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Commission



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Climate action in ESIF

Introduction to the series of Fact Sheets on the potential for mainstreaming of climate action and the assessment hereof

Introduction

European Structural and Investment Funds (ESIF)
2014-2020

Climate Action

Why do we need to take climate action?

Tackling climate change is one of the great challenges facing the EU and its global partners.

The need for urgent action is clearly reflected in the Europe 2020 Strategy and the EU's ambitious 20/20/20 targets for climate change mitigation, i.e. to cut greenhouse gas emissions by 20 % (30 % if the conditions are right); reduce energy consumption by 20 % through increased energy efficiency; and to meet 20 % of energy needs from renewable sources.

The mitigation targets play an important role in building a low-carbon and climate resilient Europe.

However, climate change is already happening and the impacts will increase in the coming decades no matter how successful mitigation efforts prove to be. Therefore, building a climate resilient Europe requires that we adapt to climate change. We need to take action to deal with the unavoidable climate impacts and their economic, environmental and social costs. Economic sectors such as agriculture, forestry and tourism are already confronted with the impacts of climate change. Ecosystems' services are at risk, e.g. their ability to buffer natural extremes can be weakened. Impacts on the availability of basic natural resources (water and soil) can significantly alter the conditions for agricultural and industrial production. Global warming can provide both opportunities and threats to different regions in terms of e.g. increases/decreases in crop yields and forest growth.

Extreme weather events will increase, leading to more frequent heatwaves, forest fires and droughts in southern and central Europe, to heavier precipitation and flooding in northern and north-eastern Europe.

Adaptation means anticipating the adverse effects of climate change and taking appropriate action to minimise the damage they can cause, whether economic, social or environmental.

The EU strategy on adaptation to climate change aims to help make Europe more climate resilient and enhance its preparedness and capacity to respond to the impacts of climate change. The adaptation strategy is accompanied by documents which explore relevant sector-specific climate induced challenges, and the measures and tools which can be activated to adapt to these challenges. Documents exist on agriculture and forestry, coastal areas, infrastructure, water management, biodiversity, disaster risk reduction, health, and the marine and fisheries area.

The ESIF and climate action

Building a low-carbon and climate resilient economy will enhance Europe's competitiveness, create new and greener jobs, improve energy security and bring health benefits to Europe's citizens by improving the air quality.

The EU budget has an important role to play in promoting climate action in all sectors of the European economy, and in catalysing the investment that will be required to meet the climate targets and ensure climate resilience. Investments are needed in a wide range of technologies that improve energy efficiency, in renewable energy sources and related infrastructure, and in the adaptation to climate change.

On 7-8 February 2013, and based on a Commission proposal, the European Council concluded that 'climate action objectives will represent at least 20 % of EU spending in the period 2014-2020 and therefore be reflected in the appropriate instruments to ensure that they contribute to strengthen energy security, building a low-

carbon, resource-efficient and climate resilient economy that will enhance Europe's competitiveness and create more and greener jobs.

The European Structural and Investment Funds (ESIF) comprise:

- The European Regional Development Fund (ERDF) including also the goal on European Territorial Cooperation (ETC)
- The European Social Fund (ESF)
- The Cohesion Fund (CF)
- The European Agricultural Fund for Rural Development (EAFRD)
- The European Maritime and Fisheries Fund (EMFF)

With regard to climate action, the ESIF will contribute to:

- Ensuring that Member States and the EU comply with their mitigation commitments and contribute to global climate change mitigation
- Ensuring the resilience of Europe to climate change
- Capitalizing on the business opportunities resulting from a growing global demand for cost-efficient and effective adaptation and mitigation solutions.

Concentration and coordination

The Common Provisions Regulation (CPR)¹ that applies to ESIF puts an enhanced focus on results. Concentration and coordination are important vehicles to boost the impacts from the funds.

Concentration of funds is achieved through the formulation of 11 Thematic Objectives (TOs). Two of those (4 and 5) relate directly to climate change. However, all the other TOs also have climate action potentials. Mainstreaming aims to ensure that such potentials are identified, assessed and included in each programme. The TOs are:

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of, ICT (information and communication technologies)
3. Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)
4. Supporting the shift towards a low-carbon economy in all sectors
5. Promoting climate change adaptation, risk prevention and management
6. Preserving and protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
8. Promoting sustainable and quality employment and supporting labour mobility
9. Promoting social inclusion, combating poverty and any discrimination
10. Investing in education, training and vocational training for skills and lifelong learning
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

The Regulation specific to each fund defines its relevant TOs. In the case of the EAFRD and the EMFF, the TOs have been translated into sector-relevant Union Priorities (UP). The pre-defined exhaustive list of eleven TOs across funds facilitates that all the funds pull in the same direction. The ERDF regulation also sets minimum shares for the spending that must be allocated for TO 1, 2, 3 and 4. These requirements for so-called thematic concentration imply that at least 80 % of the ERDF funds must be for these four TOs of which at

¹ Regulation (EU) No 1303/2013, published in the Official Journal, OJ 347 20.12.2013

least 20 % for TO4. These minimum levels apply to more developed regions. In transition regions at least 60% of the ERDF funding is to be allocated to the four TOs of which at least 15% for TO4. In less developed regions, the corresponding thematic concentrations are 50 % for the mentioned four TOs, and at least 12 % for TO4.

Coordination aims to identify, coordinate with and make use of additional funding mechanisms. Coordination also aims to identify and utilize options for synergetic and mutually supportive effects across funds, as well as to avoid possible counterproductive impacts across funds. The Partnership Agreements (described below) are essential in ensuring the appropriate level of coordination across funds.

Relevant additional funding mechanisms include, for example JEREMIE and JESSICA, and the Horizon 2020 and LIFE programmes.

Partnership Agreements

Each Member State must prepare a Partnership Agreement (PA) setting out the commitment of the partners at national and regional level linked to the objectives of the Europe 2020 Strategy and the National Reform Programme, the most recent Country Specific Recommendations (CSR) based on the Stability and Growth Pact. The PA will address the identified national and regional needs and build on the growth potentials of the individual Member State.

Member States should set out inter alia:

- The selected TOs and their justification with the expected results per fund;
- The indicative allocation of support by selected TO, and the total indicative amount of support foreseen for climate change objectives
- Whether ex-ante conditionalities are complied with

TOs can include climate action both directly and indirectly. TO4 and TO5 explicitly relate to climate change. However, other TOs can also include climate action, but more indirectly. Priorities and actions which are funded under TOs other than TO4 and TO5 may therefore also address climate change. It is important to note that possible contributions to climate action have been considered across all TOs when selecting priority areas.

Financial allocations for climate action will contribute to reaching the overall EU target that 20 % of EU expenditures should be climate related. They must respect the defined minimum allocations for TO4.

With regards to ex-ante conditionalities, of particular and immediate relevance to climate action are those relating to:

- Energy efficiency and renewable energy
- Risk prevention and risk management, more specifically the existence of national or regional risk assessments for disaster management, taking into account climate change adaptation.

The requirements on ex-ante conditionalities serve to ensure that there is an even legal basis across countries, which aligns with laws and decisions at EU level. They thus serve to provide a further push for closing national gaps under the 20/20/20 commitments. For adaptation, they ensure that there is risk assessment for identifying cost-efficient and effective climate change adaptation actions.

The Partnership Agreement must also set out:

- The arrangements for effective implementation
- The integrated approach to territorial development

Effective implementation includes coordination arrangements vis-à-vis other funds and other funding instruments. Such coordination can leverage the impact from the ESIF, and help to achieve beneficial synergies. Other elements of effective implementation include ensuring the administrative capacity and the appropriate indicator framework for performance monitoring. There is a climate action dimension to all these elements.

Territorial development has four possible dimensions; all with a possible relation to climate action: community-led local development, integrated territorial investments, sustainable urban development and main priority areas for cooperation under the funds, including the ETC goal of the ERDF.

ESIF will be implemented through programmes in accordance with the PA. Programmes are set up by Member States or regions in compliance with the CPR, and the requirements specified in the fund specific regulations.

The series of Fact Sheets

Referring to the aim that climate action objectives will represent at least 20 % of EU spending in the period 2014-2020, the ESIF have an important role to play in achieving this goal. The ESIF budgets are substantial and there are mainstreaming potentials in all the funds; extending beyond those contained in TO 4 and 5.

In support of this process, a series of Fact Sheets has been prepared, consisting of two sets of documents.

The first set is called 'Potential for Climate Action – Examples of how to mainstream climate action and the potential for doing so'.

Under this title, separate Fact Sheets are available for each of the funds (see overview overleaf). They provide a brief introduction to the specific fund in question and how it relates to climate change. They provide concrete examples of climate action by referring to actual projects implemented in the 2007-2013 programming period, as well as to other relevant illustrative cases. The Fact Sheets place particular emphasis on explaining that climate action potentials exist in all TOs.

The second set is called 'Assessment of Climate Action – How to assess the mainstreaming of climate action potential in Operational Programmes. Under this title, separate Fact Sheets are available for each of the funds (see overview overleaf). These Fact Sheets follow the anticipated structure of the specific programme or agreement in question. They point to the parts of the programme where climate action potentials can and should be addressed. They explain which elements to focus on when assessing whether climate action has been properly taken into account in a specific programme. In addition to the fund specific Fact Sheets, this set also includes a separate Fact Sheet on the assessment of the PA.

Fact Sheets on the potential for climate action in the five funds

Fact Sheet	Description
 <p>Potential for climate action</p> <p>Examples of how to mainstream climate action and the potential for doing so</p> <p>ERDF European Regional Development Fund 2014-2020</p>	<p>Potential for climate action - Examples of how to mainstream climate action and the potential for doing so - ERDF - European Regional Development Fund - 2014-2020</p> <p>The Fact Sheet provides examples of how to mainstream climate action into the ERDF, and outlines the potential for doing so.</p> <p>The ERDF covers all eleven Thematic Objectives and there is potential for climate action in each of them. Therefore, by mainstreaming climate action into the ERDF, all objectives can contribute towards reaching at least 20 % climate-related expenditure of the overall EU budget in the period 2014-2020.</p>
 <p>Potential for climate action</p> <p>Examples of how to mainstream climate action and the potential for doing so</p> <p>CF Cohesion Fund 2014-2020</p>	<p>Potential for climate action - Examples of how to mainstream climate action and the potential for doing so - CF - Cohesion Fund - 2014-2020</p> <p>The Fact Sheet provides examples of how to mainstream climate action into the Cohesion Fund, and outlines the potential for doing so.</p> <p>The CF covers five Thematic Objectives: 4, 5, 6, 7 and 11. All have potential for climate action, particularly TO4 and TO5. Therefore, by mainstreaming climate action into the CF, the fund can contribute towards reaching at least 20 % climate-related expenditure of the overall EU budget in the period 2014-2020.</p>
 <p>Potential for climate action</p> <p>Examples of how to mainstream climate action and the potential for doing so</p> <p>ETC European Territorial Cooperation under the European Regional Development Fund (ERDF) 2014-2020</p>	<p>Potential for climate action - Examples of how to mainstream climate action and the potential for doing so - ETC - European Territorial Cooperation under the European Regional Development Fund - 2014-2020</p> <p>The Fact Sheet provides examples of how to mainstream climate action into the ETC, and outlines the potential for doing so.</p> <p>The ETC covers all Thematic Objectives, and territorial cooperation can contribute to climate action in mitigation and adaptation. By mainstreaming climate action into the ETC, it can contribute towards reaching the target for at least 20 % climate-related expenditure of the overall EU budget in the period 2014-2020.</p>
 <p>Potential for climate action</p> <p>Examples of how to mainstream climate action and the potential for doing so</p> <p>ESF European Social Fund 2014-2020</p>	<p>Potential for climate action - Examples of how to mainstream climate action and the potential for doing so - ESF - European Social Fund - 2014-2020</p> <p>The Fact Sheet provides examples of how to mainstream climate action into the ESF, and outlines the potential for doing so.</p> <p>The ESF has an important role to play to support several aspects of climate action:</p> <ol style="list-style-type: none"> 1. Supporting the labour force by enhancing knowledge and skills and matching skills to develop, produce, use and apply new efficient and low carbon technologies in a broad range of sectors. 2. Offering support to the labour force in order to alleviate any negative impacts on employment as a result of shifting to a low-carbon economy, i.e. jobs cuts in energy-intensive industries.
 <p>Potential for climate action</p> <p>Examples of how to mainstream climate action and the potential for doing so</p> <p>EAFRD European Agricultural Fund for Rural Development 2014-2020</p>	<p>Potential for climate action - Examples of how to mainstream climate action and the potential for doing so - EAFRD - European Agricultural Fund for Rural Development - 2014-2020</p> <p>The Fact Sheet outlines proposals for how climate action could be mainstreamed into the Member States' rural development programmes supported through EAFRD ('climate mainstreaming').</p> <p>It offers an overview of the potential climate action required to mainstream the provisions of the EAFRD Regulation, and examples of how mitigation and adaptation can be programmed with the EAFRD.</p>
 <p>Potential for climate action</p> <p>Examples of how to mainstream climate action and the potential for doing so</p> <p>EMFF European Maritime and Fisheries Fund 2014-2020</p>	<p>Potential for climate action - Examples of how to mainstream climate action and the potential for doing so - EMFF - European Maritime and Fisheries Fund - 2014-2020</p> <p>The Fact Sheet provides examples of how to mainstream climate action into the EMFF, and outlines the potential for doing so.</p> <p>EMFF can contribute to mitigation through supporting energy efficiency in fisheries, aquaculture and maritime sectors. For example, support can be provided for energy-efficient pumps or conversion to renewable energy in land-based aquaculture. Investment support can also aim to increase the energy efficiency of ports, landing sites and vessels.</p>

Fact Sheets on how to assess climate action in programming documents

Fact Sheet	Description
	<p>Assessment of climate action - How to assess the mainstreaming of climate action in Partnership Agreements - European Structural and Investment Funds - 2014-2020</p> <p>The Fact Sheet outlines the main issues to be considered when assessing the mainstreaming of climate action in the Partnership Agreements for the European Structural and Investment Funds (ESIF) in the period 2014-2020.</p>
	<p>Assessment of climate action - How to assess the mainstreaming of climate action in Operational Programmes - ERDF and CF - European Regional Development Fund and Cohesion Fund - 2014-2020</p> <p>The Fact Sheet outlines the main issues to be considered when assessing the mainstreaming of climate action in ERDF and CF Operational Programmes for the period 2014-2020.</p> <p>The assessment will investigate how climate action has been incorporated and indicate areas where further climate action would be required.</p>
	<p>Assessment of climate action - How to assess the mainstreaming of climate action in Cooperation Programmes - ETC - European Territorial Cooperation under the European Regional Development Fund - 2014-2020</p> <p>The Fact Sheet outlines the main issues to be considered when assessing the mainstreaming of climate action in the ETC Operational Programmes for the period 2014-2020.</p> <p>The assessment will investigate how climate action has been incorporated and indicate areas where further climate action would be required.</p>
	<p>Assessment of climate action - How to assess the mainstreaming of climate action in Operational Programmes - ESF - European Social Fund - 2014-2020</p> <p>The Fact Sheet outlines the main issues to be considered when assessing the mainstreaming of climate action in ESF Operational Programmes for the period 2014-2020.</p> <p>The assessment will investigate how climate action has been incorporated and indicate areas where further climate action would be required.</p>
	<p>Assessment of climate action - How to assess the mainstreaming of climate action in Rural Development Programmes - EAFRD - European Agricultural Fund for Rural Development - 2014-2020</p> <p>The Fact Sheet outlines the main issues to be considered when assessing the mainstreaming of climate action in EAFRD Operational Programmes for the period 2014-2020.</p> <p>The assessment will investigate how climate action has been incorporated and indicate areas where further climate action would be required.</p>
	<p>Assessment of climate action - How to assess the mainstreaming of climate action in Operational Programmes - EMFF - European Maritime and Fisheries Fund - 2014-2020</p> <p>The Fact Sheet outlines the main issues to be considered when assessing the mainstreaming of climate action in EMFF Operational Programmes for the period 2014-2020.</p> <p>The assessment will investigate how climate action has been incorporated and indicate areas where further climate action would be required.</p>

The European Structural and Investment Funds (ESIF) have a key role to play in achieving the Europe 2020 strategy for smart, sustainable and inclusive growth. They will make a major contribution to the transition to a low-carbon and climate-resilient Europe.

The funds will contribute to the target that climate action objectives will represent at least 20% of EU spending in the period 2014-2020, while helping to improve energy security, build a low-carbon, resource-efficient and climate resilient economy, which will boost Europe's competitiveness and create more and greener jobs.

A series of Fact Sheets are available to illustrate the potential for climate action and how to assess the climate mainstreaming of Partnership Agreements and programmes. Two sets of Fact Sheets are available: One set on 'Potential for Climate Action – Examples of how to mainstream climate action and the potential for doing so' and another on 'Assessment of Climate Action – How to assess the mainstreaming of climate action potential in Operational Programmes'.

The ESIF consist of:

- The European Fund for Regional Development (ERDF)
- The European Social Fund (ESF)
- The Cohesion Fund (CF)
- The European Agricultural Fund for Rural Development (EAFRD)
- The European Maritime and Fisheries Fund (EMFF)

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Further information

DG Climate Action:
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