The first European Climate Risk Assessment (EUCRA)

How to support policy prioritization in a complex risk and political context?



CPSICC Advanced Research Workshop 30 July 2024, Washington, DC

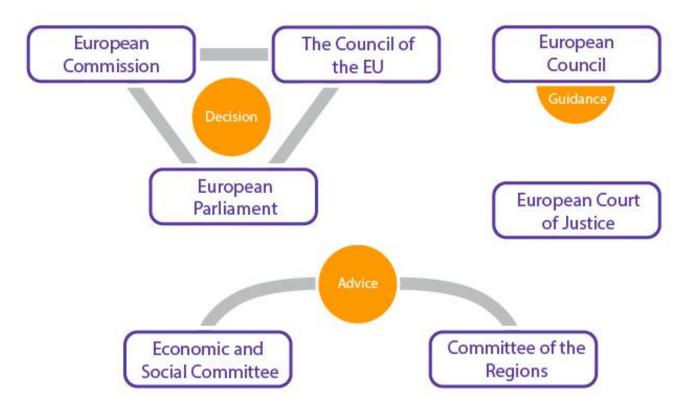
Dr. Hans-Martin Füssel (EUCRA coordinator & Expert – Climate change risks and adaptation, EEA)

European Environment Agency, Copenhagen, Denmark



The EU institutional framework in a nutshell

Key EU institutions and bodies



Centralized EU bodies

- EU bodies (in a narrow sense) (6)
- EU interinstitutional services (4)
- Executive agencies (6)
- EU corporate bodies (2)
- EU joint undertakings (10)

Decentralized EU bodies

- Decentralized agencies (20), incl. European Environment Agency
- Euratom agencies (2)
- Common foreign and security policy agencies (3)
- Other agency (1)





EU competences

Exclusive

- customs union
- the establishing of the competition rules necessary for the functioning of the internal market
- monetary policy for the member states whose currency is the euro
- conservation of marine biological resources under the common fisheries policy
- common commercial policy
- concluding international agreements
 - when their conclusion is required by a legislative act of the EU
 - when their conclusion is necessary to enable the EU to exercise its internal competence
 - in so far as their conclusion may affect common rules or alter their scope.

Shared

- internal market
- social policy, limited to the aspects defined in the TFEU
- economic, social and territorial cohesion
- agriculture and fisheries, excluding the conservation of marine biological resources
- environment
- consumer protection
- transport
- trans-European networks
- energy
- area of freedom, security and justice
- common safety concerns in public health matters, limited to the aspects defined in the TFEU
- research, technological development and space
- development cooperation and humanitarian aid

Support, coordinate or supplement actions of the member states

- protection and improvement of human health
- industry
- culture
- tourism
- education, vocational training, youth and sport
- civil protection
- administrative cooperation

Legally binding EU acts in these areas cannot imply the harmonisation of national laws or regulations.

Provide arrangements within which EU member states must coordinate policy

- economic policy
- employment
- · social policies



Article 3 TFEU

Article 4 TFEU

Article 6 TFEU

Article 5 TFEU

@PabloPerezA



European Green Deal Communication, 11 December 2019

The Commission will adopt a new, more ambitious EU strategy on adaptation to climate change.

Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change, 24 February 2021



Launch of a **European climate** and health observatory.

The Commission will draw up an EU-wide climate risk assessment.



European Parliament resolution, 15 September 2022



"Calls on the Commission to urgently draw up a comprehensive EU-wide climate risk assessment paying special attention to risks of droughts, forest fires, health threats, ecosystem vulnerabilities and the effect on critical infrastructure and network hotspots in order to guide and prioritise short-, medium- and longterm adaptation and resilience efforts"

EUCRA: a comprehensive assessment of major climate risks facing Europe



to help identify adaptation-related policy priorities for the next Commission



to inform the **further development of EU policies** in climate-sensitive sectors



to support the **prioritisation of adaptation-related investments** in the
next EU Multi-annual Financial Framework

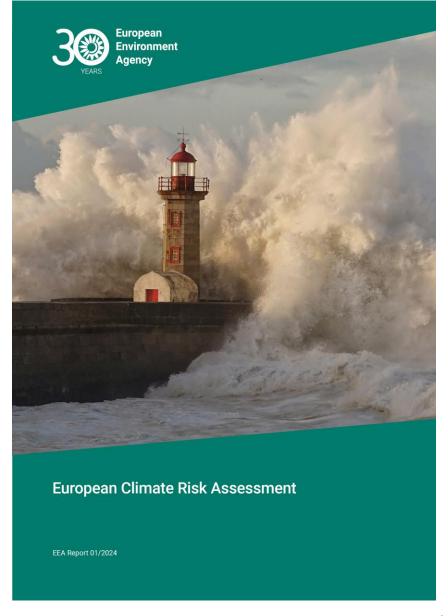


to provide a reference for conducting national and regional climate risk assessments (incl. Mission on Adaptation)



fast-track assessment:

less than 2 years (including scoping, planning, contracting, and implementing)





EUCRA: Scope and focus



- Climate-sensitive policy areas and risks that may require action at the European or transnational level
- Risks where climate change is a major driver of the total risk, in comparison to non-climatic risk drivers
- 'Complex' climate risks, including from 'compound hazards', 'cascading risks', and 'risks outside Europe'
- Risk distribution and social justice implications
- Links between climate risks and specific policy areas
- Transparent assessment of risk severity and urgency
- Identifying priorities for policy action
- Possible synergies and trade-offs between increasing climate resilience and other policy objectives

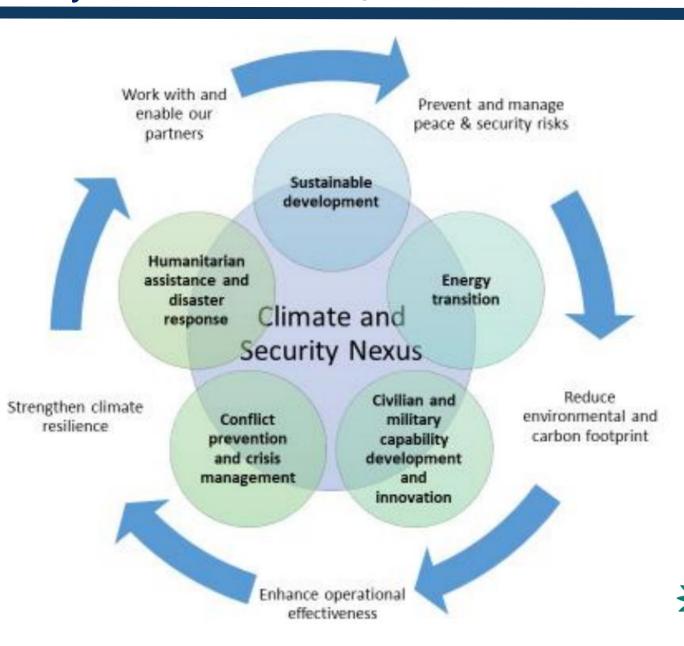


- New quantitative modelling
- Specific adaptation solutions, including their feasibility, costs and benefits
- National adaptation policies and actions
- EU's Common Foreign and Security Policy
- Global adaptation context

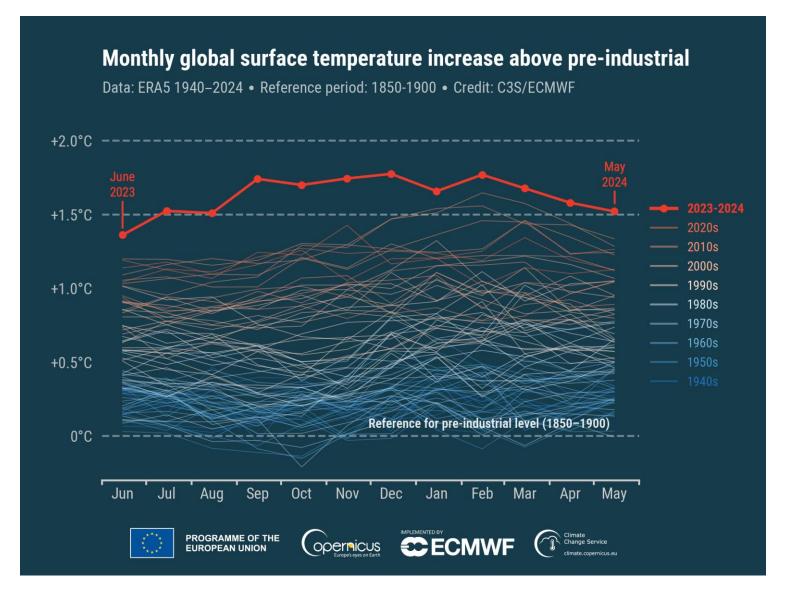
Joint Communication (European Commission, HR for Foreign Affairs and Security Policy): A new outlook on the climate and security nexus, 28 June 2023







Climate change and associated risks: our current reality



- 2023 was the warmest year on record globally, and likely during the last 100 000 years
- Each of the last 13 months has broken previous records
- Europe is the fastest warming continent
- Europe is increasingly experiencing unprecedented climate-related extremes



EUCRA thematic factsheets:

Compilation of key impacts and risks and related risks drivers for selected systems and sectors

Terrestrial & freshwater ecosystems	Marine & coastal ecosystems	Water security	Food production & food security		
Human health	Energy	Built environment	EU outermost regions		

EUCRA risk storylines:

Key compound risks across systems and sectors that could trigger new or exacerbate preexisting crises and emergencies with relevance for the EU

Extreme heat and prolonged drought	Large-scale flooding	Infectious diseases	Forest disturbances and carbon sinks
Major disruption of critical infrastructure	Disruption of international supply chains	Stability of financial markets and public finances	European Environment Agency

EUCRA synthesizing chapters:

Synthesis of findings from the thematic factsheets and risk storylines

Major climate risks for Europe

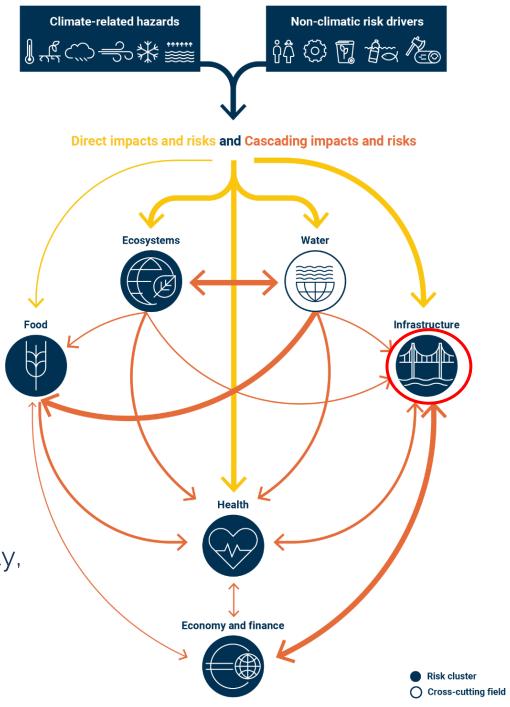
Social justice and cohesion

EU adaptation policies and risk ownership

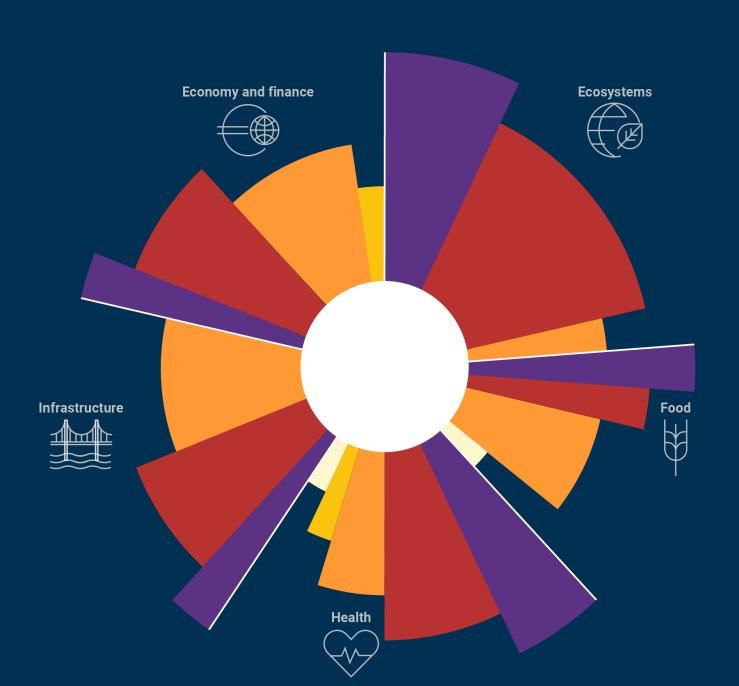
Priorities for action

Climate risks can cascade from one system to another

- Climate risks are determined by climate-related hazards (heatwaves, floods, etc.), non-climatic risk drivers (land use, etc.) as well as how prepared we are.
- Climate change is a risk multiplier that can exacerbate existing risks and crises.
- Cascading climate risks can lead to system-wide challenges affecting whole societies, with vulnerable social groups most affected.
- For example, a mega-drought can lead to water scarcity, widespread crop losses, forest fires, poor air quality, disruptions of energy and transportation infrastructure, and threats to financial markets and stability.



Priorities for EU policy on climate adaptation



Urgent action is needed in all five risk clusters

Urgency to act:

- Urgent action needed
- More action needed
- Further investigation
- Sustain current action
- Watching brief



Overview of aggregated risk assessment in EUCRA

Table 18.1 Risk assessment for 36 major climate risks for Europe

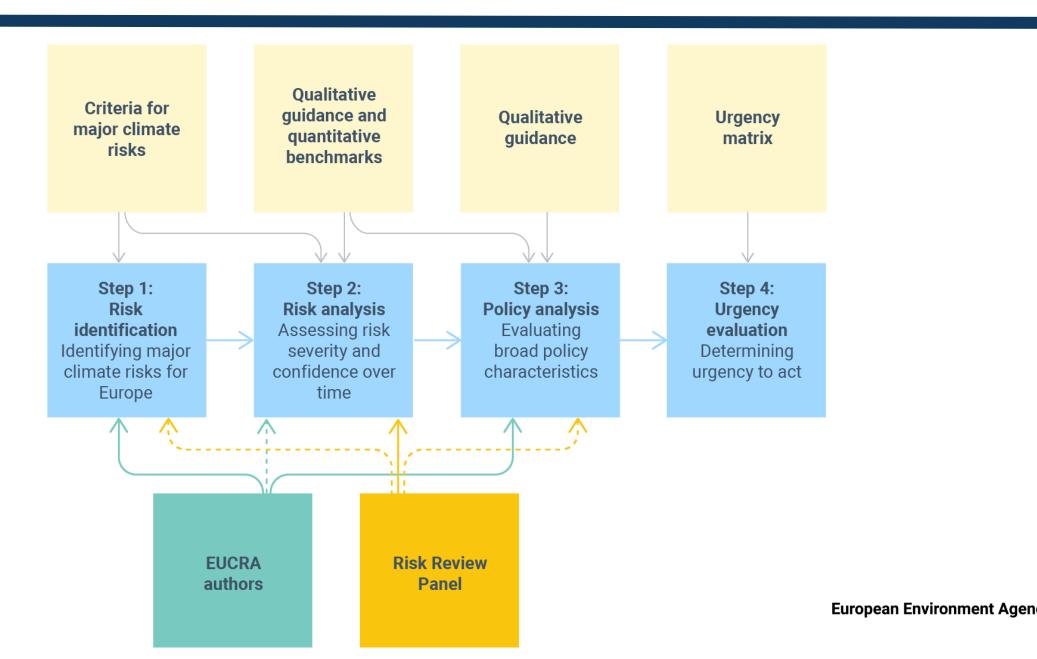
Climate risks	Urgency to act		Risk severity		Policy characteristics		
		Current	Mid-century	Late century (low/high warming scenario)	Policy horizon	Policy readiness	Risk ownershi
Ecosystems							
Coastal ecosystems		+++	+++	+++	Medium	Medium	Co-owned
Marine ecosystems		+++	+++	++	Medium	Medium	EU
Biodiversity/carbon sinks due to wildfires (hotspot region: southern Europe)		+++	++	++	Medium	Medium	Co-owned
Biodiversity/carbon sinks due to wildfires		+++	++	++	Medium	Medium	Co-owned
Biodiversity/carbon sinks due to droughts and pests		+++	++	++	Long	Medium	Co-owned
Species distribution shifts (*)		+++	++	++	Medium	Medium	Co-owned
Ecosystems/society due to invasive species		+++	++	++	Medium	Medium	Co-owned
Aquatic and wetland ecosystems		+++	++	++	Medium	Medium	Co-owned
Soil health (*)		+++	++	++	Medium	Medium	Co-owned
Cascading impacts from forest disturbances		+	+	+	Long	Medium	Co-owned
Food							
Crop production (hotspot region: southern Europe)		+++	++	++	Short	Medium	Co-owned
Crop production		+++	++	++	Short	Medium	Co-owned
Food security due to climate impacts outside Europe (*)		++	++	+	Short	Medium	EU
Food security due to higher food prices		++	+	+	Short	Medium	Co-owned
Fisheries and aquaculture		++	+	+	Short	Medium	Co-owned
Livestock production		++	++	+	Short	Medium	Co-owned
Health							
Heat stress – general population		+++	+++	+++	Long	Medium	National
Population/built enviromnent due to wildfires (hotspot region: southern Europe)		+++	+++	+++	Medium	Medium	Co-owned
Population/built environment due to wildfires		+++	++	++	Medium	Medium	Co-owned
Wellbeing due to non-adapted buildings (**)		++	++	++	Long	Medium	Co-owned
Heat stress — outdoor workers (hotspot region: southern Europe)		+++	+++	+++	Short	Medium	Co-owned
Heat stress – outdoor workers		+++	+++	+++	Short	Medium	Co-owned
Pathogens in coastal waters		+		+	Medium	Medium	Co-owned
Health systems and infrastructure		+++		++	Medium	Medium	National
Infectious diseases		+++	4.4	11	Short	Advanced	Co-owner

Table 18.1 Risk assessment for 36 major climate risks for Europe (cont.)

Climate risks	•	Urgency to act		Risk severity		Policy characteristics		
		Cu	rrent Mid-	century	Late century (low/high warming scenario)	Policy horizon	Policy readiness	Risk ownershi
Infrastructure								
Pluvial and fluvial flooding		+++	+++		++	Long	Medium	Co-owned
Coastal flooding		+++	+++		+++	Long	Advanced	Co-owned
Damage to infrastructure and buildings (**)	++	++		††	Long	Medium	Co-owned
Energy disruption due to heat and drough (hotspot region: southern Europe)	nt	++	++		++	Medium	Medium	Co-owned
Energy disruption due to heat and drough	nt	++	++		+	Medium	Medium	Co-owned
Energy disruption due to flooding		++	++		++	Long	Advanced	Co-owned
Marine transport		++			++	Medium	Medium	Co-owned
Land-based transport		++			++	Medium	Medium	Co-owned
Economy and finance								
European solidarity mechanisms		+++	++		++	Short	Medium	Co-owne
Public finances		++	++		++	Medium	Medium	Co-owne
Property and insurance markets		++	++		++	Medium	Medium	Co-owne
Population/economy due to water scarcity (hotspot region: southern Europe)		++	++		++	Medium	Medium	Co-owne
Population/economy due to water scarcity		++	++		++	Medium	Medium	Co-owne
Pharmaceutical supply chains (*)		++	+		+	Short	Medium	EU
Supply chains for raw materials and components (*)		++	++		++	Short	Medium	EU
Financial markets		+	+		+	Short	Medium	Co-owne
Winter tourism		+++	+++		++	Medium	Advanced	National
Legends and notes								
Urgency to act Risk	severity Con	fidence						
■ Urgent action needed ■ Ca	atastrophic Low		(*) Wide range of evaluations by auth					
■ More action needed ■ Critical		Medium: ++		(**) Urgency based on high warming scenario (late century).				
Further investigation	ubstantial Higi	ղ: +++						
Sustain current action	mited							
Watching brief								



EUCRA: Structured risk evaluation



Risk urgency matrix (underlying step 4)

Matrix for determining urgency to act (for single time horizon) based on risk severity, confidence and policy readiness

		Policy readiness				
Risk severity	Confidence	Very advanced	Advanced	Medium / Low		
	High	More action needed	Urgent action needed	Urgent action needed		
Catastrophic	Medium	Further investigation	More action needed	Urgent action needed		
	Low	Further investigation	Further investigation	More action needed		
	High	Sustain current action	More action needed	Urgent action needed		
Critical	Medium	Sustain current action	Further investigation	More action needed		
	Low	Sustain current action	Further investigation	Further investigation		
	High	Sustain current action	Sustain current action	More action needed		
Moderate	Medium	Sustain current action	Sustain current action	Further investigation		
	Low	Sustain current action	Sustain current action	Further investigation		
	High	Sustain current action	Sustain current action	Watching brief		
Limited	Medium	Sustain current action	Sustain current action	Watching brief		
	Low	Sustain current action	Sustain current action	Watching brief		

Further consideration of **policy horizon** (lead time, decision horizon)





Climate risks for 'Infrastructure' cluster	Urgency to act	Risk severity			Policy characteristics		
		Current	Mid-century	Late century (low/high warming scenario)	Policy horizon	Policy readiness	Risk ownership
Pluvial and fluvial flooding		+++	+++	++	Long	Medium	Co-owned
Coastal flooding		+++	+++	+++	Long	Advanced	Co-owned
Damage to infrastructure and buildings (*)		++	++	++	Long	Medium	Co-owned
Energy disruption due to heat and drought (hotspot region: southern Europe)		++	++	++	Medium	Medium	Co-owned
Energy disruption due to heat and drought		++	++	+	Medium	Medium	Co-owned
Energy disruption due to flooding		++	++	++	Long	Advanced	Co-owned
Marine transport		++	++	++	Medium	Medium	Co-owned
Land-based transport		++	++	++	Medium	Medium	Co-owned

Urgency to act

- Urgent action needed
- More action needed
- Further investigation
- Sustain current action
- Watching brief

Risk severity

Catastrophic

Critical

Substantial

Limited

Confidence

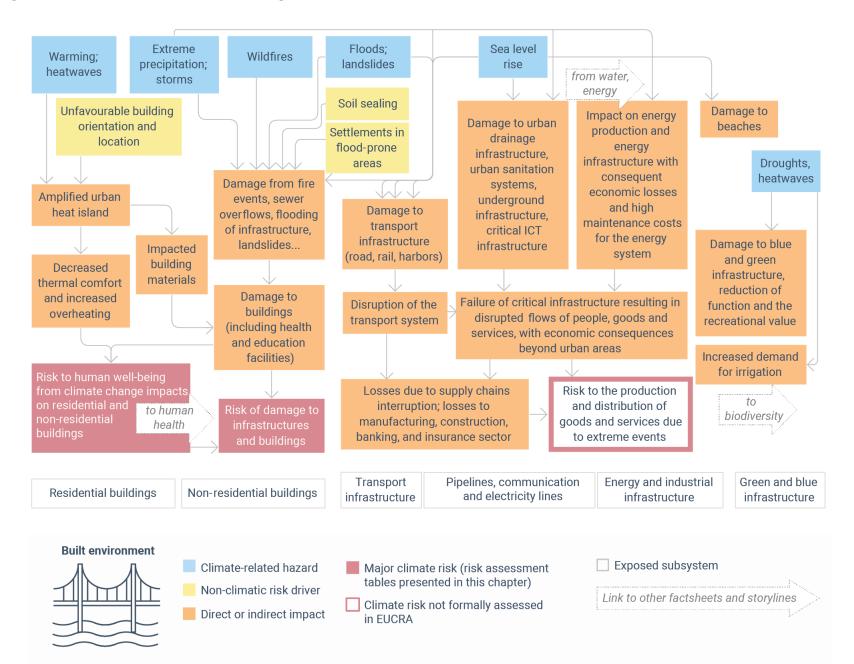
Low: +

Medium: ++

High: +++

(*) Urgency based on high warming scenario (late century).

Impact chain for major climate risks related to the built environment





Key messages: Risks in the infrastructure cluster

Extreme weather events are posing increasing risks to the built environment and infrastructure in Europe, as well as the services they provide.

This risk is further exacerbated by the ageing condition of much of Europe's buildings and infrastructure, as well as growing demand for the services they provide.

Risks from pluvial, fluvial and coastal flooding are the most urgent to evaluate and address.

Recent inland floods have led to very large economic losses in both absolute terms (e.g. 2021 flood in BE, DE, NL: EUR 44 billion) and relative terms (e.g. 2023 flood in SI: 16% of GDP).

The accelerating pace of sea level rise and the exponential increase in the resulting coastal flooding risks require more action now to prepare settlements and critical infrastructure.

Infrastructure assets are often part of a network of systems, where a disruption to one asset can quickly cascade and affect other sectors and assets.

Climate-related power outages or disruptions of digital infrastructure can disrupt transportation systems, health systems, and nearly all economic activities.

Poorly adapted dwellings and other buildings can increase the risk of heat stress during heatwaves.



Key messages: Policy priorities in the infrastructure cluster

Key priorities include conducting assessments and implementing actions to enhance the resilience of critical infrastructure on a systems level, and incorporating climate projections into the Eurocodes.

The potential of the Critical Entities Resilience Directive (adopted in 2022) should be utilised to the fullest.

The EU should carry out or facilitate systems-level assessments of current and future climate risks to critical infrastructure in Europe, including the trans-European networks for transport and energy.

More clarity on the location, exposure and vulnerability of private and public critical infrastructure is essential for assessing risk ownership and the financial implications from risk management measures.

European standards (Eurocodes), which are largely based on historical climate data, need to incorporate climate projections, including worst-case scenarios for particularly critical assets.

Increasing resilience to climate change needs to be an essential part of EU climate and energy policies, including integrated national energy and climate plans (NECPs).

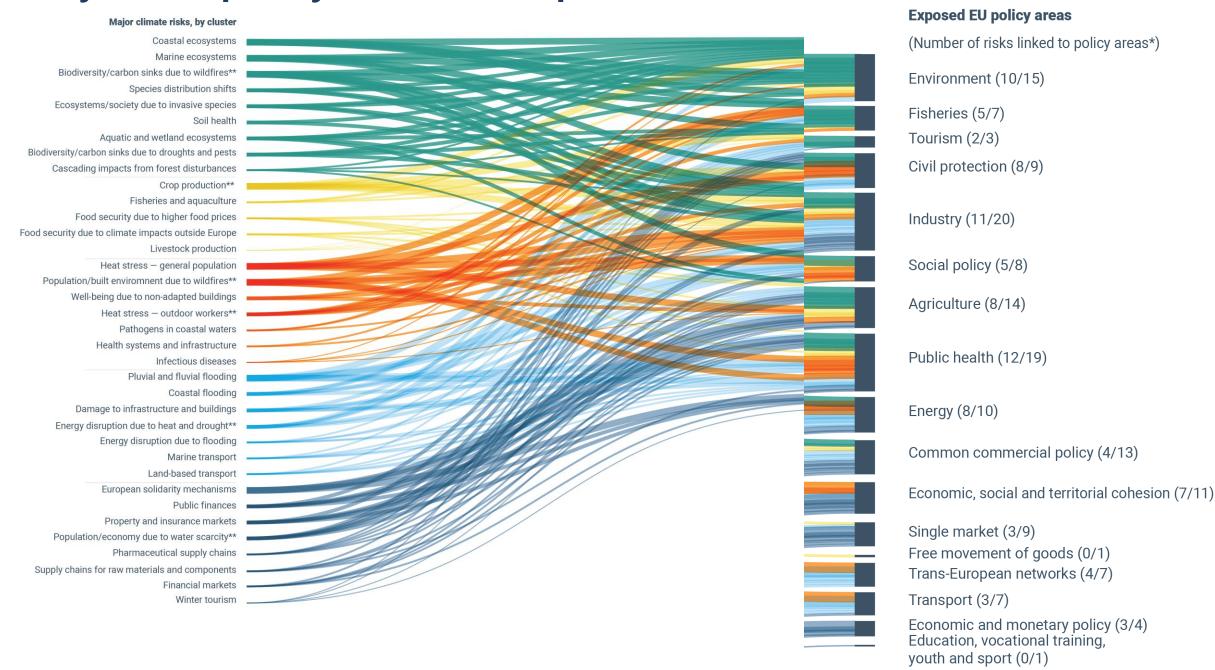
Ensuring security of supply in southern Europe during prolonged droughts and heatwaves is key.

In this context, developing low-carbon approaches for cooling buildings, both passively and actively, and facilitating their wide implementation, is a high priority.

The operation of existing energy infrastructure and the planning of new infrastructure should incorporate hydrological forecasting and monitoring systems.

European Environment Agency

Nearly all EU policy areas are exposed to climate risks



EUCRA uptake by EU institutions and other stakeholders

European Commission

- 12 March: <u>EC Communication</u>
- 12 March: <u>Press conference</u>

European Parliament

- 12 March: <u>Plenary debate</u>
- 19 March: <u>ENVI Committee</u>

Council of the EU

- 25 March: <u>Environment Council</u>
- 17 June: <u>Environment Council</u>
- Council Working Partys on Environment, Energy, Health, Tourism, Industry, and Agenda 2030

Belgian Council Presidency

High-level conferences on climate adaptation

Commission sets out key steps for managing climate risks to protect people and prosperity



The European Commission has today published a Communication on managing climate risks in Europe. It sets out how the EU and its Member States can better anticipate, understand, and address growing climate risks, and how they can prepare and implement policies that save lives, cut costs, and protect prosperity across the EU.

- Press release
- · Questions and answers
- A factsheet

Opening statement by Wopke Hoekstra, European Commissioner, on EU climate risk assessment, taking urgent action to improve security and resilience in Europe, extract from the plenary session of the EP



Opening statement by Wopke HOEKSTRA, European Commissioner for Climate Action



EUCRA media headlines: "Europe is unprepared"



5 things we learned from the EU's big (and first) climate risk report

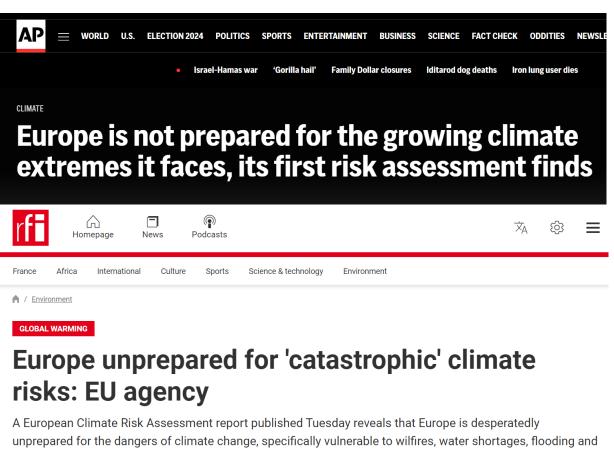
Farming must change. Diets must evolve. Southern Europe is at risk. And disaster looms if EU leaders don't act after June's election.



"Dringende actie noodzakelijk" om Europa te wapenen tegen klimaatverandering



Europe uninsured and underprepared for rapidly growing climate risks, says environment agency



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Milieuagentschap: Europa onvoldoende voorbereid op klimaatrisico's

