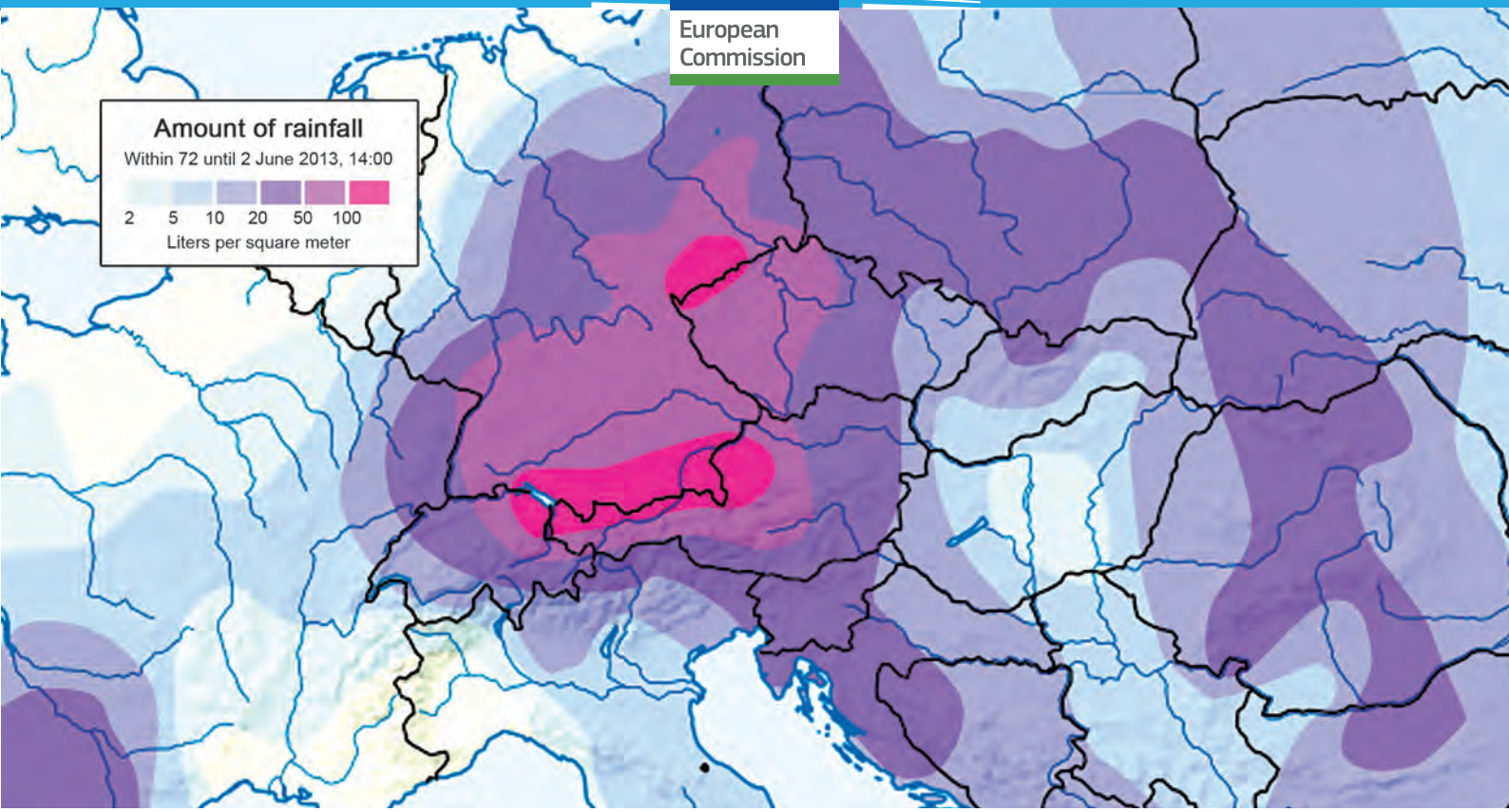
DRAFT

European Commission



Potential for climate action

Examples of how to mainstream climate action and the potential for doing so

ETC

European Territorial Cooperation under the European Regional Development Fund (ERDF) 2014-2020

Climate Action

Introduction

European Territorial Cooperation (ETC) is one of the goals of cohesion policy. More specifically, ETC is a goal under the European Regional Development Fund (ERDF), which is one of the five European Structural and Investment Funds (ESIF).

This Fact Sheet provides examples of how to mainstream climate action into the ETC, and outlines the potential for doing so. A Fact Sheet on ERDF is available which focuses on its Investment for the Growth and Jobs goal. Fact Sheets are also available for the other ESI funds.

The five funds are governed by a Common Provisions Regulation (CPR). The CPR defines eleven Thematic Objectives (TOs) to help implement the Europe 2020 strategy. Page 5 lists the TOs.

The ETC covers all TOs, and territorial cooperation can contribute to climate action in mitigation and adaptation. By mainstreaming climate action into the ETC, it can contribute towards reaching the target for at least 20 % climate-related expenditure of the overall EU budget in the period 2014-2020.

The climate-related outputs and results of the ETC may be even greater if they are coordinated with similar aspects of other ESI funds, other EU and national funds, as well as funding from the European Investment Bank. For example, ETC actions can work together with those under the ERDF and the European Social Fund (ESF) to stimulate the growth of the low-carbon and climate-resilient economy and related job creation. Support in border regions should also be coordinated with support from the European Maritime and Fisheries Fund (EMFF) and the European Agricultural Fund for Rural Development (EAFRD).

The overall goal of the ETC is to stimulate cooperation between Member States and with third countries bordering Member States. At least one participating country should always be an EU Member State.

Within the ETC, three types of cooperation are defined:

Cross border cooperation involves regions (NUTS3) on either side of a common land or maritime border. It aims to tackle common challenges. Projects must involve regions from at least two countries of which at least one should be a Member State. The Commission will adopt a list of cross-border areas eligible for support.

Transnational cooperation covers larger geographical areas such as the Baltic Sea and Mediterranean regions. It supports regions (NUTS2) with shared interests and conditions. Development and implementation of macro-regional and sea-basin strategies can be promoted under transnational cooperation. The Commission will adopt a list of transnational areas eligible for support.

Interregional cooperation extends further geographically and aims to foster the sharing of good practices and experience on TOs. In particular, it aims to encourage cooperation between innovative research-intensive clusters and exchanges between research institutions. Support should cover the whole EU territory.

Examples of how climate issues were mainstreamed in the ETC under the 2007-2013 financial framework

There are many examples of climate mainstreaming opportunities within the scope of the ETC. This includes, for example, joint sea basin management plans, joint tools and methodologies for the prevention of, and preparedness for, flooding and joint mitigation efforts. Experience from the 2007-2013 budget period provides relevant examples of climate mainstreaming[1]:

GRaBS (The Green and Blue Space Adaptation for Urban Areas and Eco Towns) is a network of pan-European organisations involved in integrating climate change adaptation into regional planning and development. It brings together partners from eight EU Member States to develop policies and tools to promote the role of green and blue infrastructure in adapting towns and cities throughout Europe.

SIC adapt (Strategic Initiative Cluster 'Adaptation to the Spatial Impacts of Climate Change') is a cluster of eight transnational projects with almost 100 project partners. It covers eight countries in North-West Europe. SIC adapt helps promote and achieve effective adaptation to climate change impacts in different spatial settings such as urban areas, floodplains and coastal zones.

MEDDMAN takes an integrated transnational approach to addressing drought and water management. The threat of water shortages is a major concern for many countries in the Mediterranean. The project produced tools and guidance for rational water resources management, and piloted them in the Mediterranean region.

River Tizsa flood prevention involves Serbian and Hungarian partners on both sides of the border. It aims to improve cross border river management and flood protection.

Alterenergy for sustainability in the Adriatic involves six Adriatic countries and advocates energy efficiency and the production of energy from renewable sources. It develops replicable models for sustainable energy management in small communities and provides assistance in planning and management. It seeks the involvement of citizens, local economic operators and small- and medium-sized enterprises (SMEs).

Power cluster focuses on rolling out offshore wind technology in Northern Europe and involves partners from six countries. It supports integration across sectors, work streams and topics; the social acceptability of wind energy; the development of new business contacts and the human capital needs of the wind energy industry.

Offshore energy potential in waters between Ireland and Scotland involved a detailed feasibility study and collaborative effort between the Scottish government, the Northern Ireland Executive and the Irish government. The construction of a transmission network would allow the regions involved to harness the enormous renewable energy potential of the wind, wave and tidal resources of the Atlantic Ocean and the North Sea. The positive conclusions of the feasibility study will help potential investors to develop a business case for the grid.

Cradle to Cradle Islands initiative involves countries bordering the North Sea. Islands in the North Sea face common problems due to their remoteness and isolation. The islands are used as testing grounds where research institutes and businesses can experiment with local solutions for water, energy and materials.

Urban homes turn green (Urb. Energy) is a project that involves six countries in the Baltic Region including Belarus as a non-EU participant. It aims to encourage greater use of renewable energy, offer innovative funding schemes for related activities, and introduce strategies for integrated urban development, including guidelines and manuals.

[1] For more examples, see: http://ec.europa.eu/regional_policy/projects/stories/index_en.cfm

Examples of mitigation action

TO	Examples/Selected Investment priorities	Potential mitigation action
1	Establishing and supporting mitigation-oriented research and innovation (R&I) business clusters	Stimulate innovation and the commercial uptake of ideas, e.g. in tidal and wave energy, in energy saving technologies and in resource-efficient production. One example is the Bioenergy Technology Transfer Network (BNT) which involves partners from research and business in seven Baltic countries. It works with applied R&I in biofuel production, refining and combustion and includes training of operators, users, decision makers and advisors.
2	Improving access to and the quality of Information and Communication Technologies (ICT)	Support for the introduction of ICT applications that contribute to meeting future societal challenges and opportunities, including reducing carbon emissions and increasing energy efficiency. This could be small or large-scale uptake of ICT-based innovations and applications. The DIGITAL Cities project establishes an open network for sharing knowledge and sustainable best practices across Europe, focussing on regions with low ICT adoption. The ITRACT project brings together technology experts in ICT, satellite, broadband and sensor technology to develop innovative transport and communication infrastructure for the North Sea Region.
3	Enhancing the competitiveness of SMEs	Advice, tools and assistance to SMEs in promoting the dual goal of sustainability and competitiveness. These goals need not conflict: rather sustainability can contribute to competitiveness. The ECOMARK project, involving partners from five Mediterranean countries, is one example. It concentrates on developing innovative services (e.g. logistics, energy efficiency, financing) and green marketing strategies.
4	Promoting the production and distribution of renewable energy sources	This covers upgrading existing distribution systems to facilitate the integration of energy from renewable sources into the main grid; increasing the production of energy from renewable energy sources such as wind. Enercy'regio is a strategic partnership of European regions which aims to provide municipal authorities with tools to promote concrete actions focussing on renewable energy technologies. E-Harbours brings together researchers from five harbour cities to make harbours more sustainable through renewable energy, smart grids and electric mobility.
4	Promoting energy efficiency and renewable energy use in SMEs	SMEs comprise the majority of businesses in the EU. Lowering greenhouse gas emissions from SMEs is thus an important contribution to reaching the EU mitigation targets. In the DESUR project, local and regional representatives from eight European countries cooperate to improve policies, instruments and methodologies to promote responsible innovation in SMEs. It brings together regions with a high degree of experience in such policies and regions who wish to advance the development of new policies.
4	Supporting energy efficiency and renewable energy use in public infrastructure and in the housing sector	Guidelines and tools for promoting energy efficiency, renewable energy and reduced energy consumption in urban areas and in buildings. Bringing together partners from countries with shared conditions and challenges enables a valuable exchange of experience and joint development of best practices and tools. One example of this approach is the Long Life project which involves partners from four Baltic countries. The project aims to introduce new innovative and higher standards when it comes to energy efficiency, sustainability, and resource-efficiency in buildings.
4	Promoting low-carbon strategies for urban areas	With the majority of Europeans already living in cities and an increasing number moving to urban areas, creating low-carbon futures for cities is crucial when tackling climate change. Eight pilot cities across Europe participate in the IMAGINE Low Energy Cities project to envision low-carbon future energy systems and develop implementation strategies through knowledge exchange and involvement of their citizens.
6	Protecting bio-diversity, soil protection and promoting ecosystem services	Carbon can be sequestered in soils and plant biomass, thus reducing emissions from agriculture and other sources while increasing ecosystems services such as water retention and preserving biodiversity. As part of the Interreg IVB North Sea Region, seven countries cooperate on the application of "Biochar", a substance able to store carbon, increase soil fertility and water retention and absorb pesticides.
6	Action to improve the urban environment	Actions to improve the urban environment can take a broader perspective which considers not only air pollution reduction, but also mitigation and adaptation issues. One example is the Brownfield Policy Improvement Task Force which encourages the development of potentially contaminated, previously used and abandoned land across 11 partner countries in Europe, with a partial focus on environmental and urban regeneration.
7	Developing environmental friendly and low-carbon transport systems and promoting sustainable urban mobility	Promote and facilitate the use of sustainable modes of transport which could include transport demand management measures such as congestion-charging systems, parking management and low emission zones, complemented by improved public transport systems. City and regional cooperation can contribute to improved decision-making and efficient implementation when it comes to developing low-carbon transport strategies. CycleCities seeks to make cycling a key component of urban transport systems. It develops a knowledge platform to disseminate good practice guides, data on cycling infrastructure and bike-sharing systems and ways to implement them. Several big and medium-sized cities in Europe are involved.
7	Developing comprehensive, high–quality and interoperable railway system	Railway systems provide a low-carbon alternative to road transport. The LO-PINOD project collaborates on new rail infrastructure in port hinterland areas and interconnectivity of ports using examples from partner countries. The CARE-North project develops low-carbon transport strategies for the North Sea Region and shares experiences from implementing pilot actions transnationally, such as modal shift measures incentivising car drivers to switch to trains.
11	Development and implementation of macro-regional and sea-basin strategies	Sea-basin and macro-regional strategies can establish joint understandings of challenges, opportunities, priorities and actions in mitigation in regions that share similar conditions. Under the umbrella of the EU Strategy for the Baltic Sea Region, BSR InnoShip promotes transnational cooperation to reduce ship and port emissions and to make the Baltic Sea a model for clean shipping.

Examples of adaptation action

TO	Examples/Selected Investment priorities	Potential adaptation action
1	Establishing and supporting adaptation-oriented clusters that combine research and business	Stimulating innovation and commercial uptake of ideas e.g. for urban solutions to respond to climate change and innovative technologies for adaptation. The SIC adapt project is one such example.
2	Enhancing access to, use and quality of Information and Communication Technologies (ICT)	Supporting the introduction of ICT applications that contribute to meeting future cross-border or transnational adaptation challenges and opportunities. This can include ICT tools to acquire, record, manage and disseminate information on flood prevention and management, or tools for understanding the impacts of climate change on transnational water resources.
3	Enhancing the competitiveness of SMEs	Promoting the expansion of SMEs with advisory competences in risk management and business continuity. Across countries, regions can share similar adaptation challenges and conditions. The competences and the competitiveness of the specialised SMEs in such regions can be boosted through joint collaboration across borders.
4	Supporting the shift towards the low-carbon and climate-resilient economy	Incorporating climate resilience measures into investments in offshore renewable energy assets in transnational waters (e.g. wind, wave and tidal facilities and their associated transmission systems).
5	Supporting networks in coping with major incidents and disasters	Promoting investment and disaster management systems to address specific climate-related risks. The Cooperation for Safety in Sparsely Populated Areas (CoSafe) is one example, supported by the ERDF. It aims to find operational service solutions for cooperation between countries in the Northern Periphery of Europe in the management of disasters and accidents in sparsely populated areas, meeting gaps and needs towards safer rural areas. Rural areas in this region are often characterised by extreme weather conditions, and have poor transport infrastructure and limited telecommunications.
5	Tackling cross-boundary adaptation challenges	Cross boundary adaptation challenges can exist, for example, for shared rivers and sea basins. The River Tizsa project is an example of a joint approach to improve protection against floods.
5	Tackling transnational adaptation challenges	Adaptation challenges may be shared transnationally, for example, in mountain ranges or along rivers. ClimChAlp is an example of a project which delivers effective and innovative structures, methods and measures for climate change risk management and prevention in the Alps. It compares monitoring techniques and management tools and practices in Alpine countries for dealing with natural hazards and identifies areas where there is need for transnational coordination.
5	Tackling shared adaptation challenges	Many regions may share similar risks. They can benefit from sharing experiences and joint development of tools and best practice. For examples, the FLAPP project involved partners from 15 countries that face flood risks. It facilitated the formation of partnerships along European river systems and the exchange of information on successful flood management methods.
5	Adaptation planning tools for urban areas	Green infrastructure has cross-cutting impacts relevant to both mitigation and adaptation. Green infrastructure such as parks, allotments, green corridors, green roofs and walls and blue infrastructure such as water bodies, floodplains and sustainable drainage systems, play a vital role in creating climate resilient development and sustainable living. GRaBS encouraged the development of a user-friendly strategic planning methodology and a vulnerability and risk assessment tool for all European regions and municipalities.
6	Protecting biodiversity, soil protection and promoting ecosystem services including NATURA 2000 and green infrastructure	Projects which preserve and enhance ecosystems can also contribute to climate change resilience. Ecosystem areas can cross national borders, such as in the Hainaut Cross-Border Nature Park which straddles the border between Belgium and France in a highly populated area. A joint management programme for the nature park considers the challenges of preserving water resources, conserving a functional ecological network and the development of environmentally-friendly farming practices.
7	Ensuring transport infrastructure is climate-resilient	Design transnational railway and road infrastructure to be resilient to climate risks, including higher temperatures, heavier rainfall and associated increased risks of ground movements and landslides.
11	Development and implementation of macro-regional and sea-basin strategies	Sea-basin and macro-regional strategies can establish joint understandings of challenges, opportunities, priorities and actions on adaptation in regions that share similar conditions. On the initiative of the Commission, a macro-regional strategy and action plan has been prepared for the Danube region, which considers both mitigation and adaptation challenges and opportunities. The region is confronted with many adaptation challenges including flooding, water scarcity, and droughts.

Background information

Why do we need to take climate action?

Tackling climate change is one of the great challenges facing the EU and its global partners.

The need for urgent action is clearly reflected in the Europe 2020 Strategy and the EU's ambitious 20/20/20 targets for climate change mitigation, i.e. to cut greenhouse gas emissions by 20 % (30 % if the conditions are right); reduce energy consumption by 20 % through increased energy efficiency; and to meet 20 % of energy needs from renewable sources.

Climate change is already happening and its effects will become more severe in coming years. So we need to take action on mitigation, and we also need to act to protect people, buildings, infrastructure, businesses and ecosystems from the impacts. These adaptation meaures, which will make us more resilient to the adverse impacts of climate change, will become increasingly important. Adaptation measures can be taken at national, regional and local levels. Adaptation measures include for example actions that can stimulate more efficient water use, and development and use of design standards that protect constructions against the impacts of future climate conditions and extreme weather events. Other examples include the building of flood defences, raising the levels of dykes, and replacing exposed power overhead lines with underground cables. It also includes meaures to take advantage of possible opportunities arising from climate change. The aim of the EU Strategy on adaptation to climate change is to help make Europe more climate-resilient and enhance its preparedness and capacity to respond to the impacts of climate change.

Building a low-carbon and climate-resilient economy will enhance Europe's competitiveness, create new, greener jobs, improve energy security and bring health benefits to Europe's citizens by improving the air quality.

EU funding over the period 2014-2020

The EU budget has an important role to play in promoting climate action in all sectors of the European economy and in catalysing the investment needed to meet the climate targets and ensure climate resilience. Investment is needed in a wide range of technologies that improve energy efficiency, in renewable energy sources and related infrastructure, and in the adaptation to climate change.

Based on a proposal put forward by the Commission, the European Council concluded on 7-8 February 2013 that 'Climate action objectives will represent at least 20 % of EU spending in the period 2014-2020 and therefore be reflected in the appropriate instruments to ensure that they contribute to strengthen energy security, building a low-carbon, resource efficient and climate resilient economy that will enhance Europe's competitiveness and create more and greener jobs.

European Structural and Investment Funds (ESIF)

ESIF include the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF).

The ultimate responsibility for implementing the EU budget lies with the European Commission, but the ESIF are implemented under 'shared management', with individual EU countries actually distributing the funds and managing expenditure. Checks and balances are in place to ensure the funds are managed properly and in accordance with the rules.

Common Provisions Regulation (CPR)

The CPR sets out the means to achieve consistency with the economic policies of the EU and its Member States, coordination mechanisms among the ESI Funds and with other EU policies and instruments, horizontal principles and cross-cutting policy objectives. It lays down arrangements to address territorial challenges, suggests action with high European added value and sets out the principles and the priorities for action.

Each Member State will prepare a Partnership Agreement, in cooperation with its partners and in dialogue with the Commission. In preparing the Partnership Agreement, each Member State translates the elements set out in the CPR into the national context and sets firm commitments to achieve the EU's objectives through the programming of the ESIF.

ESIF will be implemented through programmes in accordance with the Partnership Agreement. Each programme will cover the period 2014 - 2020. It will set out a strategy explaining how the programme will address the national and/or regional needs and contribute to the EU's strategy for smart, sustainable and inclusive growth, in line with the applicable regulations and the Partnership Agreement.

The CPR defines eleven Thematic Objectives (TOs), which will contribute to the implementation of the EU's strategy for smart, sustainable and inclusive growth. The eleven TOs are:

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of, information and communication technologies
3. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)
4. Supporting the shift towards a low-carbon economy in all sectors
5. Promoting climate change adaptation, risk prevention and management
6. Protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
8. Promoting employment and supporting labour mobility
9. Promoting social inclusion and combating poverty
10. Investing in education, skills and lifelong learning
11. Enhancing institutional capacity and an efficient public administration

The fund specific regulations define the corresponding investment priorities for each TO..

TO 4 and 5 are dedicated to climate change mitigation and adaptation. In addition, climate action issues can be mainstreamed into other TOs. Hence, ESIF can significantly contribute to the achievement of the climate objectives and the transition to a low-carbon and climate-resilient economy.

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European Territorial Cooperation (ETC) (under the European Regional Development Fund (ERDF)) will make a major contribution to the transition to a low-carbon and climate-resilient Europe.

This Fact Sheet shows how this can be done and outlines the potential for climate mainstreaming in this fund.

The ETC is one of the goals of cohesion policy and provides a framework for the implementation of joint actions and policy exchanges between national, ragional and local actors from different Member States.

These funds have a key role to play in achieving the Europe 2020 Strategy for smart, sustainable and inclusive growth. The five funds will contribute to the target that climate action objectives will represent at least 20 % of EU spending in the period 2014-2020, while helping to improve energy security, build a low-carbon, resource-efficient and climate-resilient economy that will boost Europe's competitiveness and create more and greener jobs.

The ETC covers cross-border cooperation, transnational cooperation and interregional cooperation.

The CPR defines eleven Thematic Objectives that will contribute to the implementation of the Europe 2020 Strategy. The ETC covers all eleven Thematic Objectives. There is major potential for mainstreaming climate action in all objectives. By doing so, the ETC can contribute towards reaching at least 20 % climate-related expenditure out of the overall EU budget.

Disclaimer: This Fact Sheet is a draft version based on the European Commission's legislative proposals of October and December 2011, and March 2012. It does not prejudge the outcome of the ongoing legislative process and the resulting regulations, including the provisions on the eligibility of various actions and on the thematic concentration.

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DG Climate Action:
http://ec.europa.eu/clima

Publications Office

ISBN 978-92-79-30737-9

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