystems and recreation.	

(1) Estimates are relative to the baseline for the preferred option as a whole (i.e. the impact of individual actions/obligations of the preferred option are aggregated together); (2) Please indicate which stakeholder group is the main recipient of the benefit in the comment section; (3) For reductions in regulatory costs, please describe details as to how the saving arises (e.g. reductions in compliance costs, administrative costs, regulatory charges, enforcement costs, etc.; see section 6 of the attached guidance).

Table 16 Overview of costs – Preferred option

II. Overview of costs – Preferred option						
	Citizens/Consumers		Businesses		Administrations	
	One-off	Recurrent	One-off	Recurrent	One-off	Recurrent

II. Overview of costs – Preferred option

		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
A1 – Effective utilization of knowledge through systematic data collection and sharing, between key public and private partners.	Direct costs					Measures to develop Roadmap, establish framework (EC)	Data sharing and provision
	Indirect costs				Provision of additional data		Through Horizon Europe
A2 – Proven performance from Climate-ADAPT as the ‘first-stop shop’ for adaptation information in Europe.	Direct costs						Establish and maintain Health Observatory (EC)
	Indirect costs						
A3 - Robust evaluation, monitoring, reporting and implementation of adaptation strategies.	Direct costs		Potential costs related to implementation (behaviour change, investments in individual resilience)	Potential costs related to aligning business activities with the strategies	Potential costs related to implementation	Establish framework (EC)	
	Indirect costs				Potential loss of revenue for sectors still building grey infrastructure		MRE under Climate Law (MS & EC)
A4 - Mainstreaming nature-based adaptation, including coastal protection and green and blue infrastructure	Direct costs					Tool development (EC)	
	Indirect costs				Possible via linking of insurance products to NbS		
A5 - Stepping-up efforts to build resilience in cities and empower local action.	Direct costs						Policy support facility (EC)
	Indirect costs						Implementation of adaptation plans (MS, cities)
A6 - Further mainstreaming and integrating adaptation in EU legislation and instruments	Direct costs						
	Indirect costs				Legislation to protect workers from high temperatures Potential higher costs associated with alignment with new adaptation requirements		Revision of existing legislation and instruments which do not incorporate adaptation considerations (EC)
A7 - Climate Proofing of Infrastructure and beyond.	Direct costs					Enhance and apply climate proofing methodology (EC) Study on	

II. Overview of costs – Preferred option

		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
						Climate risk management (EC)	
	Indirect costs				Applying climate proofing guidelines		
A8 - Closing the Climate Protection gap - microeconomic aspects of adaptation to climate change.	Direct costs					Common methods for risk management (EC)	Mainstreaming in BRG (EC) Allies for climate resilience (EC)
	Indirect costs				Adaptation integrated into SEAI		MS reporting on disaster aid (MS)
A9 - Supporting partner countries and regions in their efforts on climate change and disaster preparedness	Direct costs						Various measures (EC)
	Indirect costs						
A10 - Scaling up international adaptation finance and disaster risk financing, and unlocking private finance	Direct costs					Studies on just resilience (EC)	Climate proofing of EU external investments (EC)
	Indirect costs						Balance in mitigation and adaptation spending (all countries)
A11 - Strengthening EU engagement globally and learning from adaptation forerunners.	Direct costs						Discussions, exchanges, alliances (EC and partners)
	Indirect costs						
A12 - Horizon Europe Mission on adaptation to Climate Change effectively deploying adaptation Solutions	Direct costs						Horizon Europe and other activities funding (EC)
	Indirect costs						
A13 - Closing the Climate Protection Gap - macroeconomic aspects of adaptation	Direct costs					EC activities to provide tools, models, tests (EC)	EC engagement activities (EC)
	Indirect costs				Potential need to engage with and use EC tools.		Involvement in EC driven processes (MS)
A14 - Ensuring the availability of Fresh water	Direct costs					Regulatory changes and studies to support them (EC)	
	Indirect costs	Potentially higher product costs	Potentially higher water costs	Redesign of products, processes. New standards/labels	Potentially higher water costs	Water Safety Plans development (MS)	

(1) Estimates to be provided with respect to the baseline; (2) costs are provided for each identifiable action/obligation of the preferred option otherwise for all retained options when no preferred option is specified; (3) If relevant and available, please

present information on costs according to the standard typology of costs (compliance costs, regulatory charges, hassle costs, administrative costs, enforcement costs, indirect costs; see section 6 of the attached guidance).