Cohesion Policy and regional environment strategies in the fight against climate change

European Parliament resolution of 25 March 2021 on cohesion policy and regional environment strategies in the fight against climate change (2020/2074(INI))

The European Parliament,

– having regard to the Treaty on European Union, in particular Articles 3 and 21 thereof, to the Treaty on the Functioning of the European Union (TFEU), in particular Articles 4, 11, 173 to 178, 191 and 194 thereof, and to Protocol No 28 to the Treaties on economic, social and territorial cohesion,

– having regard to the agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP21) in Paris on 12 December 2015 (the Paris Agreement), in particular Articles 7(2) and 11(2) thereof, which recognise the local, subnational and regional dimensions of climate change and climate action,

– having regard to the 2030 Agenda for Sustainable Development, as adopted by the UN General Assembly on 25 September 2015, and to the Sustainable Development Goals (SDGs),

– having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),

– having regard to its resolution of 14 March 2019 on climate change – a European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy in accordance with the Paris Agreement¹,

– having regard to its resolution of 28 November 2019 on the climate and environmental emergency²,

– having regard to its resolution of 15 January 2020 on the European Green Deal³,

– having regard to its resolution of 17 April 2020 on EU coordinated action to combat the climate crisis.

COVID-19 pandemic and its consequences\(^1\),

- having regard to the European Council conclusions of 11 December 2020 on climate change,

- having regard to the Intergovernmental Panel on Climate Change (IPCC) special report on global warming of 1.5 °C, its fifth assessment report (AR5) and its synthesis report thereon, its special report on climate change and land, and its special report on the ocean and cryosphere in a changing climate,

- having regard to the European Environment Agency Indicator Assessment on economic losses from climate-related extremes in Europe published on 20 December 2020,

- having regard to the General Union Environment Action Programme to 2020 ‘Living well, within the limits of our planet’, the Commission’s proposal for the General Union Environment Action Programme to 2030 and its vision to 2050,

- having regard to the United Nations Convention on Biological Diversity,

- having regard to its resolution of 16 January 2020 on the 15th meeting of the Conference of Parties (COP15) to the Convention on Biological Diversity\(^2\),


- having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European

\(^1\) Texts adopted, P9_TA(2020)0054.


having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal\(^3\),


having regard to the Commission proposal of 29 May 2020 for a regulation of the European Parliament and of the Council establishing the InvestEU programme (COM(2020)0403),


having regard to the 2021 European Parliament study entitled ‘Cohesion Policy and Climate Change’,

having regard to its resolution of 13 June 2018 on cohesion policy and the circular economy\(^7\),

having regard to Article 349 TFEU, as interpreted by the Court of Justice in its Mayotte judgment of 15 December 2015 (Joined Cases C-132/14 to C-136/14), which allows specific derogations to be adopted for the outermost regions of the European Union,

having regard to the Commission communication of 5 March 2020 on the Gender Equality Strategy 2020-2025 (COM(2020)0152),

having regard to Rule 54 of its Rules of Procedure,

having regard to the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism and the Committee on

\(^7\) OJ C 28, 27.1.2020, p. 40.
Agriculture and Rural Development,

- having regard to the report of the Committee on Regional Development (A9-0034/2021),

A. whereas climate change is a challenge that transcends boundaries and requires immediate and ambitious action at global, European, national, regional and local levels to limit global warming to 1.5 °C above pre-industrial levels and prevent biodiversity loss on a massive scale; whereas urgent measures are required to ensure that the increase in the global average temperature is kept below 2 °C compared to pre-industrial levels as any loss of biodiversity will have a major impact, including on the quality of agricultural production;

B. whereas an increase of 1.5 °C is the maximum the planet can tolerate; whereas, should temperatures increase further beyond 2030, humankind will face even more droughts, floods, extreme heat and poverty for hundreds of millions of people, the likely demise of its most vulnerable populations and, at worst, may risk its long-term survival altogether, as pointed out in the EU interinstitutional report entitled ‘Challenges and Choices for Europe’;

C. whereas the European Environment Agency estimated that between 1980 and 2019 climate-related extremes caused economic losses totalling an estimated EUR 446 billion in the EEA member countries; whereas this is equivalent to EUR 11.1 billion per year and the cumulative deflated losses are equal to nearly 3 % of the GDP of the countries analysed;

D. whereas recent studies show that the global warming potential (GWP) from fossil natural gas (methane – CH\textsubscript{4}) is significantly higher than previously assumed;

E. whereas global warming may reach 1.5 °C above pre-industrial levels during the current programming period, necessitating immediate action to tackle the climate emergency, in accordance with the EU policies on reducing greenhouse gas emissions, the European Green Deal, the UN 2030 Agenda for Sustainable Development and the UN Paris Agreement;

F. whereas the transition to a climate-neutral economy by 2050 at the latest poses both a great opportunity and a challenge for the Union and for its Member States, regions, cities, local communities, people, workers, businesses and industry; whereas a balance nevertheless needs to be struck between the ambitious climate objectives and preserving the competitiveness of the economy, without undermining the achievement of the 1.5 °C goal;

G. whereas achieving this objective will require an overall transformation of European society and the economy as some sectors will experience an irreversible decrease in production coupled with a loss of jobs in economic activities based on the production and use of fossil fuels, while other sectors will succeed in finding a technological alternative;

H. whereas sustainability should be seen as a balanced approach to bringing sustainable growth, social progress and environment together;
I. whereas the Interinstitutional Agreement of 16 December 2020\(^1\) provides for an overall target of at least 30\% of the total amount of Union budget and European Union Recovery Instrument expenditure supporting climate objectives and a new annual biodiversity target of 7.5\% from 2024, with a view to reaching 10\% in 2026 and 2027;

J. whereas islands, especially small islands, and the outermost regions are the EU territories most exposed and vulnerable to the effects of climate change, and must also tackle specific and additional challenges and costs during the transition; whereas climate change and its multiple impacts affect European regions in different ways, with different degrees of severity and in different timeframes, and the management of the transition will lead to significant structural changes; whereas citizens and workers will therefore be affected in different ways and not all countries will be affected equally or be able to respond adequately; whereas it is essential, when drawing up a long-term vision for rural areas in Europe, to emphasise the need to strengthen rural areas and make them attractive as places to live and work;

K. whereas islands, outermost and peripheral regions have an enormous potential in the production of renewable energy and are strategic laboratories for implementing innovative policy measures and technical solutions to deliver the energy transition, reduce CO\(_2\) emissions and boost the shift towards the circular economy;

L. whereas cohesion policy not only offers investment opportunities to respond to local and regional needs through the European Structural and Investment (ESI) Funds, but also provides an integrated policy framework to reduce developmental disparities between the European regions and to help them address the multiple challenges to their development, including through environmental protection, high-quality employment and fair, inclusive and sustainable development;

M. whereas the economic, social and territorial disparities which cohesion policy has the primary goal of addressing may also be impacted by climate change and its long-term consequences, and EU climate policy measures should also support the objectives of EU cohesion policy;

N. whereas cohesion policy is key to supporting less developed regions or areas that suffer from natural and geographical handicaps, which are often at the forefront of the impacts of climate change but have fewer resources to tackle it;

O. whereas cohesion policy is a crucial tool in delivering a fair transition to a climate-neutral economy that leaves no one behind; whereas women and men may be differently affected by green policies tackling climate change; whereas the impact on vulnerable and marginalised groups should be also considered;

P. whereas local and regional authorities, but also other relevant stakeholders, are key actors for implementing cohesion policy, delivering an effective response to the urgent threat of climate change; whereas they are responsible for one third of public spending

\(^1\) Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433 I, 22.12.2020, p. 28).
and two thirds of public investment and it is therefore essential to create mechanisms such as the ‘Covenant of Mayors for Climate & Energy’, aimed at bringing together local and regional authorities responsible for implementing the EU’s climate and energy objectives;

Q. whereas the climate crisis is closely linked to other crises such as biodiversity, as well as the health, social and economic crisis linked to the COVID-19 pandemic; whereas, while these have to be addressed in parallel, each must be handled differently and adequately;

R. whereas, since its creation in 2002, the EU Solidarity Fund (EUSF) has been activated in response to more than 90 catastrophic events and has mobilised over EUR 5,5 billion in 23 Member States and one accession country; whereas, as part of the EU response to the COVID-19 outbreak, the scope of the EUSF has been extended to cover major public health emergencies and the maximum level of advance payments has been raised;

S. whereas the transition to a climate-neutral, sustainable and circular economy must involve all stakeholders in society, particularly the private sector, social partners and citizens, together with elected officials, including local and regional authorities, and must be backed by robust and inclusive social measures to ensure a fair and just transition that supports businesses, job retention and job creation, particularly green and blue quality jobs;

T. whereas Member States have adopted National Energy and Climate Plans and regions should submit regional plans accordingly in order to achieve emission mitigation and adaptation, with the aim of establishing a pathway towards climate neutrality by 2050 at the latest;

U. whereas the transition to a climate-neutral economy by 2050 at the latest can be achieved through a combination of public financing at EU and national levels and by creating the right conditions for private financing;

V. whereas energy sources derived from fossil fuels, and particularly from solid fossil fuels, undermine efforts to achieve climate neutrality, and the European Union should thus provide a consistent regulatory framework to further promote the use of renewable energy sources, such as solar and biomass energy, rather than those derived from fossil fuels; whereas, in this regard, cohesion policy should guarantee the principle of ‘energy efficiency first’, which aims to improve the efficiency of energy supply and demand, and which should be applied and observed in all energy-related investments made under cohesion policy; whereas for many Member States the transitional use of energy sources based on natural gas until 31 December 2025 could be essential in achieving a fair energy transition that does not harm society and leaves no-one behind; whereas regional environment strategies should be linked with ambitious climate targets that may go beyond the overall target of achieving a climate-neutral EU by 2050 and should, by 31 December 2025, phase out fossil fuels, including gas infrastructure projects, support their substitution with sustainably produced renewable energy, materials and products, and promote resource efficiency and sustainable development in
general, in line with the provisions of the ERDF-CF Regulation;

W. whereas regional environment strategies should serve the pursuit of full and stable employment together with social progress and non-discrimination in order to better tackle the effects of climate change and fight the loss of biodiversity;

X. whereas waste-management plans should follow the circular economy principles and form part of regional environment strategies;

Y. whereas a multilayered European governance model built on an active and constructive partnership between the various levels of governance and stakeholders is key to the climate neutrality transition; whereas community and citizens’ initiatives can strongly support the ecological transition and combat climate change;

Z. whereas EU macro-regional strategies can help identify key sectors and areas of cooperation between different regions facing common challenges such as climate change, climate adaptation and mitigation, biodiversity, transport, waste management, cross-border projects and sustainable tourism;

1. Underlines the importance of tackling climate change in line with the Union’s commitments undertaken under the European Green Deal to implement the Paris Agreement and the SDGs, fully in line with the EU Taxonomy Regulation, taking into consideration social, economic and territorial aspects to ensure a just transition for all territories and their people without leaving anyone behind; points out the need to enshrine the ‘do no significant harm’ principle of the Taxonomy Regulation for all investments;

2. Welcomes the Commission’s proposal on the European Climate Law, a cornerstone of the European Green Deal which enshrines the 2050 climate neutrality target into Union legislation and the need to translate it into concrete local actions that respect the constraints and emphasise the assets of each territory, including the intermediate targets for 2030 and 2040, as called for by the European Parliament; recalls in this regard that the aim of the European Green Deal is to protect, conserve and enhance the Union’s natural capital, as well as to protect the health and well-being of citizens from environment-related risks and impacts;

3. Emphasises the need for local and regional authorities to make a clear political commitment to achieving the climate targets, and stresses the need to step up multi-level dialogue among national, regional and local authorities on the planning and implementation of national measures on climate, direct access to funding for local authorities and monitoring the progress of the measures adopted, as well as the urgency of equipping them with relevant financial and administrative tools to reach those targets; believes, furthermore, that regional and local authorities have a key role to play in all stages of project planning, preparation and implementation;

4. Calls on national and regional programming authorities to maximise the transformational impact of climate and environmental protection during the ongoing preparation of national and regional programmes;

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5. Notes that possible policy adjustments in relation to the fulfilment of the Paris agreement and its five-year reports should be taken into consideration in a manner that is appropriate and adequate to cohesion policy, as in the mid-term ERDF-CF review;

6. Calls on all local and regional authorities to adopt local and regional climate strategies translating EU-level targets into concrete local targets, based on a holistic place-based or area-oriented approach that would provide a long-term vision for climate transition and the better use of financial resources under the cohesion policy; stresses that regional environment strategies should cover and include waste-management plans;

7. Highlights the crucial role for cohesion policy, in synergy with other policies, in fighting climate change and achieving climate neutrality by 2050 at the latest and the intermediate target by 2030 and 2040 respectively, as well as the role of local and regional authorities in a far-reaching reform of investment policies;

8. Calls for efforts to ensure greater coherence and coordination between the cohesion policy and other EU policies in order to improve the policy integration of climate aspects, design more effective source-based polices, provide targeted EU funding and, consequently, improve the implementation of climate policies on the ground;

9. Recalls that climate policies should serve the pursuit of full and stable employment, including green and blue jobs and training that can contribute to fair social progress, and considers that climate policies must protect the jobs most affected by climate change by creating new green jobs so that workers are not left behind when certain sectors transition to the green economy; urges the Member States to prioritise the fight against climate change along with the fight for inclusive and sustainable development and social justice and the fight against poverty, energy poverty and policies that burden vulnerable and marginalised groups; stresses in this context that further action should be envisaged to fight energy poverty;

10. Welcomes the European Council’s position and acknowledgement of Parliament’s position that EU expenditure should be consistent with the objectives of the Paris Agreement and the ‘do no harm’ principle of the European Green Deal; recalls also that the new cohesion policy legislative framework includes the ‘do no significant harm’ principle of the Taxonomy Regulation among the horizontal principles applying to all Structural Funds;

11. Stresses that sustainability and the transition to an economy that is safe, climate neutral, climate resilient, more resource efficient, affordable, circular and socially balanced are crucial to ensuring the long-term competitiveness of the Union economy, as well as to preserving its social cohesion, thereby helping to create new investment opportunities in agriculture, trade, transport, energy and infrastructure, promoting safer and more eco-friendly consumption, as well as preserving our living environment and the well-being of European citizens;

12. Points out that it is paramount to fully uphold multi-level governance and partnership principles under cohesion policy, including also the gender perspective, as local and regional authorities have direct competencies on the environment and climate change, implementing 90% of climate adaptation and 70% of climate mitigation actions; recalls that they can also develop actions that aim to promote climate-friendly behaviour among citizens, including those linked to waste management, smart mobility and
sustainable housing; insists that the transition towards climate neutrality must be just and inclusive, with a particular focus on people living in rural and remote areas; recognises the need to support those territories most affected by the transition towards climate neutrality, to avoid any increase in regional disparities and to empower workers and local and regional communities; calls on all levels of government to do their utmost to encourage cross-administrative cooperation, including cross-vertical government cooperation, interregional, inter-municipal and cross-border cooperation, to share knowledge and examples of best practice on climate change projects and initiatives financed under the cohesion policy;

13. Calls for holistic regional environment strategies to guarantee sustainable development and mitigate the consequences of climate change by supporting energy transition to renewable sources, biodiversity and climate adaptation; believes that these regional strategies should support civic engagement and locally initiated and owned projects, and should boost cooperation between the regions, also through cross-border projects; calls on the Commission to provide support and facilitate cooperation between regions and the exchange of know-how and best practices; emphasises the importance of upholding the partnership principle in all programming, implementation and monitoring of EU cohesion policy and of setting up strong cooperation between regional and local authorities, citizens, NGOs and stakeholders; underlines that public consultations should be thorough and meaningful, ensuring the active and representative participation of communities and stakeholders in the decision-making process in order to inspire ownership of decisions and plans, initiatives and engagement in actions; stresses the importance of locally-led initiatives and projects contributing to climate neutrality;

14. Believes that cohesion policy should contribute to the implementation of the Sustainable Development Goals (SDGs), the Paris Climate Agreement, the Convention on Biological Diversity and the European Green Deal in order to tackle climate change, particularly through an effective, transparent, comprehensive, result-oriented and performance-based methodology for monitoring climate spending that takes into consideration the negative effects of climate change for all people and regions in the EU; calls for this methodology to be used in all programmes under the multiannual financial framework and the European Recovery Plan, particularly for basic infrastructure in key economic sectors such as energy production and distribution, transport, water and waste management, and public buildings; believes that further action might be needed in case of insufficient progress towards achieving the Union’s climate targets;

15. Underlines the key role of local and regional authorities in achieving a fair transition to a climate-neutral economy for all, with social, economic and territorial cohesion at its core, and calls for increased employment of green and blue investment and innovation under the cohesion policy, as well as for expanded use of nature-based solutions; stresses that greater synergies between various funding sources at the EU, national and regional levels are needed, as well as stronger links between public and private financing to increase the effectiveness of regional environment strategies in the fight against climate change; recalls that this process would not be possible without a strong focus on skills; is of the opinion that regional environment strategies should also be aimed at enhancing the administrative capacity of the local and regional institutions and at developing their potential as enablers of economic, social and territorial competitiveness;
16. Stresses that community and citizens’ initiatives can strongly support the ecological transition, as well as climate change mitigation and adaptation, and that Local Action Groups and the LEADER programme can serve as primary tools to achieve this; encourages Member States and regional authorities, therefore, to coordinate these programmes with their regional environment strategies;

17. Emphasises the importance of the Smart Villages concept in tackling the Union’s climate-related challenges and welcomes its integration into the Union’s future CAP, Cohesion and regional policies; insists that Member States include the Smart Villages approach in their programmes for the implementation of the EU cohesion policy at national and regional level, as well as in their national CAP Strategic Plans, which will require the preparation of Smart Villages Strategies at national level; emphasises the role of the LEADER/CLLD approach while implementing Smart Villages Strategies, which should have a strong focus on digitalisation, sustainability and innovation;

18. Points out that EU macro-regional strategies should contribute to building cooperation aimed at solving regional issues linked to climate mitigation and adaptation, and should therefore be considered when adopting the new programmes as an integrated approach and strategic planning are of the utmost importance;

19. Calls for environmental and social criteria and preservation of the natural heritage to be given the same consideration as economic criteria when calculating project eligibility in the case of projects involving cultural and natural heritage;

20. Stresses the need to support projects linking science, innovation and citizenship, such as the New European Bauhaus project which is focused on the resilience of culture and architecture to climate change;

21. Recalls that the success of the regional environment strategies depends as well on robust research and innovation policies also at the local and regional level; encourages collaboration among local authorities, research institutions and enterprises, such as the initiatives within the European Institute of Innovation and Technology and its Knowledge and Innovation Communities (KICs);

22. Calls on the Commission to monitor and publish reports using a common standard for all Member States about the progress of national governments and local and regional authorities in addressing climate change at all levels, as well as to assess the interlinkages between environmental policies and the economy; emphasises that local and regional authorities at national level should be effectively involved in the climate change policies assessment in the context of the European Semester; stresses the need to enhance the effectiveness and complementarity of ESI Funds, as well as other EU programmes and instruments, such as the EAFRD, the EMFF, LIFE, Horizon Europe or Creative Europe, in tackling climate change; encourages the Member States to ensure

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this complementarity by providing an ambitious territorial application of their national recovery plan, involving all the relevant actors in the regions; further invites the Member States to issue a regularly updated scoreboard measuring the territorial impact of national and European recovery measures, paying particular attention to the contribution of these measures to the fight against climate change;

23. Supports the agreement on the multiannual financial framework for the period 2021-2027 with the aim of avoiding harmful subsidies, supporting the phasing out of both direct and indirect fossil fuel subsidies by 2025 at the latest, ensuring overall funding and programme priorities which reflect the climate emergency and contribute to mainstream climate actions and to the achievement of an overall target of at least 30% of EU budget expenditure in support of climate objectives, which means that at least EUR 547 billion of new EU financial resources will be made available for the green transition; stresses the importance of following principles such as the UN Sustainable Development Goals, a fair and socially inclusive transition, a legally binding climate-related spending target of 30%, as well as a biodiversity spending target of 10% by the end of the programming period, when implementing cohesion policy; stresses, therefore, that the adoption of a transparent, comprehensive and meaningful tracking methodology could be considered, and adapted if necessary during the MFF mid-term revision, for both climate-related spending and biodiversity-related spending;

24. Welcomes policy objective 2 (PO2) of the proposed new Common Provisions Regulation which aims to establish 'a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation and risk prevention and management'; recalls that the ERDF thematic concentration for PO2 would be best served if applied at regional level in order to reflect the different regional specificities in terms of climate;

25. Welcomes the agreement reached in trilogue on the Just Transition Fund including additional funds from Next Generation EU, and the two additional pillars of the Just Transition Mechanism, namely a dedicated scheme under Invest EU and a public sector loan facility, which will contribute to alleviating the socio-economic effects of the transition to climate neutrality on the Union’s most vulnerable regions; stresses that the Just Transition Fund will be a new instrument in supporting the territories most affected by the transition to climate neutrality and avoiding an increase in regional disparities; regrets the fact, however, that the top-up amount proposed by the Commission has been cut by two thirds – from EUR 30 to 10 billion – under the Council agreement on Next Generation EU; underlines that these cuts are detrimental to the achievement of the fund’s core objectives and create a supplementary pressure on national budgets; calls on the Member States to programme the funds as quickly as possible and calls on the Member States concerned to give special consideration to the outermost regions in the distribution of funds as they are significantly affected by climate change and are exposed to natural disasters such as cyclones, volcanic eruptions and drought, as well as

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flooding and rising water levels;

26. Welcomes the REACT EU programme as it continues and extends the crisis response and crisis repair measures by providing additional resources to existing cohesion policy programmes;

27. Reaffirms that the specificities of all regions as defined in Article 174 TFEU need to be fully reflected in the transition process so that no region is left behind, in particular by focusing on rural areas, areas affected by industrial transition and regions which suffer from severe and permanent natural or demographic handicaps in order to ensure the overall harmonious development of all areas; considers it necessary in this regard to evaluate the specificities of the regions as listed in Article 174 TFEU in the event of any revision of the state aid guidelines; stresses the need for local and regional authorities to make full use of all funding instruments (from the European budget as well as from other European financial institutions such as the EIB) with a view to combating the climate crisis and making local communities more resilient, while paving the way for recovery after the COVID-19 pandemic; stresses, more specifically, that additional instruments granting direct access to EU funds such as Urban Innovative Actions under the ERDF (Article 8 of Regulation (EU) No 1301/2013) or the future European Urban Initiative-post 2020 under the ERDF-CF Regulation (Article 10) should be set up, especially for the Green Deal projects;

28. Considers that innovative, inclusive and sustainable solutions to strengthen rural areas and make them more attractive as places to live and work should constitute a key element in the implementation of the cohesion policy;

29. Points out that, under Article 349 TFEU, the outermost regions benefit from special rules allowing the adoption of tailor-made measures that take account of their specificities; calls for the necessary financial resources to be allocated to those regions so that they can achieve a green transition and adapt to the effects of climate change from which they particularly suffer due to their vulnerability; calls, too, for the creation of an observatory focusing on sustainable development and ecological transition in the outermost regions in order to identify best practices and develop sustainable solutions to tackle climate change, which could be adopted and adapted in other EU regions;

30. Is concerned by economic losses due to natural hazards and damage to EU-funded infrastructure projects caused by the weather and climate-related extremes; calls for support to be given to activities and infrastructure projects that respect the climate and environmental standards and that are more resilient to natural hazards;

31. Underlines the key role of islands, in particular small islands, and the outermost and peripheral/remote regions in the transition towards climate neutrality as innovation laboratories for the development of clean energy, smart mobility, waste management and the circular economy if their full potential is unleashed by adequate tools, support and funding, allowing them to play a crucial role for the purposes of research into climate change and biodiversity; recalls that they should be able to access sufficient economic resources and adequate training in order to deliver integrated, sector-coupled and innovative interventions for sustainable infrastructure and local economic development; underlines the renewable energy potential of the peripheral and outermost regions, linked to their geographical and climatic characteristics;
32. Highlights the need to build on the outcome of initiatives such as the New Energy Solutions Optimised for Islands (NESOI), Smart Islands Initiative and Clean Energy for EU Islands (CE4EU), which also includes islands that have the status of Overseas Countries and Territories (OCTs), to ensure a functional transition between the 2014-2020 and 2021-2027 programming periods; calls on the Commission, in this regard, to produce user-friendly guidelines to give regional and local governments the opportunity to acknowledge and capitalise on consolidated best practices on energy transition and the decarbonisation of economies; welcomes the Memorandum of Split, which recognises the leading role for island communities in the energy transition; underlines in this regard the importance of exchanging best practices and of promoting mutual learning;

33. Underlines that regional environment strategies should also support renewable energy production and resource efficiency in the farming, food and forestry sectors while taking into account the competitiveness of these sectors; suggests that the relevant authorities prioritise all renewable energy production options that are beneficial for the environment and regional economy, as well as for the inhabitants of the relevant regions; insists that regional environment strategies should pay special attention to supporting the replacement of fossil-intensive materials with renewable and bio-based materials deriving from forestry and agriculture, as these two sectors function as both carbon emitters and carbon sinks; emphasises that sustainable and close-to-nature forest management is crucial for continuous greenhouse gas absorption from the atmosphere, and also makes it possible to provide renewable and climate-friendly raw material for wood products which store carbon and can act as a substitute to fossil-based materials and fuels; underlines that the ‘triple role’ of forests (sink, storage and substitution) contributes to the reduction of carbon emissions released into the atmosphere, while ensuring that forests continue to grow and provide many other services, and should therefore be part of regional environment strategies;

34. Emphasises that all sectors need to be represented and supported in the transition towards climate-neutral industrial processes, thus contributing to the sustainability of the Union while maintaining international competitiveness and preserving economic, social and territorial cohesion among different European regions; underlines the strategic role of renewable, sustainable and decentralised energy in the development of the EU regions and their enterprises, in particular SMEs; is of the opinion that effective regional environment strategies will be also beneficial to the tourism sector since they could help enhance the appeal of many European regions as sustainable destinations and could more generally promote a new kind of responsible and sustainable tourism;

35. Emphasises that a reduction in land use, in particular soil sealing, should be taken into account as an important and key criterion for the implementation of the cohesion policy, in addition to regional environment strategies, with a view to achieving, where possible, the potential for, and diversity of, land uses in combating climate change (water and CO₂ storage, filtering, buffering and processing materials, food supply, production of biogenic resources);

36. Stresses the need for the Energy Taxation Directive\(^1\) to be revised in line with the

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polluter pays principle, so as to promote sustainable energy sources to the detriment of fossil fuels by 2025 at the latest, paying particular attention to the social impact;

37. Stresses that gender mainstreaming should be fully implemented and integrated as a horizontal principle into all EU activities, policies and programmes, including cohesion policy;

38. Welcomes the presentation of the ‘Renovation Wave Strategy’ as one of the crucial strategies contributing to making Europe climate neutral by 2050; emphasises the need to address energy poverty through a programme of building renovation that targets vulnerable and low-income households, as part of a wider European Anti-Poverty Strategy;

39. Calls for the updated Circular Economy Action Plan to continue to support the transition towards a circular economy geared towards re-use and repair in order to promote resource efficiency and to drive sustainable consumption, by providing consumers with information on the durability and reparable of products through mandatory labelling, in addition to offering an adequate regulatory framework and a set of concrete, wide-ranging and ambitious measures to boost the circular economy at EU level; stresses that it is crucial to create and strengthen regional economic cycles, especially those based on biogenic raw materials from the rural and forestry economy, in order to generate sustainable growth and greener jobs; underlines the urgent need to further support the principles of the circular economy and to prioritise the waste hierarchy; calls for local circular economy plans to be developed and for public contracts awarded by local and regional authorities to be green and ambitious in terms of durability of goods and services, which will increase the industrial resilience and strategic autonomy of the European Union;

40. Calls for further investment in sustainable mobility such as railways and sustainable urban mobility for greener cities with a better quality of life for citizens;

41. Welcomes the efforts by the European Investment Bank (EIB) to revise its energy lending policy and to devote 50 % of its operations to climate action and environmental sustainability; calls on the EIB to commit to the sustainable transition towards climate neutrality while devoting particular attention to the regions most affected by the transition;

42. Promotes the strong involvement of micro, small and medium-sized enterprises (MSMEs) in the transition process, as well as in the design and implementation of the regional environment strategies, since these actors are not only well-grounded in the local economic fabric but will also be affected by the Green Deal policies; believes it crucial to help MSMEs grasp the opportunities of the environmental transition through tailor-made support in the upskilling and reskilling processes;

43. Invites the Commission to benchmark draft spending plans against highest possible climate ambition;

44. Highlights the proposal set out by the Commission in the EU Biodiversity Strategy for 2030 that cities with at least 20 000 inhabitants should prepare urban greening plans to create biodiverse and accessible urban forests, parks and gardens, urban farms, green roofs and walls, and tree-lined streets; reiterates the positive impact of such a measure
on urban microclimate and health, in particular for vulnerable groups; encourages this action and calls for the mobilisation of policy, regulatory and financial tools for its implementation;

45. Calls for the establishment of effective regional and interregional cooperation mechanisms in the field of natural disaster prevention, including a capacity for reaction, management and mutual assistance in the event of disasters;

46. Calls for a greater role for cohesion policy in supporting risk prevention efforts to adapt to the present and future impacts of climate change at regional and local levels;

47. Instructs its President to forward this resolution to the Council, the Commission, the Committee of the Regions and the Member States.