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COMMISSION STAFF WORKING DOCUMENT

Subsidiarity Grid

Accompanying the document

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a framework to enhance climate resilience and amending Regulation (EU) 2018/1999 (European Climate Resilience Law)

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Subsidiarity Grid

1. Can the Union act? What is the legal basis and competence of the Unions' intended action?
1.1 Which article(s) of the Treaty are used to support the legislative proposal or policy initiative?
The legal basis for this proposal is Article 192 of the Treaty on the Functioning of the European Union (TFEU). In accordance with Articles 191 and 192(1) TFEU, the European Union shall contribute to pursuit, inter alia, the following objectives: preserving, protecting and improving the quality of the environment; protecting human health, promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change.
1.2 Is the Union competence represented by this Treaty article exclusive, shared or supporting in nature?
In the case of environment, the Union's competence is shared.
2. Subsidiarity Principle: Why should the EU act?
2.1 Does the proposal fulfil the procedural requirements of Protocol No. 2[1]: - Has there been a wide consultation before proposing the act? - Is there a detailed statement with qualitative and, where possible, quantitative indicators allowing an appraisal of whether the action can best be achieved at Union level?
Several consultation activities were carried out to make stakeholders and the general public aware of the initiative, and to gather their input. The types of consultation activities were as follows: • Call for Evidence • Open Public consultation

[1] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12016E/PRO/02&from=EN

- Special groups of the Commission
- Public events and conferences
- Meetings and seminars

The Call for Evidence was open from the 24 July 2025 to 4 September 2025 on the Commission's 'Have your say portal' and received a total of 233 replies. The public consultation was open from 1 December 2025 to 23 February 2026, and 670 responses were submitted to this public consultation through the EU Survey portal. Additionally, a total of 31 individuals/companies complemented their responses or contributed separately their views through position papers and/or additional material.

Discussions with Member States were held in different formations: in the Working Party on the Environment (WPE) at the EU Council, within the European Climate Policy Group (ECPG), through the Working Group on Adaptation (WGA) and in events. Engagement with the European Parliament was carried out through the Committee on Environment, Public Health and Food Safety (ENVI), complemented by a series of bilateral meetings and participation in relevant parliamentary events. Dialogues were held with the Committee of the Regions and the European Economic and Social Committee, and their Opinions contributed to the development of the impact assessment. Exchanges with other EU entities, such as the European Environment Agency (EEA), European Investment Bank (EIB) and the European Scientific Advisory Board on Climate Change (ESABCC), as well as their respective reports also fed into the initiative.

Other groups, initiatives and events also contributed to the initiative, such as the Commission's Climate Resilience Dialogue, the Reflection Group on Mobilising Climate Resilience Financing, the Industrial Forum, a European roundtable on managing climate risks and a hybrid event with Youth representatives. More details can be found in Annex 2 of the Impact Assessment (SWD(2026) 731).

Furthermore, the explanatory memorandum (section 2) and Chapter 3 of the impact assessment report present qualitative indicators enabling an assessment of the need to act at Union level.

2.2 Does the explanatory memorandum (and any impact assessment) accompanying the Commission's proposal contain an adequate justification regarding the conformity with the principle of subsidiarity?

The explanatory memorandum of the proposal (under section 2) and the impact assessment (under section 3), contain sections on the principle of subsidiarity. They explain that climate change and related impacts and risks are inherently transboundary in nature. Many climate risks, including disruptions to interconnected infrastructure, supply chains, ecosystems and financial systems, extend across national borders and cannot be effectively addressed through isolated action by individual Member States. Coordinated action at Union level can complement and reinforce national, regional and local measures and improve the overall effectiveness of climate resilience efforts.

Therefore, EU action is justified on grounds of subsidiarity as set out in Article 5 TFEU. Climate impacts and risks can undermine the effective delivery of EU policies including the functioning of the single market, as well as the Union's ability to uphold its fundamental rights and pursue its international obligations and promote more ambitious approaches internationally. Policy intervention at the EU level - in concert with national, regional and local action - is necessary to achieve sufficient levels of systemic, EU-wide climate resilience and preparedness levels effectively.

2.3 Based on the answers to the questions below, can the objectives of the proposed action be achieved sufficiently by the Member States acting alone (necessity for EU action)?

The proposal sets a climate resilience objective for the Union and each Member State to continuously enhance the climate resilience of social, economic and ecological systems against short-, medium- and long-term climate risks within the Union, in particular with regard to risks to human life and health, to economy and infrastructure, and to nature and ecosystems. A Union objective cannot be achieved by the Member States alone as it requires EU level action. The transboundary nature of climate risks also requires a coherent approach across the Union to effectively strengthen preparedness.

(a) Are there significant/appreciable transnational/cross-border aspects to the problems being tackled? Have these been quantified?

Many climate risks, including disruptions to interconnected infrastructure, supply chains, ecosystems and financial systems, extend across national borders and

cannot be effectively addressed through isolated action by individual Member States. Coordinated action at Union level can complement and reinforce national, regional and local measures and improve the overall effectiveness of climate resilience efforts. Quantification is challenging, as it is linked to the uncertainties in projected futures, notably regarding climatic impacts, policy developments and implementation across sectors both at EU and Member States' level. While it is not possible to quantify precisely the significant cross-border dimension of all climate risks, such cross-border effects are inherent to the nature of climate risks themselves. For example, in 2024 flooding alone caused EUR 31.1 billion in losses across the EU, annual losses from droughts are amounting to EUR 9 billion and are spread unevenly across Member States (details and sources in the impact assessment).
(b) Would national action or the absence of the EU level action conflict with core objectives of the Treaty[2] or significantly damage the interests of other Member States?
Urgent strengthening of climate resilience across the Union and across all policy areas is necessary to prepare for climate risks caused by climate change and is therefore necessary to fulfil the objectives of Article 192 TFEU, in particular preserving, protecting and improving the quality of the environment, protecting human health and combating climate change. National action alone, or the absence of Union-level action, would risk creating fragmented and uneven approaches to climate resilience, thereby undermining the effective achievement of these Treaty objectives. It could also significantly affect the interests of Member States, given that climate impacts and adaptation gaps in one Member State may have spill-over effects on interconnected ecosystems, infrastructure, supply chains and markets across the Union.
(c) To what extent do Member States have the ability or possibility to enact appropriate measures?
The role of Member State action is crucial to achieve the overall Union objective of strengthening climate resilience and addressing climate risks across the Union. Member States have an important role to adopt a strategic plan on climate resilience and implementing measures. The proposal does not prescribe specific policies or measures but leaves Member States the flexibility to determine and implement the

[2] https://europa.eu/european-union/about-eu/eu-in-brief_en

most appropriate policies and measures needed to achieve the objective of the framework, considering their specific circumstances and existing regulatory frameworks.
(d) How does the problem and its causes (e.g. negative externalities, spill-over effects) vary across the national, regional and local levels of the EU?
The effects of climate change are present across national, regional and local levels throughout the EU. Their nature, scale and drivers, however, vary significantly depending on geographic, climatic, environmental, economic and social conditions. Vulnerability to climate change and concrete climate risks therefore differ according to regional and local circumstances. For example, some areas are more exposed to coastal erosion and sea level rise, others to drought, wildfires, flooding or heat stress, with impacts differing further depending on land use, infrastructure, ecosystems and population density. At the same time, climate risks can generate negative externalities and spill-over effects beyond the level at which they arise, including through shared ecosystems, river basins, infrastructure networks, energy systems, markets and supply chains. Member States are therefore given considerable flexibility in how they can strengthen climate resilience within their territories, as there is no one-size-fits-all solution.
(e) Is the problem widespread across the EU or limited to a few Member States?
The need to strengthen preparedness and improve the management of climate risks is widespread across the EU and affects all Member States. While the nature and severity of climate risks vary between Member States, no Member State is unaffected. In the current situation, preparedness for climate impacts and risks is fragmented and insufficient across the European economy and society in the absence of a coherent and comparable framework for assessing and managing climate risks. Member States currently use different and inconsistent methodologies, climate scenarios, warming trajectories, assessment cycles and sectoral coverage. As a result, climate risks are identified and managed inconsistently, leading to uneven levels of preparedness and making it more difficult to address shared and transboundary climate risks effectively.
(f) Are Member States overstretched in achieving the objectives of the planned measure?

The proposal establishes a common framework for strengthening climate resilience and addressing climate risks across the Union. Based on the impact assessment, the initiative does not prescribe specific policies or measures, leaving Member States the flexibility to determine the policies and measures needed to achieve the objective of the framework and to decide what is the most efficient way for achievement and implementation considering their specific circumstances and existing regulatory frameworks. The proposal is designed to support and guide national action through a coherent Union framework while respecting national flexibility and administrative capacities.
(g) How do the views/preferred courses of action of national, regional and local authorities differ across the EU?
Most public authorities across the Union welcome the goal of the framework to strengthen climate resilience across the Union. In particular, regional and local authorities have called for more support and there is broad recognition at national, regional and local level of the need to improve preparedness and resilience to climate risks.
2.4 Based on the answer to the questions below, can the objectives of the proposed action be better achieved at Union level by reason of scale or effects of that action (EU added value)?
The objective of the proposed action can be better achieved at Union level by reason of the cost efficiency of action on climate adaptation, coherence of EU action, preserved functioning of the internal market and strengthened EU position to foster global action on climate resilience.
(a) Are there clear benefits from EU level action?
The benefits from EU level actions relate to the explanations below.
(b) Are there economies of scale? Can the objectives be met more efficiently at EU level (larger benefits per unit cost)? Will the functioning of the internal market be improved?
Strengthening climate resilience across the Union benefits from coordination at EU level, notably in view of the EU's single market and the cross-sectoral nature of climate risks. In particular, the Regulation plays a crucial role in safeguarding the

functioning of the single market against future climate risks. A more coherent Union framework can reduce fragmentation, improve comparability of risk assessments and support more predictable conditions for public and private investment. Improving the functioning of the internal market for climate resilience products and services (e.g. heat-protection gear for workers, drought resistant crops, smart building cooling solutions) holds potential for economies of scale, greater competitiveness at the global scale, and better leverage over global norms and regulatory standards. Union-level action can therefore help achieve the objective more efficiently by facilitating the sharing of data, methodologies and best practices, and supporting more consistent market conditions across Member States.
(c) What are the benefits in replacing different national policies and rules with a more homogenous policy approach?
Given the transboundary nature of climate hazards, policy intervention at the EU level – in concert with national, regional and local action - is necessary to achieve sufficient levels of systemic, EU-wide climate resilience and preparedness effectively and efficiently. Furthermore, the Regulation establishes common parameters for climate risk assessments, planning and methodology to ensure greater consistency across the Union. Replacing divergent national approaches with a more homogeneous policy framework improves comparability, reduces fragmentation, facilitates cooperation on shared and cross-border risks, and supports more coherent action by public authorities and market actors across the Union.
(d) Do the benefits of EU-level action outweigh the loss of competence of the Member States and the local and regional authorities (beyond the costs and benefits of acting at national, regional and local levels)?
The proposal only contains core elements that need to be applied in a sufficiently uniform manner across all Member States. It does not prescribe specific policies or measures and leaves Member States the flexibility to determine the policies and measures needed to achieve the objective of the framework, considering their specific circumstances and existing regulatory frameworks. The proposal ensures the consistency needed to address cross-border climate risks and fragmentation. It also requires clarity on responsibilities (risk ownership), while preserving broad flexibility for Member States to choose how to implement the framework in practice. The measure is thus limited to what is necessary to achieve its objective and respects the roles and competences of national, regional and local authorities.

(e) Will there be improved legal clarity for those having to implement the legislation?

The proposal ensures legal clarity for those having to implement the legislation by establishing a clear common framework for climate risk assessment, planning and monitoring across the Union.

3. Proportionality: How the EU should act

3.1 Does the explanatory memorandum (and any impact assessment) accompanying the Commission's proposal contain an adequate justification regarding the proportionality of the proposal and a statement allowing appraisal of the compliance of the proposal with the principle of proportionality?

The explanatory memorandum explains that the proposal complies with the proportionality principle. The proposal does not go beyond what is necessary for achieving the objective of continuously enhancing the climate resilience of social, economic and ecological systems against short-, medium- and long-term climate risks within the Union. Proportionality is also analysed throughout the impact assessment accompanying the proposal.

3.2 Based on the answers to the questions below and information available from any impact assessment, the explanatory memorandum or other sources, is the proposed action an appropriate way to achieve the intended objectives?

The proposal is the appropriate and proportionate way to achieve the intended objective of strengthening climate resilience across the Union. It ensures a harmonised approach while setting common criteria for climate risk assessments and planning. It addresses a problem that is widespread across the Union, including significant cross-border dimensions, and where fragmented national approaches would undermine effectiveness and the functioning of the internal market. At the same time, the proposal is limited to establishing a common framework and core requirements, without prescribing specific national measures, thereby preserving flexibility for Member States, to act in line with their particular circumstances.

(a) Is the initiative limited to those aspects that Member States cannot achieve satisfactorily on their own, and where the Union can do better?

Setting a Union and Member State objective and providing a harmonised approach on climate risk assessments and planning cannot be done by Member States on their own. The initiative, in line with the impact assessment qualitative and quantitative analysis, is limited to those aspects where Union action can clearly provide added value, notably by reducing fragmentation between national approaches, improving comparability and consistency, and supporting the functioning of the internal market, without exceeding what is necessary.
(b) Is the form of Union action (choice of instrument) justified, as simple as possible, and coherent with the satisfactory achievement of, and ensuring compliance with the objectives pursued (e.g. choice between regulation, (framework) directive, recommendation, or alternative regulatory methods such as co-legislation, etc.)?
The proposal defines a framework for strengthening climate resilience across the Union and each Member State. A Regulation ensures greater consistency and coherence across the Union. This is particularly important here as the proposal contains core elements that need to be applied in a sufficiently uniform manner across all Member States. This includes requirements relating to national climate risk assessments, national strategic plans and the integration of climate resilience into relevant policies. The choice of a Regulation is justified because it provides a directly applicable and sufficiently uniform framework, thereby reducing the risk of divergent transposition and implementation that could arise under other instruments. This contributes to a policy intervention that is as simple as possible, while remaining effective and proportionate to the objective pursued. At the same time, the proposal is limited to setting a common objective and core procedural requirements, without harmonising in detail the substantive national measures to be taken, thereby preserving flexibility for Member States in implementation.
(c) Does the Union action leave as much scope for national decision as possible while achieving satisfactorily the objectives set? (e.g. is it possible to limit the European action to minimum standards or use a less stringent policy instrument or approach?)
The Regulation leaves substantial room for Member States to define their national objectives on climate resilience and to choose implementing measures and thereby it respects different national circumstances while contributing to the overarching climate resilience objective and addressing national climate risks. Union action is

therefore limited to what is necessary to achieve the objective satisfactorily, notably through core framework requirements.
(d) Does the initiative create financial or administrative cost for the Union, national governments, regional or local authorities, economic operators or citizens? Are these costs commensurate with the objective to be achieved?
The initiative does not impose direct regulatory obligations or compliance costs on economic operators or citizens. Its primary impacts are on public authorities at EU and Member State level. One of the main purposes of the proposal is to reduce and avoid economic losses caused by climate change and more concretely caused by the realisation of climate risks and increase the overall preparedness of the Union. As explained in detail in the Impact Assessment, it is difficult to quantify avoided losses at a whole economy level, and the benefits of the individual measures have been mainly characterised in a qualitative way. Whenever possible, quantified costs and benefits were included for measures and policy options at Union and national level. One conservative estimate is that future climate-related GDP loss in the EU could be up to 1% annually in the coming years, 2.3% by 2050, and up to 7% by the end of the century. The climate impacts will affect all economic sectors. Any effective climate resilience building and adaptation action is likely to avoid significant expenditure and lost revenue.
(e) While respecting the Union law, have special circumstances applying in individual Member States been taken into account?
The initiative sets an objective on strengthening climate resilience for the Union and each Member State. Special circumstances that might apply in individual Member States are considered as the proposal leaves considerable flexibility for the relevant Union institutions and the Member States when setting objectives and taking the necessary measures for implementation. This allows Member States to respond to differing national climate risks, governance and administrative structures, economic conditions and existing regulatory frameworks.