

Connie Hedegaard's speaking points – 8 July- Cyprus- Adaptation

Why do we need an EU adaptation strategy?

- Thanks to the Presidency for putting adaptation on the agenda of this informal Council.
- Minister Aletraris already outlined the huge sums that climate change effects already cost Europeans. I will not repeat them. Costs will only be greater if we wait for taking action.
- The question is at what level should we take action? This is not an easy question. In Denmark it took us some time to agree on the need for a strategy at national level in addition to regional level, we did it because there was added value to think strategically at national level as well.
- In the EU about half of Member States now have a strategy and we know that for others it might be very expensive not to have a national strategy.
- EU action can offer added value on several fronts. We launched the process of defining what EU action should be with the White Paper on adaptation in 2009. We will now follow-up and prepare a European Adaptation Strategy. A public consultation has been launched and will run until August.
- In this exercise, we also need to keep in mind that we are preaching to the rest of the world that climate change policies need to have two legs: adaptation and mitigation. We demand that developing countries develop national adaptation plans: we should be coherent and make sure that our Member States do the same!
- However, I believe that there would not be added value if we went for a very descriptive and detailed EU framework. As we do in other areas, the EU should provide an overall framework for Member States and region to take action at their level.

What should be the main elements of the future EU Adaptation Strategy?

- The EU Adaptation Strategy should firstly, facilitate the exchange of good practices. There is already the web platform CLIMAT-ADAPT launched earlier this year. This is a real success with more than 1000 specific consultations per

day. But we need also to look beyond it, for instance through stronger synergies with local actors through the Covenant of Mayors.

- Secondly, we should continue our efforts to mainstream adaptation in EU policies and legislation. Particular key fields of actions are the following: water, critical infrastructures in the energy, buildings and transport, disaster risk reduction as well as EU finances of course.
- Thirdly, we need to capture the potential of the market, in particular the role of insurance, stimulating the role of the private sector and the public-private partnerships.
- Fourthly, we intend to support action taken by MS and other stakeholders through concrete deliverables by developing guidelines, steering the review of relevant standards for infrastructures and looking in particular at cross-border issues, for instance by developing:
 - guidelines on adaptation strategies;
 - guidelines on climate proofing investments under Cohesion Policy and the CAP;
 - guidelines for project developers to best climate proof their investments;
 - steering the review of some key standards in sectors where adaptation should be a priority, such as transport, energy and buildings infrastructures
- Although Europe can and will have a role to play, climate change adaptation requires commitment by all levels of government and by all relevant stakeholders. This is why I find it is essential that all Member States develop and adopt their own Adaptation Strategies. We need to assess whether asking Member States to do that by a certain deadline adds value. This is exactly what we are asking from developing countries.
- I see very much the upcoming EU Adaptation Strategy as the EU's own strategy. We will also look at the external dimension but as part of our policy documents focusing on our international strategy.

The role of EU funds in promoting adaptation

- The future EU budget will be an important element for strengthening the support for adaptation. The Commission's proposal for the next Multiannual Financial Framework 2014-2020 includes an increase in climate related

spending to at least 20% with contributions from various policy fields, looking at where there is most added value.

- Adaptation is reflected in priority areas in particular in the context of cohesion, agriculture. However, actual support for adaptation will largely depend on the programming by Member States. Work will start shortly on this programming for the period 2014-2020. As Climate and Environment Ministers, your strong engagement, for example with farmers, in this exercise will be essential to make sure that sufficient financial support is provided to adaptation.
- Increasing risks associated with expected climate change must be factored in for investments that can be co-financed under the future Cohesion and Agricultural Policies.
- Solutions exist: for instance, energy efficient adaptation of buildings against heat (e.g. passive cooling systems) contributes to mitigation objectives while factoring in an increase in the occurrence of heat waves. Furthermore, risk reduction measures can be supported in the context of the 2nd pillar of the CAP.
- Another instrument for supporting adaptation is the newly proposed LIFE programme. The current LIFE+ programme has already supported some knowledge base development such as "CYPADAPT", which will provide for risk and vulnerability assessment in Cyprus to prepare the National Adaptation Strategy.
- With the climate part of the LIFE programme being tripled (approximately 900 million Euros over the 7 years of the next MFF, including 386 million Euros for adaptation), additional opportunities will emerge.
- In addition to the EU grants it is important to utilize the potential of the financial instruments. The EIB (European Investment Bank) should be further used to fund and co-fund adaptation projects by using grant – loan blending mechanisms in order to maximize effectiveness of the public funds available.

Ensuring contributions from both public and private sectors

- Let me take two examples: infrastructures are characterized by long investment cycles and are therefore prone to climate change. Although subject to strong regulation, many design-standards are not yet climate proofed. Also, a standard is always voluntary in application, established by all interested parties, and approved by recognized bodies. We are therefore working in close collaboration with European standard agencies to assess and review relevant standards, to make infrastructure investments more climate resilient.
- A second example relates to insurance. Insurance and reinsurance companies have a potential to provide the right financial incentives for adaptation. So, the

Commission is engaging with the insurance sector on how to have a more comprehensive approach for climate change risk management which would give insurance a bigger role to play.

- Finally, it is important to stress that climate change will not only pose new risks but also will bring new opportunities for the private sector. The benefits can be 1) avoided costs and 2) direct revenues for some sectors providing adaptation activities, such as the water management or the construction sectors.
- In sum, the EU must be better prepared to the current and future impacts of climate change. Too often, measures are ignored or postponed, due to financial constraints. Both public and private action at all levels is needed. The EU cannot act alone and we count on your support to make Europe more resilient and help preparing the upcoming EU Adaptation Strategy.