

23rd February 2026

EBF response to European Commissions “Open Public Consultation for the new European climate resilience framework

Key Messages

- Stronger prevention frameworks, clearer risk ownership at municipal and regional levels, stable policies and predictable adaptation measure with clear targets, timelines, and predictable funding streams
- o Public access to high-quality, harmonised and understandable location as well as asset specific climate vulnerabilities data; including forward looking ones and centralized registries
- Strengthened National and local adaptation plans with a clear investment focus and strong investment ready projects’ pipelines.
- Embedding climate resilience in infrastructure-intensive sectors such as energy, transport and buildings, where long asset lifecycles require forward-looking risk integration
- Strengthening local capacities and resources
- Strengthening advisory to help stakeholders including households and SMEs to understand risks and possible, and easy to implement measures
- Easier access to funding for preventive resilience-building via EU-level and national level mechanism and public-private partnerships (PPP) mechanisms including funding mechanisms that lower barriers for banks to support, underwrite, or invest in resilience projects particularly in regions most exposed to climate risks.
- Increasing capital-market readiness and standardised templates to facilitate financing at scale.

General Questions

How well informed do you consider yourself about the potential impacts of climate change that could affect you now and in the future?

	Fully informed	Slightly informed	Neutral	Slightly uninformed	Totally uninformed
*Answer		x			

Optional: Please explain why?

European banks have made significant progress in embedding climate and nature-related risks into their risk management frameworks, but further work remains necessary to fully integrate these risks into core financial decision-making and resilience planning. As highlighted by the European Central Bank, many institutions have already advanced their understanding of how climate-related risks affect portfolios, governance and risk measurement, but efforts must continue to ensure comprehensive and forward-looking coverage.

Climate physical risks are increasingly relevant for banks' financing activities, particularly through exposure to clients, assets and supply chains. Physical risk is being integrated into risk assessment and loan origination processes, however risk assessment spans very long periods and therefore always occurs under great uncertainty. This uncertainty is structural and cannot be fully eliminated, even with improved models and data, which reinforces the need for a proportionate, risk-based and prevention-oriented policy framework.

Furthermore, data availability is severely limited in some areas (e.g., information about production sites), which means that a high degree of reliance on assumptions is necessary. *For example, banks do lack information about climate adaptation activities (planned and implemented) of their clients. Historical information on the impact on credit risk on a loan by loans basis is also not easily available.*

How prepared do you consider yourself to face the potential impacts of climate change?

	Fully prepared	Slightly prepared	Neutral	Slightly unprepared	Totally unprepared
*Answer		x			

Optional: Please explain why?

The financial sector increasingly recognises that climate risk is already a material financial risk but also acknowledges that adaptation planning and implementation measures vary widely across regions and asset classes and that full integration of physical risk into risk management, credit processes or pricing is still under progress.

While the financial sector has made significant progress in integrating climate risk assessments into governance, risk management, lending and insurance practices, persistent data gaps, particularly data on major production sites and **localised, high-resolution climate projections**, still limits full preparedness.

Who do you consider to be primarily responsible for preparing for the physical impacts of climate change?

- Individual citizens
- Businesses and private actors
- Local and regional authorities
- National governments
- The European Union
- X All of the above

- All above, but the primary responsibility for preparedness should lie with I governments and local authorities

Which of the following would help you become better prepared for the impacts of climate change?

- Easier access to data and information relevant to my area/situation
- Expert support to prepare/protect my home/family/company etc. against possible risks, based on this data/information
- Easier access to funding or financing for my/our actions
- Greater local ownership of planning, implementing measures, and monitoring success
- Better planning and preparation by public authorities
- Other – while choosing the most relevant, we believe all of the above is relevant as would be more education on impact and mitigation measures and reliable guidance for performing mitigation measures for asset owners, both private households and corporates, from public authorities.
Public authorities should be responsible for the development, maintenance and regular updating of hazard and risk maps, ensuring legal certainty and avoiding parallel, fragmented or duplicative risk assessments by private actors.

An overview of easy-to-implement climate change adaptation measures for individuals and small businesses would be helpful. A one stop shops for climate resilience should be developed similarly to those envisaged in the EPBD for energy efficiency improvements advisory. For efficiency reasons, joint “one stop shops” should be envisaged for energy and resilience improvements advisory.

Please name the three policy actions that would most help you improve your risk awareness and preparedness for climate change impacts:

1) Better planning, preparation, implementation and monitoring by public authorities

a) Comprehensive national strategies

Preventive actions: Different regions face different combinations of climate risks, and resilience strategies should reflect this diversity. A comprehensive national risk mitigation strategy to scale up preventive actions, with **dedicated financing, capacity**

building, and systematic socio-economic prioritisation is key to significantly improve climate-risk awareness and preparedness. A well-coordinated, long-term and well-financed strategy for preventive climate adaptation is key. (see our response to question 17)

Post event approach: “Build back better” requirements for climate-related damages should also be introduced, ensuring that post-event reconstruction and repairs include climate adaptation measures to reduce vulnerability to future climate impacts

b) Flexible, locally driven resilience strategies that emphasize responsibilities of different actors

Policy actions should give Member States and local communities the **flexibility to design and implement solutions** that work for their specific situation. Governmental frameworks for adaptation should emphasise **shared responsibility and cross-level cooperation**, reflecting the distributed nature of climate risk. The public–private cooperation on adaptation planning, including **clear assignment of responsibilities** and integration of financial-sector needs a to be strengthened.

For the financial sector it is important to:

- provide clear **risk ownership** at municipal and regional levels,
- ensure **predictable adaptation measures** in land-use planning, infrastructure and water management, and
- **involve financial institutions early** in climate-risk assessments and resilience planning.

in order to better understand future exposure and reduce uncertainty in asset valuations and insurance risk assessments

Also, effective **public-private risk sharing mechanisms** for climate adaptation investments (would increase resources invested in climate resilience and adaptation.

National and local resilience plans should have a potential to serve as a basis for private sector guidance on **how to incorporate climate resilience into investment and business decisions**. A translation to sector and regions is necessary to enable investments.

2) Data

a) Facilitating access to harmonized, location-specific climate risk data: transparent, accessible, and actionable climate-risk and loss information for all stakeholders.

Access to understandable and relevant information is essential for effective prevention and informed decision-making at all levels of society. Public and private sectors need urgently an accurate knowledge of local exposure. Data needs to be openly accessible, and actionable to translate climate risk into operational decisions (see response to question 21)

b) Development of a limited number of performance indicators for both the EU and Member States, for measuring the effectiveness of climate adaptation and resilience measures

See our response to question 21

3) Easier access to funding or financing for resilience and adaptation measures

- National adaptation funds financed through ETS revenues. Member States should consider allocating a portion revenues stemming from existing ETS to dedicated national adaptation funds, within a coordinated EU framework to ensure consistency, economies of scale and avoid fragmentation.
- Creation of EU-level mechanism for adaptation
Such mechanism should be designed to allocate public support through competitive or performance-based indicators to projects delivering measurable reductions in physical climate risk through competitive auctions to interventions that deliver the largest measurable reduction in physical climate risk per euro of public funding. In doing so, it can create a transparent and efficient market for resilience outcomes (rather than for projects or assets), addressing the structural lack of predictable revenues that continues to constrain investment in climate adaptation and resilience. See response to question 22
- Establishment of a **European public natural hazard portal**, inspired for example by Austria's HORA system or French georisque platform¹ to make hazard and risk information widely accessible.
- **Support for national public-private partnership (PPP) mechanisms** to mobilise additional resources for resilience projects.

¹ <https://www.georisques.gouv.fr/>

- **Financial support for prevention and adaptation measures** through dedicated EU or national funding programmes.

Climate resilience by design

The principle of ‘climate resilience by design’ means a **proactive effort to consider and prevent plausible high-impact risks and losses from the very beginning when conceiving policies, investments and other measures**. The 2024 Commission Communication on managing climate risks put it simply: ‘planning decisions of today need to build on a sound anticipatory assessment of risks’ likely to occur in the future. Climate resilience by design differs from measures taken to remedy the damage caused by climate impacts after they have already occurred.

The Commission intends to ensure that the future climatic conditions are duly integrated into all relevant EU policies and frameworks governing sectors and stakeholders vulnerable to climate change. It also seeks to encourage Member States and all public-sector authorities and private-sector stakeholders to embed this principle in their decisions, ensuring coordinated action across society.

Which sectors are most important for integrating the principle of “climate resilience by design”?

Climate resilience by design is particularly relevant for **infrastructure-intensive sectors** such as energy systems, transport and logistics infrastructure, water and wastewater management, building sector and sectors with high supply-chain dependencies, where long asset lifetimes, high upfront capital needs, and significant public investment play a central role. In this regard, careful design is required to avoid unintended effects, such as lock-in of suboptimal technologies, disproportionate cost increases in procurement and construction, **or reduced bankability of projects if resilience requirements are introduced without sufficient planning certainty**. Resilience-by-design requirements should be introduced in a predictable, stable and sufficiently long-term manner, allowing lenders, investors and project sponsors to price risks adequately and avoid unintended consequences such as reduced access to finance in already vulnerable regions.

For example, overly granular or frequently changing resilience standards may delay infrastructure projects, strain municipal budgets, or complicate financing for public utilities and SMEs, while location-specific risk requirements without accompanying prevention, land-use planning, or risk-sharing mechanisms could discourage investment in already vulnerable regions. Furthermore, resilience by design should

also ensure consistency with existing regulation as well as planning, permitting, and investment frameworks for these highly relevant sectors.

Buildings and infrastructure — buildings and infrastructure represent the largest share of assets exposed to physical climate risks. Climate resilience by design is therefore key for sectors responsible for the design, construction, and maintenance of buildings, transport networks (roads, railways, ports), energy systems (generation, transmission and distributions) water management and digital infrastructure. These sectors determine how well communities and economies can withstand and recover from extreme weather events, floods, droughts, and other climate impacts. Integrating resilience into the planning and construction phases ensures that assets are prepared for future climate risks throughout their lifecycle. Integrating climate resilience by design into property-level investments and local infrastructure and community planning is crucial for narrowing protection gaps and ensuring equitable resilience across society.

Water management and sanitation – Stormwater is among the fastest-growing sources of climate-related damages in several European countries. Flood protection, drainage, drinking water and wastewater systems are directly affected by changing precipitation patterns, droughts and sea-level rise. Water intrusion and sewage backflow claims have risen significantly as rainfall becomes more intense and local drainage systems struggle to cope. Resilient water infrastructure is therefore central to reducing long-term losses.

Agriculture and forestry – land use, crop systems and forest management adaptation is essential to manage drought, flooding, pests and wildfire risks.

Which policy areas or EU legislative frameworks should prioritise embedding this principle, and how should this be done?

Sectoral policies governing infrastructure, buildings, land use, transport and energy should prioritize climate resilience by design by systematically integrating forward-looking climate risk assessments into planning, investment and permitting decisions.

All policies relevant for:

- **Assessing and permitting building applications.** All relevant assessments should consider climate risk assessments and climate resilience assessments and mitigation measures
- **Permitting licences to operate in the EU**

for a licence to operate the climate resilience of the business model should be proven by a performed climate risk assessment and performed mitigation measures and a mitigation strategy, even for relevant non-EU companies doing business in the EU e.g. to ensure long-term operation for infrastructure or factories, proving resilient supply chains for relevant services or products.

Any new legislative framework should build as much as possible on existing legislation, planning, risk-assessment and reporting tools, avoiding the creation of parallel or overlapping obligations that increase administrative burden without improving resilience outcomes.

Are there any existing policies or legislation (at EU, Member State, regional, local level) that prevent you from taking effective action to be better prepared for the impacts of climate change? If so, which ones and please explain how they impair your efforts.

No specific legislation prevents action as such, but fragmentation across frameworks (EU, MS, regional, local levels...) and lack of alignment between climate risk assessments, planning and investment requirements can slow implementation. In addition, several structural issues limit effective climate-risk preparedness:

- **Insufficient incentives for municipalities to invest in prevention.** Preventive investments in drainage, flood protection and critical infrastructure lag identified needs. This increases the financial burden on both insurers and society.
- **Insufficient national risk-information infrastructure despite regulated data sharing.** Information on climate-related risks, vulnerabilities and observed damages is not fully accessible or operationalised for national, regional and local authorities weakening evidence-based land-use planning, infrastructure prioritisation and climate adaptation, and reduces the effectiveness of preventive efforts across levels of government.
- **Insufficient emphasis on climate adaptation and risk prevention in public policy frameworks.** A key issues is the continued under-prioritisation of climate adaptation and preventive measures in public policy frameworks. National public authorities play a crucial role through responsibility for preventive infrastructure, building standards, and post-disaster reconstruction, yet current approaches often focus more on compensation than on prevention. Strengthening adaptation

requirements and applying “build-back-better” principles would significantly improve resilience and insurability.

Lack of systematic integration of project-level climate risk assessments into public maps and datasets. The information is not systematically incorporated into municipal or national datasets. As a result, valuable site-specific climate-risk analyses remain isolated rather than improving the broader evidence base used in land-use planning, flood mapping, and risk assessments. In addition, neither **local hazard maps nor national data layers are consistently updated** when public or private actors implement climate-adaptation measures, leading to outdated exposure assessments and persistent data gaps, an issue repeatedly highlighted by financial institutions struggling to obtain **reliable, localised climate data**.

- **Lack of prevention investments:** existing funding mechanisms often focus on disaster relief after events occur, rather than on resilience and prevention. This reactive approach can discourage long-term adaptation efforts and create reliance on public funding, rather than incentivise preventive action.

In addition, **the legal obligations to keep customer information confidential** limit the ability to share critical information between banks and insurance companies, which constrains effective climate risk management. For example, a bank needs to ensure that pledged properties are fully insured. While information on insurance coverage is collected as part of the credit approval process, insurance contracts are typically renewed on an annual basis and may change over time without the bank’s knowledge.

Even where the insurer makes the bank aware that insurance has lapsed on a property, and the bank engages with the customer to encourage the customer to retain and renew their policy, ultimately the customer may decide not to engage, leaving their property uninsured.

Securing insurance when a property is purchased or a loan is issued does not guarantee that suitable insurance will remain available or affordable over time. As extreme weather events intensify, some properties may become uninsurable or the cost of coverage may become so expensive the borrower can no longer afford to pay the premium. If a borrower lacks home insurance and the property is subsequently damaged by severe weather, their financial position may deteriorate, increasing the likelihood of default. As the climate crisis progresses and flooding and other weather related damage become more common, a rise in mortgage defaults could place significant strain on both local and national economic systems.

The lack of ongoing access to up-to-date insurance information reduces the bank’s ability to monitor changes in risk exposure and to act proactively in relation to climate-

related physical risks . Therefore, each Member State should be required to establish a centralised registry of insurance-related information, so that financial institutions can verify information regarding insurance status of a property, independent of the insurer or customer. Such a database would inform sector understanding and government planning as well as supporting the financial sector to assess and manage risk to their portfolios.

The **EU Taxonomy** for sustainable activities was also mentioned as too restrictive given the lack of emphasize on transformation. Transformation is more in line with economic logic and enables gradual development.

Legislative framework for climate resilience

The European Climate Law requires the EU and Member States to ensure continuous progress on climate adaptation. Yet, Member States have very different policy frameworks for the assessments, strategies, plans and instruments, which limits the development of a shared understanding of the challenges and coordinated climate resilience actions across the EU. Policies are often not specific enough to address major climate risks, and the roles and responsibilities of individual sectors in adaptation planning and implementation vary widely.

Overall, **progress in strengthening climate resilience in the EU is slow and uneven and is not keeping pace with accelerating climate change. EU and national resilience policies and measures are currently not fit for purpose.**

Therefore, the Commission intends to prepare a legislative proposal to ensure a more comprehensive, robust and ambitious approach, while fully respecting the principle of subsidiarity, proportionality, avoiding unnecessary administrative burdens and ensuring coherence with sectoral policies. This section invites your views on the scope and key elements of the planned proposal.

The Commission considers that including the below aspects and requirements in its legislative proposal is essential to better prepare our economies and societies for climate change, and to prevent major losses and damage. What is your view on each of them?

Common baseline climate trajectories/scenarios, and acceptable risk levels:

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Determination of the levels of global warming or a similar common baseline* for	x				

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
adaptation decisions that EU and national public policy and investments should consider, for example through common EU climate reference trajectories/scenario(s) <i>* An example is the decision by France to establish a Reference Trajectory for Adaptation to Climate Change (TRACC), setting +1.5° C by 2030, +2° C by 2050, and +3° C by 2100 as reference for national and regional adaptation strategies. Respondents to the Call for Evidence supported the development of minimum precautionary levels for climate resilience / common reference scenarios / reference warming trajectories.</i>					
Duty to consider a common baseline (e.g. reference trajectories/scenarios) of global warming, as described in the preceding bullet point,			x		

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
in climate risk assessments.					
Duty to apply a precautionary approach by integrating a common baseline into planning decisions by the EU and Member States			x		
Common approach for deciding what level of residual risks society / public authorities choose not to eliminate: a way to determine what are we willing to live with and why		x			

Comments:

- We support the European Commission's intention to establish a more coherent and ambitious legislative framework for climate resilience. We agree that a common (both short-term and long-term) baseline for climate reference scenarios can provide public authorities, businesses, and communities with a clearer understanding of future climate conditions, supporting more consistent and forward-looking adaptation decisions across the EU. **At the same time, it is indeed important that such consistency allows for the flexibility needed to address local and sector specific circumstances.**

It is key for any EU-level baseline to remain **compatible with scientific advances and to allow for sufficient flexibility** at national and local levels. Climate impacts and adaptation needs vary significantly across Europe, and effective planning must accommodate more granular, location-specific assessments, especially for risks such as floods, droughts, or wildfires.

- When determining acceptable levels of residual risk, a careful and inclusive process is encouraged. Decisions about what risks societies choose to tolerate involve **complex political, social, and economic considerations**. Clear governance structures and transparent criteria will be essential to support implementation and maintain public trust. The right approach depends on local realities. Natural hazard profiles, geographic conditions, existing development patterns, climate change impacts, and socioeconomic factors vary significantly across regions, making context-sensitive solutions necessary. However, local flexibility must be balanced with robust minimum standards, ensuring that accepted risk levels do not stem from avoidable deficiencies in planning, enforcement, or preparedness.

G) Climate risk assessments:

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Development of climate risk assessments that would also cover the most affected policy sectors, at European level		x			
Development of climate risk assessments that would also cover the most affected policy sectors, at national level	x				

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Common parameters for the scope and content of both EU and national climate risk assessments (e.g. climate scenarios, regularity, sector coverage)			x		

Comments:

We support efforts to strengthen climate risk assessments, as these are essential for informed and coordinated adaptation planning. Robust and comparable risk assessments provide a clearer view of evolving hazards and exposure patterns, which in turn supports more effective risk prevention and long-term resilience strategies.

National assessments can incorporate local hazard maps, municipal capacity, and existing adaptation measures, allowing for more actionable insights than EU-only frameworks.

Adaptation planning and determination of risk owners:

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Definition of climate resilience and adaptation targets		x			

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
(possibly including sectoral / thematic targets) for EU institutions and Member States					
Robust obligation on the EU/Commission to prepare and implement an EU adaptation strategy and plan	x				
Climate resilience and adaptation plans should also cover the most affected policy sectors at EU level		x			
Robust obligation on Member States to develop national adaptation strategies and plans	x				

Adaptation planning and determination of risk owners (cont.):

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Climate resilience and adaptation plans should also cover the most affected policy sectors at national level	x				
Identification of risk owners responsible for and mandated to address the identified vulnerabilities	x				

Comments:

Clear adaptation planning, combined with the identification of responsible risk owners, can improve prevention, accountability and implementation, while respecting subsidiarity and existing national competences.

A strengthened **preventive approach** should include:

- A national (and EU-aligned) scale-up plan for climate-risk prevention, with clear targets, timelines, and **predictable funding streams**.
- Systematic socio-economic **cost-benefit analyses** to prioritise the measures that provide the greatest societal return

- Significant strengthening of **municipal and regional planning expertise**, addressing major capacity gaps in land-use planning, stormwater management, and risk mapping.
- Securing **municipalities' financial ability** to fulfil their statutory responsibilities for prevention
- Development of **national hazard maps**, including updated flood-zone and stormwater risk maps.
- Improved **cross-agency coordination and stronger political ownership**, ensuring coherent national and local action.
- Leveraging the insurance sector's **risk data and preventive insights**
- Consideration of **interlinkage** with other aspects to avoid silos and enable identification of synergies and trades off.

We welcome the ambition to reinforce adaptation planning through clear resilience targets and robust obligations for EU institutions and Member States. Predictable and forward-looking adaptation strategies can help de-risk investment decisions and support efforts to manage the long-term economic and social impacts of climate change.

However, it is essential that these targets and strategies be regularly reviewed and adjusted to keep pace with accelerating risks and evolving scientific evidence. Crucially, climate mitigation - particularly ambitious emissions reduction - must remain a top priority alongside adaptation, as only progress on mitigation will ensure that adaptation efforts are effective and not outpaced by worsening climate impacts.

National sectoral plans ensure that high-risk areas, such as stormwater management, energy supply, transport, and built environment, receive targeted, evidence-based adaptation measures. **Municipalities differ significantly in their ability** to handle stormwater, manage flood zones, and integrate climate projections into planning. Ambiguous responsibilities lead to gaps in preventive action, which in turn increase long-term losses for households, businesses, and insurers. Identification of risk owners is essential not only for accountability but also to reduce uncertainty in asset valuation, credit decisions and insurance coverage, unlocking more effective investment in resilience. Finance institutions, particularly insurers, can support this process by offering insights on where risks are building up, where prevention is most effective, and how public and private actors can work together to reduce exposure and vulnerability and increase protection.

Complementing action at EU level by Member State action, in compliance with the subsidiarity principle

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Member States adopting national legal frameworks on climate resilience and adaptation (covering issues such as administrative set-up and coordination mechanisms, regular climate risk and vulnerability assessments, adaptation planning, early-warning mechanisms, governance at regional and local levels, alignment with subnational strategies and plans, inclusion of stakeholders and vulnerable	x				

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
groups, monitoring and evaluation framework)					
Member States carrying out evaluations at appropriate levels to identify regions and groups of people that are particularly vulnerable to climate change, and developing plans for targeted adaptation measures to help these regions and groups	x				
Member States involving all relevant stakeholders, including particularly		x			

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
vulnerable groups, in adaptation policy planning					

Comments:

Vulnerability to physical climate risks varies significantly by region. Insurance data shows that some municipalities repeatedly experience more severe impacts from heavy rainfall and stormwater intrusion than others. Systematic national evaluations help ensure that adaptation resources are directed to where exposure and vulnerability are greatest.

EU-level coordination can support consistency and knowledge sharing, while Member States should retain flexibility to design measures reflecting local risks and conditions.

Monitoring, reporting, evaluation and learning

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Development of a limited number of performance indicators for both the EU and Member States, for measuring the effectiveness of climate adaptation and resilience measures	x				

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
In line with the simplification agenda, improvement and streamlining of monitoring, reporting, evaluation and learning practices at EU and national levels, through more targeted reporting on climate impacts	x				
Incorporation of corresponding resilience progress indicators into existing sector legislation to avoid duplication and new reporting requirements		x			

Comments:

Today, financial institutions still face substantial challenges due to fragmented climate-risk information and inconsistent methodologies. Inadequate access to reliable

local climate data is one of the largest barriers to integrating physical climate risk into decision-making.

We would also welcome development of a shared public open access database with high quality data and indicators focusing on tangible resilience improvements facilitating common understanding. Data should be made available at member state / EU level by public authorities. Additional or new reporting requirements for private sectors should be avoided – in particular in the light of current reporting simplification efforts of the EU.

To address these challenges, it is crucial that policies support:

- Improvement of **common understanding** and interoperability of data by harmonizing different taxonomies
- Open access to **local hazard maps and forward looking risk information** understandable to non-experts.
- Integration of risk and loss data with practical, actionable guidance on **what preventive measures individuals, businesses, and municipalities should consider.**
- **Strong involvement of local authorities**, who play a decisive role in zoning, building standards, and community preparedness.
- **Transparent, harmonised EU-level climate-risk data standards**, enabling consistent assessments across borders and across sectors, including the financial sector.
- **Development of knowledge-sharing platforms** to disseminating insights on where and how climate-related damages occur and how they can be prevented.

By ensuring that climate-risk and loss information is widely available and paired with targeted, practical advice the EU would significantly improve the ability to reduce vulnerability and make well-informed decisions about adaptation and resilience.

Public budget planning should also take into account the need to address the creation of homogeneous information structures accessible to wide range of economic actors.

Examples

- **Asset level data**
A standardized information for assessing climate related risk on private properties inspired by the EPC structure would be beneficial to assess vulnerabilities at asset level (see also response to question 27 on climate resilience certificates). **Standardised climate risk/vulnerability data disclosure for residential properties**, including exposure to key physical risks such as flooding, drought and heat stress, as well as mitigation measures (e.g. installation of backflow valves, water drainage systems, door flood barriers etc) to improve data availability and comparability for financial institutions, insurers and homeowners would improve preparedness and mitigate risks. This should be publicly accessible in a single registry together with the Energy Performance Certificates (EPCs) in a manner that

enables the effective use of this data by financial institutions to understand and report on the climate-related risk in their portfolios.

- **A centralized EU Climate Data Hub for Adaptation** (building on the Copernicus/EIB initiative),
A centralised EU Climate Data Hub for Adaptation (building on Copernicus/EIB initiatives) providing open-access, geospatial and hazard-specific datasets would greatly enhance physical-risk assessment and pricing. The Hub should ensure interoperability with global climate-data initiatives and national data platforms to support cross-border financial activity.

- **A common EU registry of insurance-related information**

A limited number of meaningful indicators could support progress in climate adaptation. Such indicators should address challenges regarding identifying relevant sets of adaptive measures for climate related physical risk (in the light of contextual nature, including with (regional)public policies).

Regarding effectiveness quantification actions and investment in resilience in response to climate-related impacts are not always visible or recorded, as climate change is often one of many drivers and it is difficult to define causality.

Such indicator-based approach should be for the EU institutions and public authorities in the Member States. These authorities should be responsible for establishing transparent and reliable data on climate risks and adaptation projects, which can serve as a basis for assessing the exposure of individual assets and companies.

An approach that directly targets companies or assets with additional indicator-based reporting requirements would very likely lead to significant additional administrative burdens and should therefore be avoided.

Please specify other impactful measures with transformational impact that the Commission should include in its legislative proposal on climate resilience:

- Prioritise funding for resilience-building before disasters occur, rather than relying mainly on post-event payouts. The European Commission could consider establishing an **EU-level Climate Resilience Investment Fund** to provide grants or low-interest loans for resilience upgrades in vulnerable communities and risk areas and sectors, especially where market incentives alone are insufficient.
- **National adaptation funds financed through ETS revenues.** Member States should consider allocating a portion of ETS revenues to dedicated national adaptation funds, within a coordinated EU framework to ensure consistency, economies of scale and avoid fragmentation.
- **Creation of EU-level mechanism for adaptation**
Such mechanism should be designed to allocate public support through competitive or performance-based indicators to projects delivering measurable

reductions in physical climate risk through competitive auctions to interventions that deliver the largest measurable reduction in physical climate risk per euro of public funding. In doing so, it can create a transparent and efficient market for resilience outcomes (rather than for projects or assets), addressing the structural lack of predictable revenues that continues to constrain investment in climate adaptation and resilience. See response to question 22

Advantages of auctions:

- Fast mobilization of capital and efficient allocation of public resources, ensuring that funding flows to projects with the highest impact per euro.
- Increasing bankability as auctions mitigate the lack of predictable revenues typical in adaptation

How could this work:

- Mitigation auctions → €/ton CO₂ avoided
- **Adaptation auctions** → €/unit of risk reduced or resilience increased eg:
 - Person protected from heatwaves or floods
 - Hectares of land protected from drought/flood
 - Critical infrastructure (hospitals, schools, transport) safeguarded

Eligible promoters: e.g.: municipalities, utilities, corporates, PPPs, social housing providers...

Thematic auctions: e.g. Water Resilience; Flood C Coastal Protection; Urban Heat C Health; Agriculture C Land Resilience; Critical Infrastructure C Systems Resilience

Metrics: e.g. avoided downtime of energy, transport, telecom, or health infrastructure; continuity of essential services.

- **Establishment of a European public natural hazard portal**, inspired by Austria's HORA system, to make hazard and risk information widely accessible.
- **Support for national public-private partnerships** (PPP) mechanisms to mobilise additional resources for resilience projects (see also response to question 7)
- **Financial support for prevention and adaptation measures through dedicated EU or national funding programmes.**
- **Statutory construction bans in flood-prone areas without adequate adaptation measures to prevent new development in high-risk areas.**

Decision-support tools for climate resilience

Access to clear, reliable and practical information about how climate change affects us and what we can do about it, is essential to better manage the risks and develop effective solutions. Open-access web-based tools can help meet this need by reaching large

audiences with tailored, visually engaging and interactive information. However, most existing tools are designed for experts focusing on scientific rather than practical needs. Furthermore, tools targeting different geographies, climate hazards or sectors often use different methods and reference points to quantify future changes, making comparison difficult. Cross-border information is often missing. The Commission would like to get feedback on how it can best use Europe's wealth of climate data and digital capabilities to improve access to clear, reliable, practical and coherent information on climate risk and adaptation solutions across regions and sectors.

Where do you look for information about how climate change could affect you or your activities?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Sectoral organisations resources, including advisory and support networks		x			
Regional and/or local authorities' resources		x			
National government resources, including national meteorological services		x			

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
European climate adaptation platforms and/or climate services		x			
European scientific programmes and networks		x			

Where do you look for information about how climate change could affect you or your activities? (cont.)

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Reach out to a consultancy to find and analyse this information for me			x		
In the media, social media and online			x		
Using artificial intelligence			x		

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
I have never looked for such information					x

What information would help you determine if and how to take action to better prepare for the effects of climate change?

- Impact of climate hazards such as flooding on business continuity and operations.
- Information linking climate risks to economic impacts, investment decisions and insurability
- An overview of available (public) data sources on websites and best practices might be helpful.

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Recent economic losses or damage caused by climate events in my area or in activities related to my job	x				
Current severity of extreme or unseasonal weather in the area		x			

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
where I live or work (e.g. expected number of days with temperatures exceeding 35 °C)					
Estimates of future severity of extreme or unseasonal weather in the area where I live or work	x				
Current impacts of extreme or unseasonal weather on my community and me in terms of health (e.g. excess mortality due to dangerous heat waves), and economic activities (e.g. crop		x			

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
production losses from heat, damage to energy infrastructure due to floods, etc).					

What information would help you determine if and how to take action to better prepare for the effects of climate change? (cont.)

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Estimates of future impacts of extreme or unseasonal weather on my community and me in terms of health and well-being, and economic activities	x				
Information on insurability of exposed assets	x				

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Benefits of specific adaptation solutions in reducing impacts on health and wellbeing and specific economic activities.	x				

If other information, please specify:

Despite the increasing severity and frequency of weather-related events, there remains a significant **disconnect between perceived and actual climate risks exposure**. As highlighted in the Commission's Climate Resilience Dialogue report, risk perception is often shaped by personal experience, cultural factors, and limited access to relevant information, which can lead individuals and businesses to underestimate their true exposure to climate hazards. This is particularly relevant for private property, including real estate, where climate risk exposure is often not well understood despite its importance for financial and insurance decision-making. Concepts such as "one-in-100-year" floods or droughts are difficult to relate to, making it challenging for people to take meaningful action.

To address this, it is essential to **make high-quality, granular, standardised, and understandable hazard and loss data accessible to all stakeholders, including individuals, SMEs, and local authorities**.

Initiatives such as Climate Resilience Certificates (to introduce data useful to assess

climate resilience vulnerability n real estate), could play a useful role in this context. A standardized approach would reduce the need for individual stakeholders to collect data necessary for climate vulnerability assessments for each property, while improving transparency and comparability. There is still a significant lack of

high-resolution, decision-ready climate data for use in financial risk assessments. Banks often highlight data gaps and modelling challenges as a core barrier to integrating climate risk into lending, pricing, underwriting and portfolio steering.

In addition, tailored risk awareness campaigns and practical tools, such as local risk maps and smart and tailored real-time alerts, can help bridge the gap between perception and reality, empowering communities to better prepare for and reduce the impacts of climate change.

Having said that, while we strongly support improvement in data availability and quality, improvements in transparency, and development of decision-support tools to strengthen risk awareness and support more informed investment and financing decisions, **careful calibration is required to avoid false precision, unintended effects on affordability, insurability, and bankability in high-risk regions**, as well as the risk that such tools evolve into de facto regulatory benchmarks without being complemented by adequate prevention, land-use planning, and risk-sharing mechanisms.

The Commission considers developing a user-friendly web-based tool for non-experts that provides authoritative and harmonised quantitative information on climate change across Europe. This tool could translate the common climate scenarios into national, regional and local climate and weather conditions, which can be expected under these scenarios, and help to find possible solutions for addressing the identified risks. The Commission considers this tool essential for informing EU policies, addressing cross-border risks, and supporting people and businesses lacking alternatives.

Would you benefit from such a tool?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Answer		x			

We do agree that it will be helpful to develop harmonized quantitative information on climate change across Europe. However:

- reference to available (public) data sources is relevant as well (see answer comment on question 23). Data should be sufficient up-to-date, granular, and auditable. It can be relevant for scenarios and impact on sectors.

- The term “authoritative” needs to be clarified. We understand it as reliable data provided by authorities rather than mandatory use of such information

What features would help you use that tool?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Simple language that does not require specialist knowledge		x			
Tutorials and onboarding information	x				
Visual presentation of information, e.g. on a map	x				
Ability to download data or summary reports	x				
Clear link between climate risks and adaptation solutions	x				

What features would help you use that tool (cont.)?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Navigation support through an AI-powered chat			x		
Links to other trusted sources for more specialised information		x			
Access to a help desk		x			

What other features would you find helpful?

We support the development of a user-friendly web-based tool translating climate scenarios into local conditions, with clear links between risks and adaptation solutions. Features should include visual presentation, tutorials, and data download capabilities, ensuring accessibility for non-experts. High-quality, understandable hazard and loss data is essential to bridge the gap between risk perception and reality, enabling individuals, SMEs, and local authorities to take effective preventive action.

At the same time, it is essential that the information provided can be **validated**. This requires trusted parties to meet clear criteria for the publication, verification, and use of such data, in order to ensure reliability and confidence. Beyond awareness-raising, these tools could also be used to **support spatial and land-use planning decisions**, helping to better align development choices with future climate risk exposure.

The following would be particularly helpful

- Streamlined **methodology concerning selection of climate risk scenario, relevant hazards and projected point in time** to lower methodological application hurdles

- Easy navigation to **select the relevant location** (GPS) or address

Protecting people and supporting regional and local action

Climate change has a detrimental impact on human health, lives and livelihoods, disproportionately affecting the most vulnerable. The new framework should drive EU and Member States measures that help individuals and local communities to be better equipped to face climate risks. Because climate risks vary across Europe, action under the framework should be place-based and co-designed with local and regional authorities and communities. Launched in 2021 as a pilot initiative to support pioneer regional and local authorities, the EU Mission on climate adaptation is providing direct support and empowering European regions and local authorities to develop and implement place-based measures towards climate resilience. The new framework provides an opportunity to scale up this support to all regions and communities across Europe.

What policy measures should the EU and Member States take to ensure that the most vulnerable groups and geographical areas receive adequate support and are protected from the disproportionate impacts of climate change?

EU:

- The Commission can play a key role in promoting the involvement of local authorities, communities, and vulnerable groups in adaptation planning and delivery. By recommending participatory approaches, the EU can help ensure that adaptation strategies are grounded in the real needs and experiences of those most affected.
- The European Commission should set out overarching guidance and establish funding frameworks that specifically address the needs of vulnerable groups and high-risk areas. This includes supporting Member States in developing targeted measures, such as early warning systems, resilient infrastructure, and financial instruments, while ensuring these efforts are aligned with EU priorities.
- EU legal and financial frameworks should include dedicated funding streams for adaptation, with a focus on the regions and groups most at risk. This could involve cohesion funds, resilience grants, and incentives for risk reduction and resilience investments, ensuring that support reaches those who need it most.
- European Commission can develop a financial compensation mechanism based on the carbon reduction contribution of Member States. The basic fund from

resources provided by EU with additional funding by Member States for below-average reduced carbon emissions priced from carbon price per tonne.

- Ensure access to harmonised, high-resolution climate-risk information for all regions, enabling vulnerable communities to understand current and future exposure. The lack of consistent hazard data remains a major barrier for risk management across Europe, as documented by financial sector analyses

Member States:

- Identify vulnerable groups and regions and implement targeted, place-based adaptation measures.
- Proactively engage on certain hazards. For instance buildings for care homes and hospitals can be built to withstand heat waves, measures can also be introduced to prevent water scarcity, biodiversity loss and soil degradation etc
- Strengthen municipal capacity and resources, especially in smaller or climate-exposed communities, where limited expertise in land-use planning and stormwater management increases vulnerability. Municipalities vary significantly in their ability to manage these risks. National legal frameworks should provide local authorities and communities with clear mandates, decision-making powers, and access to dedicated funding for climate adaptation. This includes simplifying procedures for accessing resources, offering technical support, and ensuring that local governments have the autonomy and capacity to tailor adaptation actions to their specific risks and priorities.
- Provide stable financing for preventive measures, recognizing that the societal cost of climate-related damages is rising steadily and disproportionately burdens vulnerable populations. However, public funding and relief mechanisms should encourage prevention rather than unintentionally disincentivizing it. Therefore, conditioning certain forms of public support on ex-ante risk mitigation can strengthen preparedness, improve insurability and support well-functioning insurance markets.
- Update and maintain local hazard maps and risk datasets, ensuring that communities have accurate, up-to-date information for decision-making.

What measures should the EU and Member States take to protect people's health against the impacts of climate change?

EU:

- The Commission should ensure that climate-related health risks are systematically considered within EU health, adaptation, and urban planning policies and ensure minimum standards on occupational safety with respect to climate related impacts e.g. heat protection. This integration will help mainstream climate resilience across sectors.
- The Commission should collaborate across DGs to develop recommendations for strengthening health infrastructure, establishing early-warning systems, and improving crisis management protocols to better prepare for climate-related health emergencies.
- Encouraging the adoption of nature-based solutions and urban greening initiatives as part of adaptation strategies can help mitigate heat stress, improve air quality, and enhance overall public health.
- The Commission can play a key role in facilitating the exchange of best practices, modelling tools, and adaptation strategies among Member States, helping to raise standards and accelerate progress.
- Targeted technical support and funding for pilot projects in cities and regions most at risk can help demonstrate effective approaches and scale up successful solutions.
- The Commission should support the development of health risk mapping, data-sharing platforms, and research into the links between climate change and health. This will enable better monitoring, preparedness, and response across Member States.

Member States:

- Member States should embed climate-health risk considerations, such as heatwaves, floods, air pollution, and vector-borne diseases, into their health strategies and emergency preparedness plans at both national and local levels.
- Adaptation and crisis management plans should be tailored to the specific needs of vulnerable populations, with active engagement of communities in planning and implementation.
- Investments should be made to ensure that health infrastructure can withstand extreme climate events. This includes retrofitting hospitals, expanding green spaces, and improving cooling systems to protect public health during heatwaves and other emergencies.

- Strengthen early-warning systems for extreme rainfall, flooding, and heatwaves, and ensure that information is accessible to the public in real time.
- Improve flood defence measures, e.g. by strengthening cross-border cooperation projects e.g. at boarder rivers, in cases of resettlement of endangered communities
- Member States should work closely with insurers and other stakeholders to co-design innovative partnerships, mobilise resources, and reduce protection gaps, ensuring comprehensive health protection in the face of climate change.

What measures should the EU and Member States take to provide greater support to regional and local stakeholders?

EU:

- The Commission should broaden Mission Adaptation-type support, making technical guidance, capacity-building, and data resources more broadly available. This would help ensure that every region, regardless of its starting point, can access the expertise needed for effective adaptation.
- Provide technical assistance, funding access and platforms for knowledge sharing.
- EU funding programs should offer clearer and simpler pathways for local authorities to access resources for adaptation projects. Streamlining application processes and providing targeted guidance can help local stakeholders take full advantage of available support.
- The EU-level can play a key role in facilitating the exchange of best practices and knowledge between regions and countries, especially on cost-effective prevention measures and nature-based solutions. This helps local authorities learn from each other and adopt proven approaches.

Member States:

- Strengthen local capacity and ensure alignment between national and subnational plans. It is important that Member States support local authorities implement their adaptation plans. Dedicated resources will enable local stakeholders to move from planning to action.

- Provide training and technical assistance to improve municipal competence in climate-risk management. Local authorities should have access to ongoing training and technical assistance, enabling them to translate climate risk assessments into concrete adaptation measures. Building local capacity is essential for effective and sustainable climate resilience.
- Member States should set up coordination platforms that bring together regional and local authorities, insurers, and other key stakeholders. These platforms can help align adaptation agendas, share information, and foster collaboration.
- Require regular updating of municipal risk and vulnerability assessments, reflecting new climate projections and observed damages.

What targeted initiatives should the EU and Member States implement to specifically support the EU's outermost regions in adapting to climate change, considering their particular exposure to extreme weather events and their unique geographical and socio-economic contexts

EU:

Tailored funding, flexibility and technical support reflecting higher exposure and remoteness.

Member States:

Place-based adaptation strategies aligned with local socio-economic conditions.

What are the most pressing barriers that should be removed to enable action at regional and local level?

- X Lack of sufficiently specific data and information about current and future risks to design science-based policies
- X Limited access to specialised support (specialist language, too technical, etc.) to help develop impactful measures, provided at national or EU level
- X Insufficient funding or financing for regional and local measures, including access to dedicated national and EU funds
- X Insufficient institutional capacity to absorb funding and develop a project pipeline.
- X Limited engagement of local communities in designing and implementing measures
- X Existing legislation that complicates efforts to deal with climate impacts
- X Lack of consistent monitoring and reporting schemes that would provide incentives to act
- Other:

- Lack of action at the Member States level to reach the climate goals and lack of clear outlook on how 2°C pathway would look like
- Also insufficient incentives for individuals, companies, and banks— particularly in the context of unstable policy frameworks undermine investment planning and decision-making. A key example is the uncertainty surrounding private investments in energy-efficient building renovations. Inconsistent local, national, and regional regulations on heat planning lead many homeowners to postpone major adaptation- relevant measures such as insulation and cooling systems.

How could the EU Mission pilot be leveraged or replicated to support action by all European regional and local stakeholders?

- X Encourage Member States to develop Mission-type national initiatives with dedicated financial resources for their implementation
- X Define the roles and responsibilities of National Missions within the Framework
- X Mandate Member States to set up national platforms or coordination tables where local and regional stakeholders have a legally recognised role and responsibility
- X Encourage Member States to dedicate financial resources to support regional and local action
- X Connect EU funding opportunities with the relevant stakeholders to scale up the regional and local climate adaptation solutions developed within the Mission.
- X Other Connect Mission outcomes to funding instruments, encourage national- level replication, and strengthen coordination platforms involving local authorities

Competitiveness - harnessing innovation opportunities

Climate resilience and preparedness go beyond minimising and managing risks. They open a **new world of commercial opportunities and potential to innovate and create new project pipelines and markets**. There is a rapidly growing demand for resilience products and services, such as water technologies, regenerative agriculture solutions, heat and drought resistant crops, climate risk insurance, climate services and the use of space data, risk modelling tools, developing smart systems to predict and prevent supply

chain disruptions, climate resilient construction materials and designs, technologies for resilient energy and transport infrastructures, or health system adaptation solutions and innovation. Deploying such technologies can **enhance the competitiveness of EU companies and key economic sectors** by improving adaptive capacity and opening new export markets. The new Framework aims to support EU companies, SMEs and start-ups in **seizing these opportunities, helping position Europe as a global leader in climate resilience innovation.**

In your sector/industry/area, what are the climate resilience technologies/innovations that you need to develop or scale up to make your sector/industry more competitive?

In finance, climate resilience is being advanced through a range of innovative technologies and solutions. The industry is investing in risk modelling tools, including AI-driven analytics and real-time hazard monitoring, to better anticipate and price evolving climate risks. However, further progress would require:

- Scaling up access high-quality, local hazard and loss data, stable and coherent regulatory frameworks that incentivise prevention and support innovative resilience solutions.
- Strong public–private collaboration at all levels, including technical assistance and co-financing for pilot projects.
- Funding mechanisms that lower barriers for banks to support, underwrite, or invest in resilience projects particularly in regions most exposed to climate risks.

What measures could improve the competitiveness and innovation of climate resilience products/services in your sector/industry the most?

	Very relevant	Relevant	Neutral	Not very relevant	Not relevant at all
Increased public and investment funding	x				
Increased private funding and venture capital		x			

Improved access to specialised expertise/workforce		x			
Improved market certainty and regulatory support		x			

What measures could improve the competitiveness and innovation of climate resilience products/services in your sector/industry the most (Cont.)?

	Very relevant	Relevant	Neutral	Not very relevant	Not relevant at all
Access to technologies/modernisation of equipment		x			
Increased consumer awareness and demand	x				
Innovative climate risk management and insurance tools (e.g. parametric coverage)	x				

If other, please specify:

- Improved regulatory clarity and predictable policy signals to support investment decisions.
- Initiatives such as Climate Resilience Certificates (CRCs), which aim to introduce a common European standard for assessing climate resilience vulnerabilities and risks in real estate, could play a useful role. A standardised approach would reduce the need for individual stakeholders to conduct separate data gathering and climate risk assessments for each property, while improving transparency and comparability.

Finance and insurance

Climate change is already imposing significant measurable costs on consumers, businesses and economies. Extreme weather events and chronic risks such as sea level rise or soil subsidence - damage assets, disrupt supply chains, and reduce productivity, turning them into a mainstream financial concern. Therefore, it is **crucial to factor in climate resilience in investment and financial decisions**, to reduce climate-related economic losses and minimise disruptions to the business continuity and maintain revenues. To fully address the risks, the building of climate resilience would need to be complemented by insurance. Currently, only 25% of the losses are insured and the insurance premiums continue to rise. The scale and systemic nature of climate-related economic impacts make it impossible for governments to bear their cost and will require engagement, including financial contributions, from all levels of governance, economic sectors and the public. The new Framework will put forward policy measures to **scale up resilience finance** needed to fund the expanding project pipeline. It will also include measures aiming to improve **access to affordable insurance and reduce the widening insurance-protection gap**.

Public sector role in funding climate resilience

	Yes	No
Is it necessary to integrate climate resilience considerations in fiscal planning and financial decisions at all levels of the public sector as well as in the private sector?	x	
Would incorporating climate resilience considerations in investments, including public spending and procurement limit economic losses from climate events?	x	

Private-sector investments and climate resilience

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
National adaptation plans should be designed to serve as	x				

resilience and adaptation investment plans, unlocking the full potential of private-sector funding.					
The private sector needs more guidance on how to incorporate climate resilience into investment and business decisions.			x		
Effective public-private risk sharing mechanisms for climate adaptation investments (such as public-private partnerships, blended finance, disaster bonds, etc.)	x				

would increase resources invested in climate resilience and adaptation.					
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What are the key obstacles for scaling up investments strengthening climate resilience and adaptation?

Resilience investments are mainly driven by outcomes such as avoided costs and co-benefits. Financial institutions already finance certain resilience projects (e.g. infrastructure, agriculture), however these are often not tagged as such in internal systems, however the pipeline of bankable projects is not sufficient.

We would welcome a focus on obstacles that EU action can realistically address fast: standardised risk data, comparability, and a stronger pipeline of investment-ready projects, especially at and with local level actors.

We favour enabling EU frameworks (data, tools, comparability, pipeline support), avoiding new burdensome regulation and recommend focusing on pragmatic solution that strengthens local capacities quickly

Key obstacles:

- **A visible pipeline of bankable adaptation projects is insufficient** given the lack of project development and implementation capacity (especially municipalities and utilities) as well as long investment horizons and uncertain cash flows compared to typical private sector requirements (avoided losses, resilience gains...). Many adaptation projects, such as dykes or wetland restoration, do not generate direct or immediate financial returns. That makes them challenging to justify as standalone investments. While these projects can reduce future risk, the benefits are indirect and often insufficient to meet fiduciary duties.
- **Fragmented distribution of responsibilities** across public authorities, particularly within land-use planning, stormwater management, and critical infrastructure maintenance. In practice, municipalities carry much of the operational responsibility for preventing climate-related damages, yet their

capacity, resources, and technical expertise vary significantly. This leads to inconsistent implementation of adaptation measures and uneven protection levels across regions. Moreover, the large and growing infrastructure backlog, especially in water and drainage systems that are increasingly stressed by extreme rainfall, is not being addressed systematically.

- **Insufficient capacity** - many municipalities lack both the financial capacity and the technical competence to upgrade outdated infrastructure at the pace required by accelerating climate risks. Especially smaller municipalities have limited ability to access capital markets or act as “capital-market-ready” borrowers/lenders. Given the scale, cost and national importance of resilient water and land-use systems, infrastructure backlogs should be treated as a national responsibility rather than a burden placed primarily on municipalities. A stronger national role is needed to ensure predictable financing, harmonised standards, updated risk data, and coordinated implementation. Without such leadership, adaptation efforts will remain fragmented, reactive and insufficient to meet rapidly increasing climate challenges.
- **Uncertainty about future political frameworks** represents a significant obstacle. It can deter investors from supporting long-term climate adaptation and resilience projects, as unclear or changing political policies increase risk and planning uncertainty. Promoting stable and reliable political frameworks is therefore essential to build trust and enhance investment readiness.
- **Small sizes of national markets** within the EU with different regulations.
- **Insufficient availability, granularity and standardisation of physical climate risk data.** A major challenge is that many stakeholders, from public authorities and businesses to investors, do not have access to clear, actionable data on their true exposure to climate risks. This lack of information makes it difficult to understand the real cost of inaction and to prioritise investments in resilience. Improving the availability and quality of local hazard and loss data is essential for better risk assessment, more informed decision-making, and ultimately, for unlocking greater investment in adaptation.
- **Lack of incentives** for households and small businesses to invest in risk- prevention measures. Without clear signals, such as tax incentives, or targeted grants, many will not take proactive steps to reduce their vulnerability. Public policy should focus more to encourage and reward preventive action at local level, making resilience a shared responsibility.

What policy measures would help overcome these obstacles and boost climate resilience finance?

- Ensure that EU and national legislation and policy frameworks are **coherent** and mutually supportive. By resolving inconsistencies and facilitating the exchange of best practices, policymakers can create a more predictable environment that increases investors' confidence to put capital to resilience projects.
- Encourage **collaboration** between public authorities, insurers, and financial institutions to co-design investment structures, share risk, and align risk assessments. **Public-private partnerships** can help de-risk projects and crowd in private capital for large-scale resilience initiatives. Expand the use of **blended finance, guarantees and risk-sharing instruments** to improve risk-return profiles.
- Increase **capital-market readiness** and standardised templates to facilitate financing at scale.
- **Investment pool solutions** in order to finance single projects attached to the pool.
- **Strengthen National Adaptation Plans with a clear investment focus and prioritised project pipelines.**
- Increase predictability and investability:
- **Regulatory and policy clarity** as an enabler that creates a stable, investable planning environment rather than new burdens.
- **Capacity building and technical assistance** for municipal project sponsors, SMEs, and utilities or other (public) infrastructure providers, to turn needs into bankable projects
- **Economic incentives** (e.g. public guarantees, subsidies or tax incentives) to support upfront investments in climate adaptation
- Conduct awareness actions on the economic effects of climate change
- Prioritise adaptation of public good utilities

Does the existing EU accounting framework duly reflect the climate physical risks in the valuation of assets? If not, what policy measures do you propose?

IFRS already allows companies to factor climate risks into their estimates, such as expected credit losses or fair value measurements. However IFRS does not explicitly require detailed climate-risk adjustments. Instead, companies must use their judgement to decide whether climate impacts are material and captured in their valuations of assets

and liabilities. Sector and regional guidance on long term modelling could assist undertakings and increase validity and relevance of accounting/reporting.

Do the other existing policy / regulatory frameworks duly account for the climate physical risks? If not, what policy measures do you propose?

Most existing frameworks, such as Solvency II for insurers or banking prudential rules, allow entities to consider climate-related physical risks through scenario analyses, stress testing, or adjustments to capital requirements. The EBA ESG risk management and scenario analysis guidance is already comprehensive and still need to be implemented, at this stage, there are no new measures needed. The focus should be on avoiding duplications, and harmonization including between CSRD (data points, methods), risk management, prudential supervision and investment rules while supporting implementation (e.g. with public risk relevant database geolocation services).

Climate risk insurance

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Location-specific comprehensive information on climate hazards could improve insurance uptake.		x			
Climate risks insurance products need to be clearer on the hazards they cover	x				

What policy / regulatory measures -based on market-based mechanisms- do you propose to address the increasing insurance gap and improve access to affordable insurance?

Insurance mechanisms cannot compensate for insufficient prevention. Without sustained public investment in risk reduction and enforcement standards, insurance solutions alone will not be sufficient.

It is therefore important to consider:

- Strengthened public investments in adaptation projects
- EU-level solution for natural catastrophe risk management (proposal included in ECB/EIOPA joint paper issued in Dec. 2024)

What kind of risk pooling and transfer mechanisms would be most suitable to increase insurance cover for secondary perils in the European Union?

- Issuance of insurance-linked securities (ILS), CAT bonds (primary ILS component)

How can insurers in the Union access new capital to back climate-related policies?

- Issuance of insurance-linked securities (ILS) – significant evolution of the market and growing investor appetite
- Capital market platforms bringing together capital providers, underwriters and insurance seekers.

There is significant diversity across Europe in the size and nature of the insurance protection gap, reflecting differences in risk exposure, market maturity, and national policy frameworks

Considerations should be given to extension of the CAT-NAT insurance and reinsurance systems with national specificities (already exist in France, Spain) throughout the EU.

Market based measures can enhance risk awareness, support prevention, and improve long-term financial resilience. At the same time, a forward-looking perspective is needed to carefully manage potential trade-offs, including risks to affordability, insurability, and investment feasibility in high-risk areas. Policy measures should therefore be targeted, proportionate, and designed to complement prevention and land-use planning, with public intervention focused on areas where market mechanisms alone are insufficient.

Should market-based measures be considered to reduce the protection gap, the following principles should be observed:

- **Encourage public-private partnerships tailored to national contexts**
 - Public-private partnership schemes are an effective way to cover excess losses. Government-backed reinsurance schemes can absorb the highest layers of risk from catastrophic events, thereby stabilizing the market and lowering premiums. While public private reinsurance schemes can play a vital role in managing climate-related risks, their design and operation should reflect each country's unique risk profile, governance framework, and insurance market. One-size-fits-all EU reinsurance scheme could undermine national systems tailored to local risk profiles. Rather than imposing a one-size-fits-all model, EU-level initiatives should complement and support established national systems.
 - **Blended finance mechanisms can also help unlock long-term capital**, enabling insurers to contribute to resilience and adaptation projects.
- **Facilitate data sharing and transparency.**
 - Encourage the sharing of aggregated government and hazard data with financial sector and academic institutions. Enhance disclosure of location-specific climate hazard data to empower consumers and investors to make informed decisions, fostering a market for preventative action.
 - Insurers could support initiatives by providing loss data, provided **this complies with GDPR and does not compromise competitive positioning**. This would improve risk modelling, enable more accurate pricing, and helps insurers design products that reflect real risk and support broader access. At the same time, it improve risk to also have access to natural hazard tools, empowering individuals, households, and businesses to better understand their exposure and take informed preventive action. Information about effective prevention measures and land-use planning is equally important as this could otherwise increase uninsurability, reduce affordability, and negatively affect the insurability and bankability of investments in high-risk areas.
- **Promote innovative insurance models.**
 - Enable a regulatory environment that encourages innovation.

- Through underwriting policies and claims data, insurers can encourage resilient construction and climate-smart planning.
 - Development of parametric and index-based insurance products, particularly for SMEs and agriculture. Foster the development of insurance products that pay out based on pre-defined event triggers (e.g., hurricane wind speed), ensuring rapid and transparent financial support
 - Risk-Based Pricing with Targeted Support: Allow premiums to reflect the true level of risk to encourage mitigation, while public institutions provide means-tested subsidies or vouchers to ensure affordability for vulnerable households.
 - Mobilisation of private capital through insurance-linked securities and catastrophe bonds.
 - Public backstops or layered risk-sharing mechanisms to ensure continued insurability in high-risk regions.
- **Invest in and incentivize prevention and resilience.**
 - Prioritise investments in disaster preparedness, infrastructure, and risk mitigation. Insurance works best when supported by strong public policies that reduce underlying risk. Public authorities at all levels can collaborate with insurers to design risk-reduction initiatives and incentivise climate- resilient choices.
 - Incentivize Risk Mitigation: Link insurance premiums directly to the implementation of proven risk-reduction and climate adaptation measures by policyholders.
 - Robust frameworks: Develop land-use plans that hamper the building of houses in high risk areas.
- **Avoid creating moral hazard through post-disaster assistance.**
 - Ensure that public financial support after disasters does not discourage individuals and businesses from taking preventive measures or purchasing insurance.

How to mobilise private investor interest in insurance-linked investment vehicles?

Insurance-linked investment vehicles offer an attractive way to diversify an investment portfolio as they are independent of economic cycles. Thus, it has similar characteristics as hedging instruments.

Is there a need for a European marketplace where climate-related risk can be pooled among insurance companies and non-insurance investors?

A European marketplace for pooling climate-related risk could offer certain advantages, such as broadening the capital base and facilitating risk-sharing across borders and sectors. However, experience and analysis suggest that such a system would not, on its own, address the underlying challenges posed by accelerating climate change.

Key considerations include:

- Any European risk pooling initiative should complement, not substitute, well-functioning national public-private partnerships and private (re)insurance markets. Many countries have tailored schemes that reflect their specific risk profiles and market dynamics. A one-size-fits-all approach risks undermining effective national solutions and could destabilise established systems.
- The core issue is not a lack of (re)insurance cover, but rather insufficient adaptation and risk reduction measures at national and local levels. Efforts should focus on incentivising climate adaptation, enforcing building codes, investing in preventive infrastructure, and promoting resilience. Without these measures, maintaining insurability and affordability will be challenging, regardless of the pooling mechanism.
- Insurance penetration and risk exposure vary significantly across the EU. A centralised marketplace may not fully account for these differences, and could result in uneven benefits or burdens among Member States.
- The benefits may be limited by the relatively small size and correlated risk profiles within Europe. Global diversification is often more effective.
- The governance structure, funding, and risk-based pricing of any such marketplace would need to be clearly defined to avoid adverse selection and ensure long-term viability. Participation incentives, financial sustainability, and a clear exit strategy are essential to prevent long-term dependency on public support. It is also important to consider the competition-related aspects of such a marketplace.

Additional comments:

Scaling up climate resilience finance requires a systemic approach combining public leadership, private capital mobilisation, improved data, and stronger project pipelines. Financial institutions are ready to play a key role, provided that enabling conditions are in place and that public action helps address market failures and coordination challenges inherent to adaptation investments.

What policy measures would be needed to avoid climate insurance protection gaps from having negative repercussions on financial or macroeconomic stability?

- X Promote innovative climate risk diversification and/or transfer approaches to mitigate the concentration of risk within specific sectors or regions.
- X Encourage market-based solutions that connect those who can afford to finance risk with those seeking climate risk coverage – this helps ensure business continuity and avoid disruptions caused by natural catastrophes.
- Other
 - Avoiding insurance protection gaps is critical to preserving financial stability. Market-based risk transfer mechanisms should be complemented by public support where risks become uninsurable.
 - Strengthening risk diversification, ensuring affordable access to coverage, and maintaining the insurability of assets and activities are essential to prevent abrupt value losses, credit deterioration and systemic impacts on households, businesses and financial institutions.