



Systemic Climate Risk Governance

A Proposed Mechanism for the Integrated Framework for European Climate Resilience and Risk Management

A joint submission by the Stockholm Environment Institute (SEI), the Strategic Climate Risks Initiative (SCRI), Adaptation Without Borders (AWB) and RICKLE Research and Policy Advice

Authors: Theo Cox (SCRI), Katy Harris (SEI, AWB), Mikael Mikaelson (SEI), Tim Suljada (SEI), Richard Klein (RICKLE), Magnus Benzie (Independent, SEI Oxford)

Reviewers: Adèle Tanguy (IDDRI), Hanne Knaepen (ECDPM), Kira Kappe (SEI), Tristan Norman (Independent, SEI Oxford)

May 2026

A Strategic Advisory Note for Stakeholders Within the European Commission

The following suggestions concern strategic interventions in ongoing EU deliberations that fall outside the scope of the Integrated Framework itself, but which we believe are essential to creating the conditions under which the governance mechanism proposed in our formal submission can function effectively. The submission proposes a governance mechanism for systemic climate risk under the forthcoming Integrated Framework for European Climate Resilience and Risk Management. As per our initial submission¹, our definition of systemic climate risk includes transboundary, cascading and compounding climate risks. These suggestions are designed to complement the formal submission.

¹ <https://www.sei.org/wp-content/uploads/2026/02/sei-eu-submission-on-systemic-climate-risks-final.pdf>

1. Engaging with the Large Scale Review: Shaping a Centralised Resilience Function

We are aware that in discussions around the Large Scale Review of the Commission, resilience² is emerging as a key topic. Some form of more centralised function or body with a mandate around resilience could emerge from the Review. The Preparedness Union Strategy, adopted in March 2025, already signals movement in this direction. We encourage colleagues to treat this preparedness strategy as the starting point for engagement on broader resilience coordination rather than to advocate for an entirely new initiative.

We see the creation of a central resilience function in a future EU Commission as a positive step toward achieving climate change adaptation objectives. We call for proactive engagement by colleagues within DG CLIMA and DG RTD to shape ongoing discussions about resilience in the context of Commission reform. In the absence of this engagement, we see two potential risks:

- First, resilience governance might become entirely reactive, focused on responses to emergent crises, rather than proactive transformation to prepare and adapt.
- Second, resilience might become dominated by defence or hard security priorities, such that the systemic risks posed by climate change are overlooked, relegated or solely viewed through the lens of defence.

If either outcome were to materialise, Europe would be left substantially less secure. It is also likely to cost more to achieve the same level of resilience if efforts are made reactively and/or are heavily securitised. Colleagues should be alert to the possibility that, if not carefully framed, a broadened resilience mandate could become so expansive that mapping and addressing the interplay between different climatic drivers and policy responses becomes unfeasible or interpreted as of lower strategic value or urgency.

We thus recommend colleagues engage strongly with ongoing discussion about European resilience in the context of the Large Scale Review and ensure that the essential role of systemic climate resilience is emphasised at every juncture and reflected in any resulting structural reforms to the Commission architecture.

The systemic climate risk governance mechanism we outline in the formal submission could act as useful inspiration for how a central resilience function could work effectively in a new-look future Commission. We have designed the climate-specific model in the formal submission to interface effectively with such an all-hazards function, should it come into existence.

2. Influencing MFF Discussions to Insert Language Around Systemic Climate Risk

We are aware that the late stage of MFF discussions for the 2028–2034 period means that substantial changes to the content of the proposal are now in the hands of the Council, with the consent of Parliament required under the Special Legislative Procedure. However, we see financial allocations to enable both Commission and Member State action in support of the Integrated

² For a definition of resilience, we refer to the JRC's definition here - https://joint-research-centre.ec.europa.eu/projects-and-activities/resilience_en - but with strong alignment to preparedness

Framework as highly valuable and worth pursuing through additional engagement. As we further outline in our formal submission, financial incentives are necessary to enable meaningful action around systemic risks within the EU (related to climate change and more widely). Without such coupling, Member States and indeed Commission DGs will resist any proposals assigning obligations, risking the reduction of resilience to a matter of mere reporting. This would be a significant missed opportunity.

We see the Commission's programming guidance in relation to the proposed national and regional partnership plans, and the programming of the Global Europe Instrument, as the highest leverage areas for intervention. We thus advise colleagues within DG CLIMA and DG RTD to intervene as best possible (e.g. through targeted engagement with Member State representatives in the Council) to ensure this guidance references the systemic climate risk assessment process discussed in Section 2.1, to provide a hook for the legislation that follows under the Integrated Framework.

While language to create strong conditionality on Member State compliance would be ideal, we are aware it may not be feasible. However, influencing the terms of the new European Competitiveness Fund would be extremely impactful. This could include conditioning funds on forward-looking climate risk assessments or the integration of prevention, preparedness and response interventions, building on 'Preparedness by design' (as mentioned in the Competitiveness Compass). However, even a milder requirement with appropriate language – for example, mid-term reviews “shall take into account relevant Union-level risk assessments” – would give some legal basis for the creation of the financial incentive-backed obligations under the subsequent legislation we propose in the formal submission.

Colleagues should also consider the Commission's proposed Political Steering Mechanism for the 2028–2034 MFF, which would establish an annual interinstitutional dialogue, informed by an integrated strategy report, to steer the allocation of flexible budget resources. Should negotiators adopt this mechanism in recognisable form, colleagues should work to ensure that EUCRA risk assessments and findings from the Integrated Climate Resilience Board (Section 3.2) feed into the Commission's annual integrated strategy report, creating a recurring channel through which systemic climate risk considerations can shape budget prioritisation to respond to identified and emerging risks. This would likely require some legal hook in the Integrated Framework legislation itself, insisting that the annual strategic reports take into account these analyses and findings, combined with internal advocacy and positioning to ensure they carry adequate weight. This reinforces the case for locating the proposed Coordination Function (Section 3.1) at Secretariat-General level (Section 4.1), ensuring its outputs are visible and carry influence in cross-cutting Commission strategic processes rather than confined to a sectoral DG.

We trust the judgement of colleagues within the Commission regarding other potential intervention points within current MFF negotiations.

3. Engaging with the Revision of the Governance Regulation

The ongoing revision of Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action presents an immediate opportunity to embed systemic climate risk assessment and reporting obligations into established Member State planning and reporting cycles. Several of the Member State-facing obligations proposed in the formal submission, particularly the requirement to

assess and report on systemic climate risks, and the strengthening of adaptation reporting under Article 19, may be more effectively delivered through the revised Governance Regulation than through the Integrated Framework legislation alone. We recommend that colleagues within DG CLIMA and DG RTD engage proactively with the revision process to ensure that the revised regulation explicitly requires Member States to assess and report on systemic climate risks as part of their national energy and climate plans and progress reports, and that the reporting format is specified in sufficient detail to support the governance mechanism proposed in the formal submission. This would give the Integrated Framework legislation a pre-existing legal foundation to build on, rather than requiring it to amend the Governance Regulation itself, reducing both the legislative burden and political opposition during trilogue.

4. A Note on Trilogue Strategy

It will be important to specify key governance mechanisms in this proposal – reporting obligations, assessment criteria, the content and format of systemic climate risk action plans and roadmaps, and the Resilience Scoreboard – in the legislation text itself, rather than delegating these to implementing acts. We recommend that the Commission’s proposal is drafted with this principle in mind. We set out draft minimum specifications for each element that should be anchored in the legislation text in Annex B.

We note that the Commission adoption of a proposal on the Integrated Framework is planned for Q4 2026. Given that the proposal is expected to include both legislative and non-legislative measures, and that trilogue negotiations will substantially shape the final text, our proposed governance mechanism includes design elements that require hard law and those which are deliverable through soft law, so that the core governance mechanism is preserved even under significant legislative dilution.

Subsidiarity Note

A subsidiarity justification is also essential, as Member States will immediately question why the EU should be classifying risks and assigning obligations that could be handled nationally. The justification rests on two points:

First, the systemic and transboundary nature of many climate risks means that no single Member State can adequately assess or manage them alone. The EUCRA (2024) identified multiple risks that are inherently cross-border — flood risk in shared river basins, heatwave impacts on interconnected energy grids, disruption to cross-border supply chains and financial contagion from climate-related asset revaluations. Only EU-level assessment can effectively capture these interdependencies.

Second, as also witnessed beyond the EU context, voluntary Member State action alone has been shown to be insufficient. The EUCRA found that most climate risks in Europe are already at critical levels and that adaptation efforts to date have been insufficient. The Governance Regulation’s planning and reporting framework has not generated adequate systemic climate risk governance. This is the factual basis for concluding that EU-level action is necessary to achieve the objective.

5. Building Public Legitimacy for Climate Resilience Regulation

The governance mechanism proposed in the formal submission will only prove as durable as the political support that sustains it. Scientific institutions and civil society are rightly pressing the

Commission to move beyond voluntary measures and soft coordination towards clearer obligations, compliance mechanisms and financial incentives. Yet recent EU legislative cycles – among them the political contestation surrounding the Nature Restoration Law, the revisions to the CSRD and CSDDD, and the postponement of the Deforestation Regulation – demonstrate how technically sound climate policies can be diluted when industry and Member State counter-pressures are not met by commensurate public demand. The Commission cannot reasonably be expected to shoulder this burden alone, particularly where ambitious climate resilience policy risks being cast as governance overreach rather than recognised as a proportionate response to systemic risk. Climate and industrial policies can become increasingly protectionist during periods of crisis, leading Member States to favour measures that safeguard domestic competitiveness rather than pursuing coordinated action at the EU level.

We therefore recommend that the Commission strengthen its public-facing communication around the rationale for the Integrated Framework, while engaging substantively with the stakeholders most affected by it, including the communities, workers, consumers and sectors most exposed both to climate impacts and to the costs of adaptation. This should also include communication around the strategic value of investing in resilience beyond the EU's borders. Such engagement must run in parallel with implementation, not in place of it; the EUCRA's findings on the criticality of present climate risk levels do not permit delay. The objective is not to temper ambition, but to root it in a legitimacy capable of withstanding political turnover, sectoral pushback and future attempts to weaken implementation.

Engagement with the wider electorate and consumer base that ultimately shapes political and market incentives has also been neglected by scientific institutions. The resulting vacuum has allowed climate misinformation and polarisation to erode support for necessary action, even where the evidence base is robust. We therefore further recommend that the Commission deploy its research and innovation agenda – including the next Framework Programme and its mission-oriented instruments – to make public engagement, climate risk literacy and science communication explicit components of EU-funded projects on climate resilience and adaptation – sitting alongside, not behind, the existing emphasis on policy and industry uptake. Where relevant, this should be coordinated with DG CNECT and the EU's wider disinformation policy architecture, including the Code of Practice on Disinformation, to counter the misinformation dynamics that continue to corrode political support for the bold climate action that the evidence base makes indispensable.