

Opinion of the Committee of the Regions on the 'Proposal for a Regulation on the programme for the environment and climate action (LIFE)'

(2012/C 277/08)

THE COMMITTEE OF THE REGIONS

- given the substantial challenges that exist in this field, would welcome a substantially greater increase in the programme's budget, whilst recognising that the exact figure cannot be agreed until the Multi-annual Financial Framework negotiations are concluded;
- supports the new approach of 'Integrated Projects', however requests that accessibility and involvement of stakeholders in integrated projects should be more encouraged; that marine environment, soil and noise as priority should be added as further primarily relevant areas of integrated projects; and that appropriate coordination mechanisms of LIFE with other EU funds in the Common Strategic Framework and with Prioritised Action Frameworks (PAFs) for financing Natura 2000 are put in place;
- believes that the removal of VAT as eligible expenditure is liable to deter many potential applicants from developing a proposal and suggests that VAT is accepted as eligible costs if the beneficiaries can prove that VAT cannot be recovered;
- recommends that the cost of permanent staff remain eligible, with the condition that it is proven and documented that the staff in question are formally seconded to the activities of the project, on a full- or part-time basis;
- proposes that the upper rate co-financing rate should be extended to 85 % in less developed regions (as defined in the Structural Funds Regulations) and in the outermost regions;
- requests that the LIFE programme shall also be open to Overseas Countries and Territories of the EU which are party to the 'Overseas Association Decision' (Council Decision 2001/822/EC), which are responsible for much of the EU's biodiversity.

Rapporteur	Kay TWITCHEN (UK/NL), Member of Essex County Council
Reference document	Proposal for a regulation of the Council and the European Parliament on the establishment of Programme for the Environment and Climate Action (LIFE) COM(2011) 874 final – 2011/0428 (COD)

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

A. *General remarks*

1. reiterates its view that the LIFE programme constitutes an important instrument in helping to fund local and regional environmental policies and projects with a European added value, and has helped mobilise efforts by local and regional authorities. It has also helped to create partnerships, thus strengthening cooperation structures and facilitating the exchange of experience and information at local and regional level;

2. welcomes the intention to continue LIFE into the new funding period. Believes that this will ensure a more effective intervention, create synergies by coordinating EU and national activities, and increase the visibility of environmental and climate actions;

3. shares the Commission's view that environment and climate action should be an integral element of most EU policies. However the main EU funding instruments do not address all environmental and climate specific needs, hence the continuing need for a separate Programme for the Environment and Climate Action, building upon the achievements the LIFE+ Regulation (EC) No 614/2007 for the period 2007-13. Thus it complements the 'mainstreaming' approach to achieving environmental and climate objectives across the EU budget, through the financing of environment and climate projects not eligible for funding elsewhere;

4. notes that evaluation of the existing LIFE programme has highlighted that its impact is limited by a lack of strategic focus. The new programme would therefore introduce a flexible top-down approach, and establish two discrete sub-programmes, covering Environment and Climate Action with clearly identified priorities;

5. notes the importance in this regard of maintaining enough flexibility in the programme. Prioritisation must not result in excessive restrictions or overly prescriptive criteria. As in the current programme, the key yardstick should be the quality of the projects proposed;

6. considers that the LIFE Regulation should make specific reference to the need to seek synergies between the different strands, e.g. to ensure that LIFE-funded climate projects have a beneficial effect on biodiversity, and that LIFE-funded environment projects be climate-proofed. Insofar as the Commission has indicated the potential synergies between the two sub-programmes and for projects to benefit multiple objectives, it will be important to ensure that this is achieved;

7. reiterates its call ⁽¹⁾ for the LIFE programme to continue to support communication and information projects, with an increased focus on awareness, including education for sustainable development and promoting projects which involve local and regional authorities. In this context, welcomes the proposed priority area of governance and information in each of the two sub-programmes;

8. welcomes the proposal that, in order to ensure coherence of the two LIFE sub-programmes, they will be within the framework of one single Multi-annual Work Programme, with one single set of common implementing rules, one single call for proposals, and dealing with them together in the single LIFE Committee, and expresses concern that there should not be divergent procedures and priorities for different sub-programmes;

9. welcomes that the European Commission has consulted extensively in developing this proposal and has taken into account many views expressed by stakeholders, and by the CoR ⁽²⁾;

B. *Indicators*

10. welcomes the emphasis given in Article 3 of the proposal to defining indicators for measuring the success of LIFE. Recommends the addition of indicators that measure and promote good governance and communication within every LIFE project. CoR has urged the LIFE programme to foster targeted - and thus more effective - ways of communication and capacity-building activities in each LIFE project;

C. *Sub-programme for Environment (LIFE Environment)*

Priority area: Environment and resource efficiency

11. notes that the proposal excludes in Article 10 market replication-orientated private sector innovation, since it will be covered by Horizon 2020. This allows for LIFE to focus on eco-innovation by local and regional authorities and on finding solutions that are most often best implemented through public-private partnerships. Therefore CoR welcomes the shift to public-sector innovation and the possibility of public-private partnerships;

Priority area: Biodiversity

12. welcomes that, as requested by the CoR ⁽³⁾, the proposal in Article 11 allows for recurring activities provided that projects operate on the basis of exemplary procedures which

⁽¹⁾ CdR 6/2011 fin (para 74).

⁽²⁾ Report *Assessment of Territorial Impacts of the EU Life+ instrument*, prepared by the Secretariat of the Committee of the Regions, May 2011; CdR 6/2011 fin.

⁽³⁾ CdR 6/2011(para 56).

can be applied to other regions and that they will be subject to standards for monitoring and communicating results to the public;

13. believes that support via integrated projects for Prioritised Action Frameworks (PAFs) for financing Natura 2000 will be a key future element under the LIFE's Biodiversity priority area. The CoR requests that, in keeping with the institutional framework of each Member State, regional authorities should be in charge of developing PAFs and takes note of the recent initiatives launched by the European Commission on financing Natura 2000 (4);

Priority area: Environment governance and information

14. strongly welcomes that LIFE support for environment governance has been strengthened by making it a priority area in the proposed regulation (Article 12). The CoR believes that this will increase visibility of potential governance projects and that local and regional authorities will become important beneficiaries of this new priority area. The CoR has urged LIFE to contribute to the strengthening of local and regional authorities' administrative capacities and to give an increased focus on awareness, including education for sustainable development and promoting projects which involve LRA and have significant impact at EU level (5);

15. considers that this priority area should promote knowledge sharing on the implementation and enforcement of EU environmental law by supporting networks, training, and best practice sharing projects, in particular of local and regional authorities active in the field, at European level;

D. Sub-programme for Climate Action (LIFE Climate)

16. welcomes the creation of a new sub-programme on climate action, which can play a role in promoting low-carbon, resource-efficient and climate-proofed actions and investment. Welcomes this in view of the EU's international commitments to reducing GHGs in the framework of the Kyoto Protocol and the future global climate agreement to be negotiated by 2015, as well as of the EU's objectives under the Climate and Energy Package, the Europe 2020 Strategy and the Roadmap for moving to a low carbon economy 2050 (6);

17. notes however that the proposed budget is a rather small part of the overall LIFE programme (25 %). Thus LIFE Climate has a very limited potential to significantly reduce greenhouse gases. It should therefore promote multiple environmental benefits, such as natural areas, which are essential for ensuring good air quality and display considerable biodiversity (peatlands and forests) or contribute to the creation of green infrastructure, as an integrated approach to maintaining biodiversity and to keeping the repercussions of climate change in check;

18. welcomes that the main focus of Integrated Projects will be on climate mitigation and adaptation strategies and action plans;

19. welcomes the objectives listed under the priority area 'climate governance and information' (Article 16), and could see a clear role for the CoR in promoting awareness-raising on climate matters;

E. Integrated Projects

20. as indicated in its earlier opinion (7), welcomes the proposal for introducing long-duration 'Integrated Projects' on a large territorial scale (in particular regional, multi-regional or national), as a means of addressing a wide variety of issues through a strategic, structured relationship with other EU funding streams. The LIFE projects would continue to have an important catalytic value;

21. believes that Integrated Projects will improve the implementation of environment and climate policy and their integration into other policies, in application of the principle of multi-level governance, by ensuring a coordinated mobilisation of other EU, national and private funds towards environmental or climate objectives. They will focus on the implementation of environmental and climate plans and strategies on a larger territorial scale than is normally the case in LIFE+;

22. welcomes that the list of primarily relevant areas for Integrated Projects in Article 18 (d) to a large extent reflects previous recommendations of the CoR (water management, nature and biodiversity conservation, sustainable resource use and waste management). Believes however that marine environment, soil and noise should be added as further primarily relevant areas;

23. expresses concern that the Integrated Projects may be complex to prepare and manage, especially given the range of deadlines, selection criteria, application procedures and formats, management conditions and reporting arrangements. This will be especially daunting for smaller local authorities, therefore welcomes the technical assistance envisaged in the proposal to help prepare and submit Integrated Projects;

24. calls for appropriate coordination mechanisms of LIFE with other EU funds in the Common Strategic Framework, in particular within the partnership contracts as provided for by Article 14 of the draft regulation laying down general provisions as well as with the proposed new approach of Community-led local development and Local development strategies for all CSF Funds as provided for by Articles 28 and 29 of the draft regulation laying down general provisions;

25. expects this new category of larger-scale LIFE projects to include the framework and guidance for development of individual LIFE projects and other projects, including a plan explaining how other EU, national, regional, local and private funding is combined to finance the activities proposed. In certain cases, these projects could be of a longer duration, during which individual related LIFE projects can be developed and implemented;

26. at the same time, places value on traditional, smaller-scale projects that are accessible to smaller authorities less able to develop an Integrated Project. Accordingly, welcomes

(4) Commission Staff Working Paper SEC(2011) 1573 final.

(5) CdR 6/2011 fin, Report *Assessment of Territorial Impacts of the EU Life+ instrument*, prepared by the Secretariat of the Committee of the Regions, May 2011.

(6) COM(2010) 2020 final and COM(2011) 112 final.

(7) CdR 6/2011 fin (paras 6, 25, 65-69).

that these will still have a place in the new programme and requests that the global budgets allocated to them should not be reduced;

27. recognises the need for an approximate geographical basis, but considers that this should not be a primary driver that could lead to funding being diverted from essential projects simply to achieve a notional national quota elsewhere. Welcomes the possibility to include neighbouring countries in these projects;

28. believes that the involvement of stakeholders in integrated projects should be more encouraged;

F. *Simplification, programming and delegated acts*

29. recognises that the European Commission has sought to respond to the calls in an earlier opinion⁽⁸⁾ for greater administrative simplification, including multi-annual programming and the greater use of IT tools. The use of flat rates and lump sums can reduce bureaucracy, and is welcomed. Is concerned however, that the commitment towards simplification is mainly expressed in the broadest of terms as an aspiration in recital 26;

30. strongly welcomes the introduction of a '2 step' approach for the selection of Integrated Projects, whereby potential applicants can provide a concept note to the Commission for pre-approval, meaning fewer resources are wasted by bidders who are unlikely to be successful. This also corresponds to a CoR recommendation.⁽⁹⁾

31. welcomes multi-annual work programmes of at least two years' duration as proposed in Article 24. Believes that these multi-annual work programmes can ensure that LIFE responds to EU priorities in a more strategic and political manner. It asks the Commission to involve local and regional authorities in drafting the work programmes so that they properly reflect practice on the ground;

32. is however concerned that the possibility of mid-term revision of multi-annual programmes as provided for by Article 24 (3) could lead to unpredictability for beneficiaries. The extent of revision changes should therefore be minimal;

33. recognises that in the current programme, the performance of national contact points has been variable and in some cases a weakness leading to under-utilisation of national allocations (the CoR has previously called for better training of the national contact points⁽¹⁰⁾);

34. insists that the examination procedure and the LIFE Committee (Article 29) should operate in a transparent and inclusive manner;

35. notes that the draft regulation foresees delegated acts on the performance indicators applicable to the specific thematic priorities (Article 3), on the application of the criterion 'being of Union interest' (Article 19(1)) and on the application of criteria for the 'application of geographical balance' for integrated

projects (Article 19(3)). The CoR has taken a critical stand on an increased use of comitology in environmental policy, as it lacks transparency in the EU decision-making and operational process for local and regional authorities⁽¹¹⁾. Therefore recommends that the European Commission undertakes appropriate consultations with local and regional authorities during its preparatory work for the delegated acts;

G. *Co-financing and eligible expenditure*

36. recognises that the European Commission has responded to the calls in an earlier opinion⁽¹²⁾ for the maximum co-financing rate to be raised from the existing up to 50 % to up to 70 % (rising to up to 80 % for integrated and preparatory projects);

37. proposes that the upper rate should be extended to 85 % in less developed regions (as defined in the Structural Funds Regulations⁽¹³⁾) and in the outermost regions. These regions are often vital in the objective of halting biodiversity loss;

38. regrets that the European Commission did not respond to the calls in an earlier opinion⁽¹⁴⁾ that local and regional authorities should continue to be able to count the cost of permanent staff as own resources. The exclusion of permanent staff cost would have fundamental negative impacts on the quality and feasibility of projects especially of smaller governmental and non-governmental organisations, who depend on continuity of permanent staff and their expertise, and whose staff members often work part-time in several projects at a time;

39. believes that this, together with the removal of VAT as eligible expenditure, as proposed in Article 20, is liable to deter many potential applicants from developing a proposal. It recalls that in other EU funds VAT is accepted as eligible costs if the beneficiaries can prove that VAT cannot be recovered;

40. notes however, the findings of a study that appear to demonstrate that the effect of the much higher co-financing rates proposed by the Commission will offset the removal of some elements of eligible funding for most projects. Is aware, moreover, that the question of staff time is the cause of much dispute between the Commission auditors and beneficiaries and leads to large sums being recovered by the Commission, sometimes long after the project has been completed;

41. nevertheless, recommends that the cost of permanent staff remain eligible, with the condition that it is proven and documented that the staff in question are formally seconded to the activities of the project;

H. *Budget*

42. notes the proposed increase in budget for the LIFE programme from, EUR 2 100 m to EUR 3 600 m which although being a substantial increase for the Programme, remains comparatively modest at only 0,3 % of the overall EU budget;

⁽⁸⁾ CdR 6/2011 fin (para 33, 37).

⁽⁹⁾ CdR6/2011 fin (para 38).

⁽¹⁰⁾ CdR 6/2011 fin (para 18).

⁽¹¹⁾ CdR 25/2010 fin, CdR 159/2008 fin, CdR 47/2006 fin.

⁽¹²⁾ CdR 6/2011 fin (para 35).

⁽¹³⁾ COM(2011) 615 final; CdR 6/2011 fin (para 15).

⁽¹⁴⁾ CdR 6/2011 fin (para 34).

43. however given the substantial challenges that exist in this field, the CoR would welcome a substantially greater increase in this budget. Recognises that the exact figure cannot be agreed until the Multi-annual Financial Framework negotiations are concluded;

44. although greater coherence and complementarity with other funding streams is welcomed, the financing of the LIFE programme should not impact on those funds (e.g. structural funds);

45. welcomes that 50 % of the sub-programme Environment is to be devoted to biodiversity, thereby corresponding to a request from the CoR ⁽¹⁵⁾;

46. welcomes the new provision in Article 17 that LIFE can be combined with innovative financial instruments. Considers this to be of particular relevance for the priority area Environment and Resource Efficiency. Reiterates that these tools should only be used in addition to, and not in place of, action grants;

I. *Subsidiarity*

47. reaffirms that environmental policy is an area where the exercise of competences is shared between the European Union

and the Member States. Therefore, the subsidiarity principle applies. Believes however, that since the proposed regulation is essentially a continuation of the LIFE programme which has existed since 1992, there is no need for a thorough evaluation of its compliance with the principle of subsidiarity and proportionality. Subsidiarity and proportionality are reaffirmed in the recital 34 of the draft regulation;

48. however:

a) is broadly in favour of the Programme continuing to be centrally-managed, but considers it will be necessary to ensure that the delegation of tasks such as project selection and monitoring tasks to an Executive Agency does not diminish Member State involvement in the operation of the Programme, and that any transfer does not result in a loss of knowledge and expertise needed to process LIFE applications;

b) recalls the important role that local and regional authorities have to play in implementing EU environmental legislation and climate strategies at the sub-national level, and in making innovations and best practices better known to the public.

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 15

Text proposed by the Commission	CoR amendment
<p>The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'A Roadmap for moving to a competitive low carbon economy in 2050' ⁽¹⁾ (hereinafter the 'Roadmap 2050') acknowledged that testing new approaches to climate change mitigation will remain essential for moving to a low-carbon economy. Adaptation to climate change, as a cross-cutting Union priority, will also need to be ensured. Moreover, governance promotion and awareness-raising is essential to deliver constructive results and to ensure stakeholders' involvement. Therefore, the sub-programme for Climate Action should support efforts contributing to three specific priority areas: Climate Change Mitigation, Climate Change Adaptation and Climate Governance and Information. It should be possible for projects financed by the LIFE programme to contribute to the achievement of the specific objectives of more than one of those priority areas and to involve the participation of more than one Member State.</p>	<p>The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'A Roadmap for moving to a competitive low carbon economy in 2050' ⁽¹⁾ (hereinafter the 'Roadmap 2050') acknowledged that testing new approaches to climate change mitigation will remain essential for moving to a low-carbon economy. Adaptation to climate change, as a cross-cutting Union priority, will also need to be ensured. Moreover, governance promotion and awareness-raising is essential to deliver constructive results and to ensure stakeholders' involvement. Therefore, the sub-programme for Climate Action should support efforts contributing to three specific priority areas: Climate Change Mitigation, Climate Change Adaptation and Climate Governance and Information. <u>It should also encourage synergies with wider ecosystem related objectives, with the aim to deliver on multiple environmental benefits, e.g. protecting biodiverse peatlands for carbon storage or creation of Green Infrastructure for flood prevention. At the same time, the role of forest ecosystems as sources of biodiversity and carbon storage must be protected, and the use of forest resources such as biomass promoted.</u> It should be possible for projects financed by the LIFE programme to contribute to the achievement of the specific objectives of more than one of those priority areas and to involve the participation of more than one Member State.</p>
<p>⁽¹⁾ COM(2011) 112 final, 8.3.2011.</p>	<p>⁽¹⁾ COM(2011) 112 final, 8.3.2011.</p>

⁽¹⁵⁾ CdR 6/2011 fin (paras 9, 14).

Reason

The LIFE Regulation should make specific reference to the need to seek synergies between environmental objectives, in particular between climate action and biodiversity. It is also important to emphasise the role of forest ecosystems since they can contribute to biodiversity and climate change mitigation and also increase carbon absorption capacity.

Amendment 2

Recital 26

Text proposed by the Commission	CoR amendment
<p>With a view to simplifying the LIFE programme and reducing administrative burden for applicants and beneficiaries, more use should be made of flat rates and lump-sums, and funding should focus on more specific categories of costs. By way of compensation for ineligible costs and in order to maintain the effective level of support provided by the LIFE programme, the co-funding rates should be 70 % as a general rule and 80 % in specific cases.</p>	<p>With a view to simplifying the LIFE programme and reducing administrative burden for applicants and beneficiaries, more use should be made of flat rates and lump-sums, and funding should focus on more specific categories of costs. By way of compensation for ineligible costs and in order to maintain the effective level of support provided by the LIFE programme, the co-funding rates should be 70 % as a general rule and <u>85 % in less developed regions and the outermost regions</u>.</p>

Reason

The upper rate should be extended to 85 % in economically lagging or transition regions (as defined in the Structural Funds Regulations). These regions are often vital in the objective of halting biodiversity loss. As a general rule, the outermost regions benefit from a co-financing rate of 85 % under the main European funds. They should therefore also be able to benefit from the same co-financing rate under other EU programmes such as LIFE. It is also worth noting that the outermost regions are the greatest net contributors to biodiversity in the whole European Union, containing a large number of sites of Community importance within the Natura 2000 network.

Amendment 3

Recital 30

Text proposed by the Commission	CoR amendment
<p>In order to secure the best possible use of Union funds and to ensure European added value, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of eligibility criteria for project selection, criteria for the application of geographical balance to 'Integrated Projects', and performance indicators applicable to specific thematic priorities. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.</p>	<p>In order to secure the best possible use of Union funds and to ensure European added value, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of eligibility criteria for project selection, criteria for the application of geographical balance to 'Integrated Projects', and performance indicators applicable to specific thematic priorities. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level <u>and with local and regional authorities</u>. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.</p>

Reason

The CoR has taken a critical stand on an increased use of comitology in environmental policy, as it lacks in transparency in the EU decision-making and operational process for LRA.

Amendment 4

Article 5 - Participation of third countries in the LIFE programme

Text proposed by the Commission	CoR amendment
<p>The LIFE programme shall be open to the participation of the following countries:</p> <p>(a) European Free Trade Association (EFTA) countries which are parties to the Agreement on the European Economic Area (EEA)</p> <p>(b) candidate countries, potential candidates and acceding countries to the Union;</p> <p>(c) countries to which the European Neighbourhood Policy applies;</p> <p>(d) countries which have become members of the European Environmental Agency in accordance with Council Regulation (EC) No 993/1999 of 29 April 1999 amending Regulation (EEC) No 1210/90 on the establishment of the European Environmental Agency and the European environment information and observation network.</p>	<p>The LIFE programme shall be open to the participation of the following countries:</p> <p>(a) European Free Trade Association (EFTA) countries which are parties to the Agreement on the European Economic Area (EEA)</p> <p>(b) candidate countries, potential candidates and acceding countries to the Union;</p> <p>(c) countries to which the European Neighbourhood Policy applies;</p> <p>(d) countries which have become members of the European Environmental Agency in accordance with Council Regulation (EC) No 993/1999 of 29 April 1999 amending Regulation (EEC) No 1210/90 on the establishment of the European Environmental Agency and the European environment information and observation network.</p> <p><u>(e) Overseas Countries and Territories of the EU which are party to the 'Overseas Association Decision' (Council Decision 2001/822/EC)</u></p>
<p>Such participation shall be done in accordance with the conditions laid down in the respective bilateral or multi-lateral agreements establishing the general principles for their participation in Union programmes.</p>	<p>Such participation shall be done in accordance with the conditions laid down in the respective bilateral or multi-lateral agreements establishing the general principles for their participation in Union programmes.</p>

Reason

The EU's 21 Overseas Countries and Territories, along with France's four Outermost Regions hold more endemic and threatened species in total than the countries of the EU-27. Five of the world's 34 global biodiversity hotspots are located on EU OCTs. Island ecosystems cover only 5 % of the global land area, however they are known to host around one-third of the world's threatened species. This biodiversity remains relatively unprotected, as the Birds and Habitats Directives do not apply. Funding to support conservation work is difficult to obtain, as these remote places are ineligible for many international funds (due to their association with the EU). Funding for projects in the OCTs could be taken from the national allocations of the four Member States (UK, Netherlands, France, Denmark) that have territories that are classified as OCTs, and so would have no implications for the funding available under the LIFE programme as a whole.

Amendment 5

Article 8 - Complementarity, paragraph 3

Text proposed by the Commission	CoR amendment
<p>In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination between the LIFE programme and the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development, and the European Maritime and Fisheries Fund, in order to create synergies, particularly in the</p>	<p>In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination between the LIFE programme and the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development, and the European Maritime and Fisheries Fund, in order to create synergies, particularly in the</p>

Text proposed by the Commission	CoR amendment
context of Integrated Projects referred to in Article 18 point (d), and to support the use of solutions, methods and approaches developed under the LIFE programme. At Union level, coordination shall take place within the Common Strategic Framework referred to in Article 10 of Regulation (EU) No.... (CSF Regulation).	context of Integrated Projects referred to in Article 18 point (d), <u>through the establishment of Prioritised Action Frameworks referred to in Article 8 of Directive 92/43/EEC, and also within the Community-led local development and Local development strategies referred to in Articles 28 and 29 of Regulation (EU) No.... (Regulation laying down general provisions)</u> , and to support the use of solutions, methods and approaches developed under the LIFE programme. At Union level, coordination shall take place within the Common Strategic Framework referred to in Article 10 of Regulation (EU) No.... (CSF Regulation <u>laying down general provisions</u>).

Reason

Given the importance of LIFE to strategically contribute to the financing of Natura 2000, the CoR asks that the regulation explicitly requests the Member States to ensure coordination also through the establishment of Prioritised Action Frameworks (PAFs). Moreover, potential synergies could result from the coordination of LIFE Integrated Projects with the proposed new approach of Community-led local development and Local development strategies for all CSF Funds as provided for by Articles 28 and 29 of the draft regulation laying down the general provisions.

Moreover, the wording of the CSF draft Regulation is adjusted to match previous Committee of the Regions opinions (CdR 5/2012 rev. 1).

Amendment 6

Article 10 - Specific objectives for the priority area Environment and resource Efficiency, point (b)

Text proposed by the Commission	CoR amendment
to support the application, development, testing and demonstration of integrated approaches for the implementation of plans and programmes pursuant to Union environmental policy and legislation, primarily in the areas of water, waste and air;	to support the application, development, testing and demonstration of integrated approaches for the implementation of plans and programmes pursuant to Union environmental policy and legislation, primarily in the areas of water, <u>marine environment</u> , waste, <u>soil, noise</u> and air;

Reason

In many regions, tackling soil contamination is of utmost importance and is considered to be closely linked with water protection and waste prevention.

Amendment 7

Article 14 - Specific objectives for the priority area Climate Change Mitigation

Text proposed by the Commission	CoR amendment
In view of contributing to the reduction of greenhouse gas emissions, the priority area Climate Change Mitigation shall in particular have the following specific objectives: (a) to contribute to the implementation and development of Union policy and legislation on mitigation, including mainstreaming across policy areas, in particular by developing, testing and demonstrating policy or management approaches, best practices and solutions for climate change mitigation;	In view of contributing to the reduction of greenhouse gas emissions, the priority area Climate Change Mitigation shall in particular have the following specific objectives: (a) to contribute to the implementation and development of Union policy and legislation on mitigation, including mainstreaming across policy areas, in particular by developing, testing and demonstrating policy or management approaches, best practices and solutions for climate change mitigation;

Text proposed by the Commission	CoR amendment
(b) to improve the knowledge base for the development, assessment, monitoring, evaluation and implementation of effective mitigation actions and measures and to enhance the capacity to apply that knowledge in practice;	(b) to improve the knowledge base for the development, assessment, monitoring, evaluation and implementation of effective mitigation actions and measures and to enhance the capacity to apply that knowledge in practice;
(c) to facilitate the development and implementation of integrated approaches, such as for mitigation strategies and action plans, at local, regional or national level;	(c) to facilitate the development and implementation of integrated approaches, such as for mitigation strategies and action plans, at local, regional or national level;
(d) to contribute to the development and demonstration of innovative mitigation technologies, systems, methods and instruments that are suitable for being replicated, transferred or mainstreamed.	(d) to contribute to the development and demonstration of innovative mitigation technologies, systems, methods and instruments that are suitable for being replicated, transferred or mainstreamed.
	<u>e) to contribute to restoring - and at the very least to avoid adversely affecting - biodiversity.</u>

Reason

It is important to ensure that climate measures do not have an adverse effect on biodiversity. But more to the point, since these climate measures are reiterated in the LIFE programme, it is important to ensure that they have a beneficial impact on biodiversity. It is vital to ensure consistency between the two major strands of the LIFE programme.

Amendment 8

Article 15 - Specific objectives for the priority area Climate Change Adaptation

Text proposed by the Commission	CoR amendment
In view of contributing to supporting efforts leading to increased resilience to climate change, the priority area Climate Change Adaptation shall in particular have the following specific objectives:	In view of contributing to supporting efforts leading to increased resilience to climate change, the priority area Climate Change Adaptation shall in particular have the following specific objectives:
(a) to contribute to the development and implementation of Union policy and legislation on adaptation, including mainstreaming across policy areas, in particular by developing, testing and demonstrating policy or management approaches, best practices, and solutions, for climate change adaptation;	(a) to contribute to the development and implementation of Union policy and legislation on adaptation, including mainstreaming across policy areas, in particular by developing, testing and demonstrating policy or management approaches, best practices, and solutions, for climate change adaptation;
(b) to improve the knowledge base for the development, assessment, monitoring, evaluation and implementation of effective adaptation actions and measures and to enhance the capacity to apply that knowledge in practice;	(b) to improve the knowledge base for the development, assessment, monitoring, evaluation and implementation of effective adaptation actions and measures and to enhance the capacity to apply that knowledge in practice;
(c) to facilitate the development and implementation of integrated approaches, such as for adaptation strategies and action plans, at local, regional or national level;	(c) to facilitate the development and implementation of integrated approaches, such as for adaptation strategies and action plans, at local, regional or national level;
(d) to contribute to the development and demonstration of innovative adaptation technologies, systems, methods and instruments that are suitable for being replicated, transferred or mainstreamed.	(d) to contribute to the development and demonstration of innovative adaptation technologies, systems, methods and instruments that are suitable for being replicated, transferred or mainstreamed.
	<u>(e) to contribute to restoring - and at the very least to avoid adversely affecting - biodiversity.</u>

Reason

It is important to ensure that climate measures do not have an adverse effect on biodiversity. But more to the point, since these climate measures are reiterated in the LIFE programme, it is important to ensure that they have a beneficial impact on biodiversity. It is vital to ensure consistency between the two major strands of the LIFE programme.

Amendment 9

Article 18 - Projects, point (d)

Text proposed by the Commission	CoR amendment
Action grants may finance the following projects: d) integrated projects primarily in the areas of nature, water, waste, air, and climate change mitigation and adaptation;	Action grants may finance the following projects: d) integrated projects primarily in the areas of nature, water, <u>marine environment</u> , waste, <u>soil</u> , air, <u>noise</u> and climate change mitigation and adaptation;

Reason

The priority areas should include the marine environment, soil and noise management.

Amendment 10

Article 19 - Eligibility criteria for projects

Text proposed by the Commission	CoR amendment
<p>1. Projects referred to in Article 18 shall satisfy the following eligibility criteria:</p> <p>(a) being of Union interest by making a significant contribution to the achievement of one of the objectives of the LIFE programme set out in Article 3;</p> <p>(b) ensuring a cost-effective approach and being technically and financially coherent;</p> <p>(c) being sound in the proposed implementation.</p> <p>The Commission shall be empowered to adopt delegated acts in accordance with Article 30 concerning the conditions for the application of the criterion referred to paragraph 1(a) in order to adapt that criterion to the specific priority areas defined in Articles 9 and 13.</p> <p>2. Where possible, projects financed by the LIFE programme shall promote synergies between different objectives and promote the use of green public procurement.</p> <p>3. Integrated Projects referred to in Article 18 point (d) shall involve, where appropriate, stakeholders and promote, when possible, the coordination with and mobilisation of other Union funding sources.</p>	<p>1. Projects referred to in Article 18 shall satisfy the following eligibility criteria:</p> <p>(a) being of Union interest by making a significant contribution to the achievement of one of the objectives of the LIFE programme set out in Article 3;</p> <p>(b) ensuring a cost-effective approach and being technically and financially coherent;</p> <p>(c) being sound in the proposed implementation.</p> <p>The Commission shall be empowered to adopt delegated acts in accordance with Article 30 concerning the conditions for the application of the criterion referred to paragraph 1(a) in order to adapt that criterion to the specific priority areas defined in Articles 9 and 13.</p> <p>2. Where possible, pProjects financed by the LIFE programme shall promote synergies between different objectives and promote the use of green public procurement.</p> <p>3. Integrated Projects referred to in Article 18 point (d) shall involve, where appropriate, stakeholders and promote, when possible, the coordination with and mobilisation of other Union funding sources.</p>

Text proposed by the Commission	CoR amendment
<p>The Commission shall ensure geographical balance in line with the principles of solidarity and effort sharing in the award process for Integrated Projects. The Commission shall be empowered to adopt delegated acts in accordance with Article 30 concerning criteria for the application of geographical balance in each thematic area referred to in Article 18 point (d).</p> <p>4. The Commission shall have special regard to transnational projects where transnational cooperation is essential to guarantee environmental protection and climate objectives, and shall endeavour to ensure that at least 15 % of the budgetary resources dedicated to projects are allocated to transnational projects.</p>	<p>The Commission shall ensure <u>a broad</u> geographical balance in line with the principles of solidarity and effort sharing in the award process for Integrated Projects. The Commission shall be empowered to adopt delegated acts in accordance with Article 30 concerning criteria for the application of geographical balance in each thematic area referred to in Article 18 point (d).</p> <p>4. The Commission shall have special regard to transnational projects where transnational cooperation is essential to guarantee environmental protection and climate objectives, and shall endeavour to ensure that at least 15 % of the budgetary resources dedicated to projects are allocated to transnational projects.</p> <p><u>5. The Commission shall ensure that the global budgets allocated to the projects referred to in Article 18 are not reduced.</u></p>

Reason

Wherever, and as much as possible, accessibility and involvement of stakeholders in integrated projects should be encouraged.

Whilst the efforts of the programme should be distributed across the EU, not least because environmental and climate issues often have transborder implications, nevertheless concepts of 'national quotas' are inappropriate and should not be considered ahead of the intrinsic merit of individual proposals.

We need to make sure that eligible integrated and multi-annual projects introduced at a future stage do not cut into the budgets of existing projects which have proven their worth. Furthermore, it is precisely this type of project which is easiest to use for local and regional authorities, which may not necessarily have the necessary resources to set up the type of integrated projects foreseen in the Commission's proposal. Moreover, it is logical for LIFE-funded projects to promote the use of green public procurement.

Amendment 11

Article 20 - Co-financing rates and eligibility of costs for projects, paragraph 1

Text proposed by the Commission	CoR amendment
<p>The maximum co-financing rate for the projects referred to in Article 18 shall be 70 % of eligible costs. By way of exception, the maximum co-financing rate for projects referred to in Article 18 points (d) and (f) shall be 80 % of eligible costs.</p>	<p>The maximum co-financing rate for the projects referred to in Article 18 shall be 70 % of eligible costs. By way of exception, the maximum co-financing rate for projects referred to in Article 18 points (d) and (f) shall be 80 % of eligible costs, <u>and to 85 % in less developed regions and the outermost regions.</u></p>

Reason

The upper rate should be extended to 85 % in less developed regions (as defined in the Structural Funds Regulations). These regions are often vital in the objective of halting biodiversity loss. As a general rule, the outermost regions benefit from a co-financing rate of 85 % under the main European funds. They should therefore also be able to benefit from the same co-financing rate under other EU programmes such as LIFE. It is also worth noting that the outermost regions are the greatest net contributors to biodiversity in the whole European Union, containing a large number of sites of Community importance within the Natura 2000 network.

Amendment 12

Article 20 - Co-financing rates and eligibility of costs for projects, paragraph 2, first part on VAT

Text proposed by the Commission	CoR amendment
VAT shall not be considered an eligible cost for projects referred to in Article 18.	<p>VAT shall not <u>may</u> be considered an eligible cost for projects referred to in Article 18:</p> <p>(a) <u>Recoverable VAT</u></p> <p><u>Recoverable VAT is not eligible whether or not the applicant elects to recover. VAT does not constitute eligible expenditure except where it is genuinely and definitively borne by the final beneficiary. VAT which is recoverable, by whatever means, cannot be considered eligible, even if it is not actually recovered by the final beneficiary or individual recipient. The public or private status of the final beneficiary or the individual recipient is not taken into account for the determination whether VAT constitutes eligible expenditure in application of the provisions of this rule.</u></p> <p>(b) <u>Non-recoverable VAT</u></p> <p><u>It is recognised that some final beneficiaries are unable to recover VAT. Non-recoverable VAT can be claimed as an eligible cost provided their claim is substantiated by appropriate evidence from the organisations auditors or accountants. VAT which is not recoverable by the final beneficiary or individual recipient by virtue of the application of specific national rules will only constitute eligible expenditure where such rules are in full compliance with the Sixth Council Directive 77/388/EEC on VAT.</u></p>

Reason

The CoR believes that the removal of VAT as eligible expenditure is liable to deter many potential applicants from developing a proposal. It recalls that in other EU funds VAT is accepted as eligible costs if the beneficiaries can prove that VAT cannot be recovered.

Amendment 13

Article 20 - Co-financing rates and eligibility of costs for projects, paragraph 3(new)

Text proposed by the Commission	CoR amendment
	<p>— <u>Civil servants' salary costs shall be funded only to the extent that they relate to the cost of project implementation activities that the relevant public authority would not have carried out had the project concerned not been undertaken. The staff in question must be specifically seconded to the project concerned, on a full- or part-time basis.</u></p>

Reason

The CoR believes that the removal of staffing as eligible expenditure is liable to deter many potential applicants from developing a proposal. The above wording reinstates this eligibility as set out in the LIFE+ Regulation (EC) No 614/2007 published in the Official Journal L 309 of 20 November 2008 (see Article 5), whilst however taking account of payroll costs, and not simply to make it possible to take account of payroll costs, without setting precise criteria. Furthermore, the obligation to employ additional staff to carry out these projects is not realistic for small operators and would make them impossible to implement in many cases, especially since they often require specialised staff with expertise in the field. This is why it is suggested to restrict here this condition to the fact that the staff in question must be specifically seconded to the project benefiting from these funds.

In addition, it is clarified that civil servants may be seconded to projects on a full or part-time basis in order to ensure that there is no discrimination when it comes to calculating the cost of civil servants actually working for funded projects. Experience in implementing projects under previous editions of the LIFE programme shows that civil servants often have to be involved in their development in a part-time but vital capacity. Hence the need to recognise this cost as eligible for funding.

Brussels, 19 July 2012.

The President
of the Committee of the Regions
Mercedes BRESSO
