

Research for REGI Committee – Climate adaptation using Cohesion Policy



Climate change poses growing risks across the European Union (EU), with weather and climate-related extremes causing over EUR 650 billion in economic losses from 1980 to 2022. The EU has responded by including adaptation in its policy framework, notably through the 2021 EU Adaptation Strategy. Cohesion Policy, with a EUR 392 billion budget for 2021-2027, stands out as a key instrument for driving adaptation and resilience building across Europe's diverse regions.

Aim

This study assesses how Cohesion Policy can foster climate adaptation, regional resilience, and sustainable businesses in the EU. It aims to identify climate risks and adaptation needs, map relevant EU policy instruments, evaluate current Cohesion Policy support, and identify gaps. Additionally, the study offers recommendations, and showcases success stories and initiatives that can strengthen the role of Cohesion Policy in advancing climate adaptation.

Key Findings

Regional and Business Climate Adaptation Needs

The study identifies various climate risks and adaptation needs across different types of EU regions including urban areas, rural areas, coastal zones, mountainous regions, islands, and outermost regions. For example, urban areas face risks from flooding, heatwaves and air quality degradation, requiring improved drainage systems, expansion of green spaces, and promotion of sustainable transport. Rural areas are vulnerable to drought, extreme heat and wildfires, needing sustainable water management and agricultural practices, while coastal zones and islands face sea-level rise and

The present document is the executive summary of the study on **Climate adaptation using Cohesion Policy**. The full study, which is available in English can be downloaded at: <https://bit.ly/3ZSdmEi>

extreme weather events. Mountainous regions face melting snow cover and glacier retreat, which enforce the need for sustainable water management and biodiversity conservation.

For businesses, climate risks and adaptation needs vary significantly across economic sectors. Agriculture and forestry require strategies to deal with changing temperatures and precipitation patterns. The tourism sector needs to diversify what it can offer, in order to build resilience, while energy, transport, environmental, and communication infrastructure require greater protection from the worsening physical impacts of climate change. The study also highlights key barriers faced by businesses in implementing adaptation measures, including a lack of information, financial constraints, and regulatory uncertainty.

EU Adaptation Strategy and Policy Framework

The 2021 EU Adaptation Strategy sets three key objectives: Smarter Adaptation, More Systemic Adaptation, and Faster Adaptation. To implement these objectives, the EU employs a multi-faceted policy approach with 48 different instruments including funding mechanisms, information platforms, legislative frameworks, initiatives, and emergency response mechanisms.

Cohesion Policy plays a key role in this framework through instruments such as the European Regional Development Fund (ERDF), Cohesion Fund (CF), and Just Transition Fund (JTF), among others. These funds support climate adaptation through various mechanisms, from investments in adaptation projects, to support for businesses in transitioning to more resilient practices.

Current State of Cohesion Policy Support for Climate Adaptation

The study finds that Cohesion Policy support for adaptation has increased from EUR 8 billion in 2014-2020 to EUR 17 billion planned for 2021-2027. However, this still represents only 3% of the total Cohesion Policy budget, a relatively small portion compared to the 30% climate target of the ERDF or the 37% target of the CF. The geographical distribution of funding varies significantly, with some Member States such as Poland allocating substantial amounts whilst others have not invested in adaptation at all. Survey results indicate that 29% of Managing Authorities (MAs) consider their programmes to be only partially or not at all aligned with adaptation needs. While 70% of the business respondents find that Cohesion Policy moderately or slightly aligns with their sectoral needs, businesses have mixed perceptions about the availability and effectiveness of funding, with 46% rating availability as 'fair' and 41% as 'poor'.

The study identifies several success factors for effective implementation of adaptation projects, including strong stakeholder engagement and buy-in, adequate technical capacity, and sufficient financial resources. For businesses, common barriers to using Cohesion Policy funding for adaptation include lack of awareness and complex application procedures.

Gaps, opportunities, and future adaptation priorities for Cohesion Policy

The analysis reveals some gaps between current Cohesion Policy support and adaptation needs:

- Insufficient availability of direct support for adaptation and insufficient targeting of specific local adaptation needs in different territories.
- Partial misalignment of Cohesion Policy support for adaptation and the perceived needs of businesses.
- Insufficient use of Cohesion Policy for business adaptation due to the barriers identified.
- Further efforts are needed to ensure that, in terms of supporting adaptation 'on the ground', the potential of Cohesion Policy instruments is fully achieved.

Policy Recommendations

Four key policy recommendations are proposed in view of the key findings of the study:

- The European Parliament could task the European Commission with improving the tracking of climate spending, to distinguish between funding for mitigation and for adaptation. This would ensure more accurate reporting and understanding of the funding. Meanwhile, Member States (including Managing Authorities) could be encouraged to better mainstream adaptation in all Cohesion Policy investments.
- The European Commission and Member States could work together to develop tailored sector-specific strategies or pathways to access Cohesion Policy, in order to ensure that specific regional (including regions with common climate risks such as outermost, coastal or mountainous regions) and/or sectoral adaptation needs are addressed, together with better coordination between different EU funding instruments.
- The European Commission and Managing Authorities could enhance business awareness and accessibility of Cohesion Policy through awareness raising of the needs and benefits of climate adaptation, and targeted communication efforts regarding the available Cohesion Policy funding for adaptation.
- National authorities (in partnership with EU institutions such as the European Parliament, European Commission and European Committee of the Regions) could work towards strengthening regional and local capacity for adaptation by improving the knowledge and expertise within regional and local authorities. This would include increasing the awareness of local and regional authorities of existing support programmes and making better use of existing training opportunities.

Further information

This executive summary is available in the following languages: French, German, Italian, Spanish, Romanian and Lithuanian. The study, which is available in English, and the summaries can be downloaded at: <https://bit.ly/3ZSdmEi>

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