

Climate adaptation using Cohesion Policy



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

Main observations

Climate risks and adaptation needs

Climate risks and adaptation needs vary across EU regions and sectors. To adapt, EU regions need to effectively engage with local communities, improve the infrastructure's resilience, protect local biodiversity and ecosystems to improve water management. Similarly, different economic sectors need to tackle different risks as a result of climate change and must deploy varying adaptation approaches, including: mitigation of the negative impacts of climate change on the labour force,

The study

Assesses the role of Cohesion Policy in supporting EU climate adaptation, regional resilience, and business sustainability.

using new technologies and climate-resilient materials or changing operating processes, and making entire sectors more sustainable as a way to ensure their survival (e.g. tourism).

EU Adaptation Strategy policy mapping

The EU adopts a multi-pronged policy approach with 48 different instruments to implement its Adaptation Strategy objectives. These include funding mechanisms like the LIFE programme, information platforms such as Climate-ADAPT, and legislative instruments like the EU Taxonomy for Sustainable Activities. Cohesion Policy also plays a crucial role through several key instruments: the European Regional Development Fund (ERDF); the Cohesion Fund (CF); the Just Transition Fund (JTF); the European Social Fund Plus (ESF+); and Interreg programmes fostering cross-border cooperation.

Cohesion Policy funding for adaptation in the EU

Cohesion Policy support for adaptation has increased from EUR 8 billion in 2014-2020 to EUR 17 billion for 2021-2027. This represents only 3 % of the total Cohesion Policy budget, while the climate spending targets for the ERDF and CF are 30 % and 37 % respectively. The ERDF provides the majority of funding (82 %), followed by the CF (23 %), with minimal contribution from the JTF (0.3 %).

Effectiveness and gaps of Cohesion Policy funding for adaptation in the EU

Managing Authorities generally consider Cohesion Policy instruments to be well aligned with sectoral adaptation needs, with 68 % reporting good or moderate alignment. Businesses, however, have a more



mixed view, with 70 % reporting moderate or slight alignment. Notably, 46 % of businesses rate the availability of funding as 'fair' and 41 % as 'poor'.

Cohesion Policy funding brings several advantages, such as encouraging sustainable practices, providing financial support as well as support for innovation and technology adoption, confirming its important role in driving long-lasting change.

Complex application procedures (cited by 46 % of businesses), lack of awareness of available funding (38 %) and regulatory barriers (30 %) are identified as the main barriers for businesses to access Cohesion Policy funding. Managing Authorities also recognise these challenges, with 36 % citing complex procedures as a significant barrier.



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Views on the main adaptation priorities for the future of Cohesion Policy are generally in line with its design. Businesses focused on the need to support technology transfer, research and innovation, raise awareness of climate risks, support training of employees and aid the development of risk assessments. According to Managing Authorities, the adaptation priorities for Cohesion Policy should be to support SMEs to undertake adaptation actions, to improve the resilience of infrastructure and to support vulnerable economic sectors and areas.

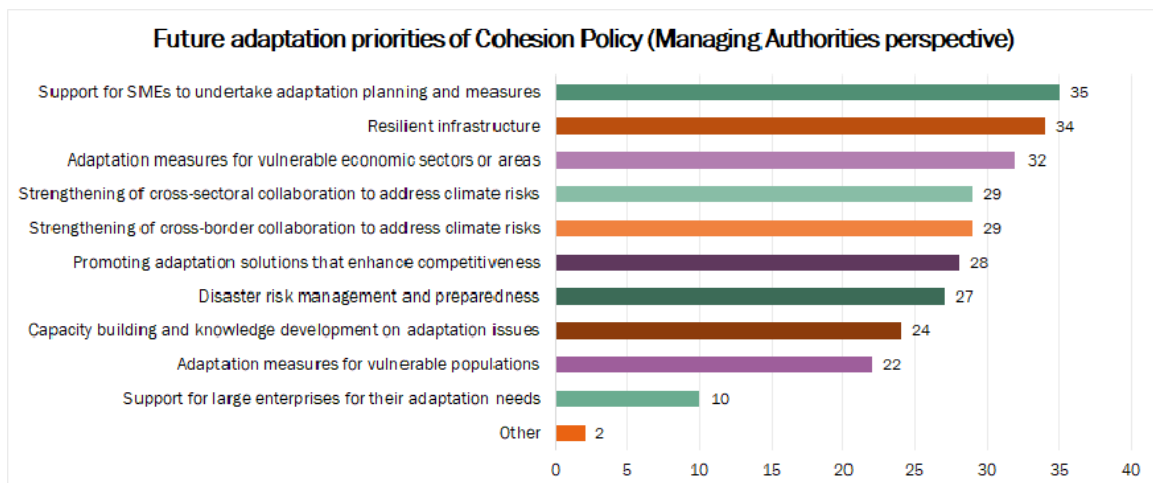
Conclusions and policy recommendations

In light of these findings, the study proposes the following recommendations for strengthening the role of Cohesion Policy in climate adaptation:

- Improving the tracking and mainstreaming of climate adaptation to more accurately capture funding for adaptation projects and integrate

climate adaptation considerations across all Cohesion Policy projects.

- Developing tailored, sector-specific, strategies or pathways for access to Cohesion Policy funding to ensure climate-sensitive sectors have adequate access to adaptation funding.
- Enhancing business awareness and accessibility of Cohesion Policy support for adaptation in coordination with key local and regional stakeholders.
- Strengthening regional and local capacity for climate adaptation to raise awareness about vulnerability to the impacts of climate change and to better facilitate knowledge exchange between regions



Source: Managing Authorities survey (n=89). Responses to the question: What adaptation funding priorities should the future Cohesion Policy focus on in the next programming period to effectively address the changing climate adaptation needs of your region and its key economic sectors? (select the three main ones).

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