

Amended proposal for a European Parliament and Council Regulation (EC) concerning the financial instrument for the environment (*Life*) ⁽¹⁾

(2000/C 274 E/14)

(Text with EEA relevance)

COM(1999) 305 final — 98/0336(COD)

(Submitted by the Commission pursuant to Article 250(2) of the EC Treaty on 15 June 1999)

⁽¹⁾ OJ C 15, 20.1.1999, p. 4.

INITIAL PROPOSAL

AMENDED PROPOSAL

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Unchanged

Having regard to the Treaty establishing the European Community and in particular Article 175(1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Acting in accordance with the procedure laid down in Article 251 of the Treaty, in cooperation with the European Parliament,

Acting in accordance with the procedure laid down in Article 251 of the Treaty,

(1) Whereas a financial instrument for the environment should be established to contribute to the development and implementation of Community policy and legislation regarding the environment;

(1) Whereas a financial instrument for the environment should be established to contribute to sustainable development in the Community and to the development of Community policy in the field of the environment, with particular regard to the integration of the environment in the other policies, together with the implementation and updating of environmental legislation;

(2) Whereas Council Regulation (EEC) No 1973/92 of 21 May 1992 establishing a financial instrument for the environment (*Life*) ⁽¹⁾ was substantially amended by Regulation (EC) No 1404/96 ⁽²⁾; whereas, for reasons of clarity, that Regulation should be recast when further amendments are made;

Unchanged

(3) Whereas the financial instrument for the environment, *Life*, is being implemented in phases; whereas the second phase ends on 31 December 1999;

⁽¹⁾ OJ L 206, 22.7.1992, p. 1.

⁽²⁾ OJ L 181, 20.7.1996, p. 1.

INITIAL PROPOSAL

AMENDED PROPOSAL

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| <p>(4) Whereas, given the positive contribution of <i>Life</i> to the attainment of the objectives of Community policy on the environment and in accordance with Article 14 of Regulation (EEC) No 1973/92, a third phase for a period of five years ending on 31 December 2004 should be set in motion;</p> <p>(6) Whereas the efficiency and transparency of the implementation procedures for <i>Life</i> and the procedures for providing information to the public and potential beneficiaries should be improved by identifying clearly the three component parts which constitute the instrument;</p> <p>(8) Whereas the experience gained with <i>Life</i> during the second phase has highlighted the need to concentrate efforts by specifying more clearly the areas of activity able to benefit from Community financial aid, simplifying the management burden and improving the measures to disseminate information concerning the experience gained and the results achieved;</p> <p>(10) Whereas preparatory projects should concern the development of new Community activities in the field of the environment;</p> | <p>(5) Whereas <i>Life</i> should be reinforced as a specific financial instrument, complementary with other Community instruments, without however limiting <i>Life</i> interventions to areas not covered by other Community financial instruments;</p> <p>(6) Whereas the efficiency, transparency and methodology of the implementation procedures for <i>Life</i>, the procedures for providing and disseminating information to the public and the procedures for cooperation between the potential beneficiaries should be improved by identifying clearly the three component parts which constitute the instrument;</p> <p>(7) Whereas the objective of <i>Life</i>-Environment of integrating environmental considerations in land-use development and planning is principally geared towards an urban development seeking sustainable development, in synergy with pilot projects supported under the URBAN Initiative;</p> <p>(8) Whereas the experience gained with <i>Life</i> during the second phase has highlighted the need to concentrate efforts by specifying more clearly the areas of activity able to benefit from Community financial aid, simplifying the management burden and improving the measures to disseminate information concerning the experience gained, the results achieved and their long-term impact, with a view to promoting the transfer of those results;</p> <p>(9) Whereas the development of Community environmental policy must take account of the results achieved and the experience gained from the individual actions implemented under <i>Life</i>;</p> <p>(10) Whereas preparatory projects should concern the development of Community policy in the field of the environment and, consequently, of innovative actions in this field;</p> <p>(11) Whereas the projects selected to receive financial support, particularly under <i>Life</i>-Environment, can contribute to the sustainability of socio-economic activities and hence to the creation of jobs;</p> |
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INITIAL PROPOSAL

AMENDED PROPOSAL

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| <p>(12) Whereas for third countries bordering on the Mediterranean and the Baltic Sea other than the accession candidate countries, technical assistance activities are needed to create capacities and administrative structures in the field of the environment;</p> <p>(13) Whereas the Europe agreements between the European Communities and their Member States, of the one part, and the accession candidate Central and Eastern European countries, of the other part, provide for the participation of those countries in Community programmes, in particular in the field of the environment;</p> <p>(14) Whereas, while the abovementioned Central and Eastern European countries should normally themselves meet the costs arising from their participation, the Community may decide, if necessary, for specific cases and in conformity with the rules applicable to the general budget of the European Communities and the relevant association agreements, to supplement the national contribution of the country concerned;</p> <p>(15) Whereas the other accession candidate countries may, where they make a financial contribution to <i>Life</i>, participate on conditions equivalent to those laid down for the accession candidate Central and Eastern European countries;</p> <p>(17) Whereas mechanisms should be established so that Community assistance may be adapted to the particular features of the projects to be supported;</p> <p>(18) Whereas it is necessary to establish effective methods of monitoring and evaluation as well as to ensure adequate information for potential beneficiaries and for the public;</p> <p>(19) Whereas a committee should be set up to assist the Commission in implementing this Regulation;</p> <p>(20) Whereas the Council should examine the advisability of continuing the <i>Life</i> action beyond the third phase, acting on the basis of a proposal from the Commission;</p> | <p>Unchanged</p> <p>(16) Whereas receipt from third countries constitute resources earmarked for the instrument in question and are entered as such in the corresponding expenditure item;</p> <p>(17) Whereas selection mechanisms should be established so that Community assistance may be adapted to the particular features of the projects to be supported; whereas priorities should be set in relation to the various aspects of the Community environmental policy;</p> <p>(18) Whereas it is necessary to establish effective methods of monitoring, evaluation and utilisation of project results in the Community policies as well as to ensure adequate information for potential beneficiaries and for the public;</p> <p>Unchanged</p> <p>(20) Whereas the European Parliament and the Council should examine the advisability of continuing the <i>Life</i> action beyond the third phase, acting on the basis of a proposal from the Commission;</p> |
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INITIAL PROPOSAL

AMENDED PROPOSAL

HAVE ADOPTED THIS REGULATION:

Unchanged

Article 1

General objective

A financial instrument for the environment, hereinafter referred to as *Life*, is hereby established.

The general objective of *Life* shall be to contribute to the development of Community environment policy, in particular as regards the integration of the environment into other policies and the implementation and updating of environmental legislation.

The general objective of *Life* shall be to contribute to sustainable development in the Community and to the development of Community environment policy, in particular as regards the integration of the environment into other policies and the implementation and updating of environmental legislation.

Article 2

Thematic components and general criteria

Life shall consist of the three thematic components *Life-Nature*, *Life-Environment* and *Life-Third Countries*.

The projects financed by *Life* shall meet the following general criteria:

- (a) be of Community interest by making a significant contribution to the development and, where appropriate, implementation of Community environment policy and legislation
- (b) be carried out by technically and financially sound participants;
- (c) be feasible in terms of technical proposals, management (timetable, budget) and value for money.

Priority may be given to projects based on a multinational approach.

- (a) be of Community interest by making a significant contribution to the general objective set out in Article 1;

Unchanged

Priority may be given to projects based on a multinational approach, particularly to projects liable to foster cross-border, transnational or regional cooperation.

Article 3

Life-Nature

1. The specific objective of *Life-Nature* shall be to contribute to the implementation of Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds ⁽¹⁾; Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora ⁽²⁾; and, in particular, the Natura 2000 European network.

Unchanged

⁽¹⁾ OJ L 103, 25.4.1979, p. 1, as last amended by Directive 97/49/EC (OJ L 223, 13.8.1997, p. 9).

⁽²⁾ OJ L 206, 22.7.1992, p. 7, as last amended by Directive 97/62/EC (OJ L 305, 8.11.1997, p. 42).

INITIAL PROPOSAL

AMENDED PROPOSAL

2. The following shall be eligible for *Life-Nature*:

- (a) nature conservation projects which further the specific objective set out in paragraph 1 and contribute to maintaining or restoring natural habitats and species populations to a favourable conservation status within the meaning of Directive 92/43/EEC.
- (b) accompanying measures required to:
 - (i) prepare projects involving partners in several Member States ('starter' measure);
 - (ii) exchange experiences between projects ('co-op' measure);
 - (iii) monitor and evaluate projects and disseminate their results, including the results of projects decided upon during the preceding phases of *Life* ('assist' measure).

3. Financial assistance shall be provided by co-financing of projects. The maximum rate shall be:

- (a) 50 % for nature conservation projects; 100 % for accompanying measures.
- (b) By way of exception, the rate provided for in subparagraph (a) shall be a maximum of 75 % for projects concerning priority natural habitats or priority species within the meaning of Directive 92/43/EEC or the species of birds referred to in Directive 79/409/EEC which are in danger of extinction.

4. Proposals for projects to be financed pursuant to paragraph 2(a) shall be submitted to the Commission by the Member States. Where projects involve more than one Member State, proposals shall be submitted by the Member State in which the project co-ordinating body is located.

Proposals shall be submitted to the Commission before 31 October of each year. The Commission shall decide on these proposals, in accordance with paragraph 7, before the following 30 April.

5. Proposals meeting the general criteria set out in Article 2(2) and the following specific criteria shall be taken into consideration:

- (a) projects in the European territory of the Member States relating to:
 - (i) a site proposed by a Member State under Article 4 of Directive 92/43/EEC, or,
 - (ii) a site classified pursuant to Article 4 of Directive 79/409/EEC, or
 - (iii) a species in Annexes II or IV to Directive 92/43/EEC or in Annex I to Directive 79/409/EEC;

5. Proposals meeting the general criteria set out in the second and third paragraphs of Article 2 and the following specific criteria shall be taken into consideration:

Unchanged

INITIAL PROPOSAL

AMENDED PROPOSAL

(b) projects in accession candidate countries to which Article 6 applies relating to a site of international importance hosting:

- (i) a type of habitat in Annex I or a species in Annex II to Directive 92/43/EEC; or
- (ii) a bird species in Annex I to Directive 79/409/EEC or a migratory bird species present in the Union; or
- (iii) a type of habitat or species not present in the Community but classified in Bern Convention resolutions as being in need of specific conservation measures.

6. A summary of the proposals received shall be submitted to the Member States by the Commission. Upon request, it shall place the original documents at the disposal of the Member States for consultation.

7. Projects considered for financial support under *Life-Nature* shall be subject to the procedure set out in Article 21 of Directive 92/43/EEC.

An outline decision by the Commission shall be sent to the Member States on the projects which have been accepted and individual decisions shall be sent to the beneficiaries laying down the amount of financial assistance, the financial procedures and controls, and the specific technical conditions of the project approved.

8. At the Commission's initiative, accompanying measures to be financed pursuant to paragraph 2(b) shall be the subject of calls for expression of interest published in the *Official Journal of the European Communities* which specify the specific criteria to be met.

Article 4

Life-Environment

1. The specific objective of *Life-Environment* shall be to contribute:

(a) to the development of innovative techniques and methods which make it possible:

- to integrate environmental considerations in land-use development and planning, particular in urban areas;
- to minimise, by means of a preventive approach, the environmental impacts of industrial production activities;
- to recycle waste of all kinds and ensure the sound management of waste streams;

- to integrate considerations on the environment and on sustainable development in land-use development and planning, as a priority in urban areas;

Unchanged

- to prevent, reuse and recycle waste of all kinds and ensure the sound management of waste streams;

INITIAL PROPOSAL

AMENDED PROPOSAL

— to reduce the environmental impact of products through an integrated approach to production, distribution and consumption.

— to reduce the environmental impact of products through an integrated approach to production, distribution, consumption and handling as waste, including the development of environment-friendly products.

(b) to the development of new environmental actions.

(b) to the development of Community environmental policy through new actions in this field.

2. The following shall be eligible for *Life-Environment*:

Unchanged

(a) demonstration projects which further the objective set out in paragraph 1(a);

(b) preparatory projects which further the objective set out in paragraph 1(b);

(c) accompanying measures required to evaluate, monitor, and promote the actions undertaken during this phase and during the first two phases, for the exchange of experience between projects and for the dissemination of information on the experience gained and the results obtained with such actions.

(c) accompanying measures required to evaluate, monitor, and promote the actions undertaken during this phase and during the first two phases, for the exchange of experience between projects and for the dissemination of information on the experience gained and the transfer of results obtained with such actions.

3. Financial assistance shall be provided by co-financing of projects. The rate of Community financial support shall be a maximum of 50 % of the eligible cost.

Unchanged

This rate shall be a maximum of 30 % of the eligible cost for projects expected to generate significant income. In this case, the beneficiaries' contribution to the financing shall be at least as much as the Community support.

The rate of Community financial support for the accompanying measures shall be a maximum of 100 % of the cost of these actions.

4. As far as demonstration projects are concerned, guidelines will be established by the Commission, after opinion by the Committee provided for in Article 11, and published in the *Official Journal of the European Communities*.

4. As far as demonstration projects are concerned, guidelines will be established by the Commission, after opinion by the Committee provided for in Article 11, and published in the *Official Journal of the European Communities*. The guidelines shall promote synergy between demonstration actions and the guiding principles of Community environmental policy with a view to sustainable development.

5. Proposals for projects to be financed pursuant to paragraph 2(a) shall be submitted to the Commission by the Member States. Where projects involve more than one Member State, proposals shall be submitted by the Member State in which the project coordinating authority or body is located.

Unchanged

Proposals shall be submitted to the Commission before 31 January of each year. The Commission shall decide on these proposals, in accordance with paragraph 10, before 31 July.

6. Shall be taken into consideration proposals submitted under paragraph 2(a) that meet the general criteria set out in Article 2(2) and the following specific criteria:

6. Shall be taken into consideration proposals submitted under paragraph 2(a) that meet the general criteria set out in the second and third paragraphs of Article 2 and the following specific criteria:

INITIAL PROPOSAL

AMENDED PROPOSAL

(a) providing solutions to a problem which arises very often in the Community, or is of great concern to some Member States,

Unchanged

(b) being innovative by virtue of the technology or the method applied;

(c) setting an example and representing progress compared with the current situation;

(d) being capable of promoting widespread application of practices and technologies conducive to environmental protection;

(d) being capable of promoting the dissemination and widest possible application of practices and technologies conducive to environmental protection;

(e) aiming at developing and transferring know-how which can be used in identical or similar situations;

Unchanged

(f) promoting cooperation in the environmental field;

(g) promoting sustainability of socio-economic activities from the environmental point of view.

(g) promoting sustainability of socio-economic activities, *inter alia* through the direct or indirect support to job creation.

7. The following costs shall be considered ineligible:

Unchanged

(a) land purchase;

(b) studies not specifically addressing the objective aimed at by the financed projects;

(c) investments in major infrastructures or investments of a non-innovative structural nature, including activities already confirmed on an industrial scale;

(d) research and technological development activities.

8. At the Commission's initiative, preparatory projects and accompanying measures to be financed pursuant to paragraph 2(b) and (c) shall be the subject of calls for expression of interest published in the *Official Journal of the European Communities* which specify the specific criteria to be met.

8. At the Commission's initiative, preparatory projects and accompanying measures to be financed pursuant to paragraph 2(b) and (c) shall be the subject of calls for expression of interest published in the *Official Journal of the European Communities* which specify the specific criteria to be met. Prior to their publication, calls for expression of interest for preparatory projects shall be submitted for an opinion to the Committee provided for in Article 11.

9. A summary of the main points and of the content of the proposals received under paragraph 2(a) and (b) shall be submitted to the Member States by the Commission. Upon request, it shall place the original documents at the disposal of the Member States for consultation.

Unchanged

10. Projects considered for financial support shall be subject to the procedure set out in Article 11.

INITIAL PROPOSAL

11. An outline decision by the Commission shall be sent to the Member States on the projects which have been accepted and individual decisions shall be sent to the beneficiaries laying down the amount of financial assistance, the financial procedures and controls, and the specific technical conditions of the project approved.

Article 5

Life-Third Countries

1. The specific objective of *Life-Third Countries* shall be to contribute to the establishment of capacities and administrative structures needed in the environmental sector and in the development of environmental policy and action programmes in third countries bordering on the Mediterranean and the Baltic Sea other than the accession candidate countries to which Article 6 applies.

2. The following shall be eligible for *Life-Third Countries*:

- (a) technical assistance projects which further the objective set out in paragraph 1;
- (b) accompanying measures required to evaluate, monitor and promote the actions undertaken during this phase and during the first two phases, for the exchange of experience between projects and for the dissemination of information on the experience gained and the results obtained with such actions.

3. Financial assistance shall be provided by co-financing of actions. The rate of Community financial support shall be a maximum of 70 % of the cost of the actions referred to in paragraph 2(a) and a maximum of 100 % of the cost of the actions referred to in paragraph 2(b).

4. Proposals for projects to be financed under paragraph 2(a) from third countries shall be submitted to the Commission by the relevant national authorities. Where projects involve more than one country, proposals shall be submitted by the country in which the project coordinating authority is located or by the international organisation acting to protect the environment in the geographical area concerned.

Proposals shall be submitted to the Commission before 31 January of each year. The Commission shall decide on these applications in accordance with paragraph 7 before 31 July.

5. Proposals which meet the general criteria set out in Article 2(2) and the following specific criteria shall be taken into consideration:

- (a) be of interest to the Community, notably through its contribution to implementing regional and international guidelines and agreements;

AMENDED PROPOSAL

5. Proposals which meet the general criteria set out in the second and third paragraphs of Article 2 and the following specific criteria shall be taken into consideration:

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INITIAL PROPOSAL

AMENDED PROPOSAL

(b) contribute to an approach promoting sustainable development at international, national or regional level;

(c) provide solutions to major environmental problems in the region and the relevant sector;

Priority will be given to projects which will promote cooperation at the trans-frontier, trans-national or regional level.

6. A summary of the main points and the content of the proposals received from the third countries shall be submitted to the Member States by the Commission. Upon request, it shall place the original documents at the disposal of the Member States for consultation.

7. Projects considered for financial support shall be subject to the procedure set out in Article 11. The Commission shall adopt a decision concerning the list of projects selected.

8. The projects approved shall give rise to a contract between the Commission and the beneficiaries setting out the amount of financial assistance, the financial procedures and controls, as well as all the specific technical conditions of the approved project. This list of proposals accepted shall be sent to the Member States.

9. At the Commission's initiative, accompanying measures to be financed under paragraph 2(b) shall be the subject of calls for expression of interest published in the *Official Journal of the European Communities* and setting out the specific criteria to be met.

*Article 6***Participation of accession candidate countries**

1. *Life* shall be open to the accession candidate Central and Eastern Europe countries in accordance with the conditions referred to in the association agreements concluded with those countries and on the basis of provisions of the decision of the Association Council competent for each country concerned.

2. Proposals for projects to be financed under *Life-Nature* and *Life-Environment* shall be submitted to the Commission by the national authorities of the countries concerned within the time limits indicated in Article 3(4) and Article 4(5) respectively. Where projects involve more than one country, proposals shall be submitted by the country in which the project coordinating authority or body is located.

INITIAL PROPOSAL

AMENDED PROPOSAL

3. Proposals which meet the general criteria set out in Article 2(2) and the specific criteria set out in Article 3(5) (b) and Article 4(6) and (7) shall be taken into consideration for Community financial support.

4. A summary of the main points and of the content of the proposals received by the national authorities of the countries concerned shall be submitted to the Member States by the Commission. Upon request, it shall place the original document at the disposal of the Member States for consultation.

5. Projects considered for *Life* financial support shall be subject either to the procedure set out in Article 21 of Directive 92/43/EEC or to that set out in Article 11 of this Regulation according to the type of project proposed.

6. The projects approved shall give rise to a contract or an agreement between the Commission and the beneficiaries setting out the amount of financial assistance, the financial procedures and controls, as well as all the specific technical conditions of the approved action. The list of proposals accepted shall be sent to the Member States.

7. Where conditions and provisions equivalent to those referred to in paragraph 1 have been established for the other accession candidate countries, *Life* will be open for participation by those countries in accordance with paragraphs 2-6.

7a The annual breakdown of appropriations devoted to the cofinancing of this instrument by the countries referred to in paragraphs 1 and 7 is published in the general budget, Section III, Part B, Annex IV.

Article 7

Unchanged

Consistency between financial instruments

1. Without prejudice to the conditions for accession candidate countries set out in Article 6, projects receiving aid provided for under the Structural Funds or other Community budget instruments shall not be eligible for financial assistance under this Regulation.

2. The Commission shall ensure that actions undertaken in the framework of this Regulation are consistent with those undertaken under the Structural Funds, research, technological development and demonstration programmes or other Community financial instruments.

INITIAL PROPOSAL

AMENDED PROPOSAL

*Article 8***Duration of the third phase and budgetary resources**

1. *Life* shall be implemented in phases. The third phase shall start on 1 January 2000 and shall end on 31 December 2004.

2. The budgetary resources allocated to the actions provided for in this Regulation shall be entered in the annual appropriations of the general budget of the European Communities. The available annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

3. The amount of resources to be allocated to each of the areas of activity shall be as follows:

(a) 47 % for actions undertaken under Article 3;

(b) 47 % for actions undertaken under Article 4;

(c) 6 % for actions undertaken under Article 5.

The accompanying measures shall be limited to 5% of the available appropriations.

*Article 9***Monitoring of projects**

1. For any project financed by *Life*, the beneficiary shall send the Commission technical and financial reports on the progress of work. A final report shall also be sent to the Commission within three months of completion of the project. The Commission shall determine the form and content of the reports. The report shall be based on the physical and financial indicators set out in the Commission Decision approving the projects or in the contract or agreement concluded with the beneficiaries. These indicators shall be such as to indicate the progress of the work, and the objectives to be attained within a specified time limit.

2. Without prejudice to the audits carried out by the Court of Auditors in liaison with the competent national audit bodies or departments pursuant to Article 248 of the Treaty, or any inspection carried out pursuant to Article 279(c) of the Treaty, officials and other staff of the Commission may carry out on-the-spot checks, including sample checks, on projects financed under *Life*.

Before carrying out an on-the-spot check, the Commission shall inform the beneficiary unless there are good reasons to suspect fraud and/or improper use.

2. The budgetary resources allocated to the actions provided for in this Regulation, including accompanying measures as defined in Article 3(2)(b), Article 4(2)(c) and Article 5(2)(b), shall be entered in the annual appropriations of the general budget of the European Communities. The available annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Unchanged

1. For any project financed by *Life*, the beneficiary shall send the Commission technical and financial reports on the progress of work. A final report shall also be sent to the Commission within three months of completion of the project. The Commission shall determine the form and content of the reports. The report shall be based on the physical and financial indicators set out in the Commission Decision approving the projects or in the contract or agreement concluded with the beneficiaries. These indicators shall be such as to indicate the progress and possible problems of the work, and the objectives to be attained within a specified time limit.

Unchanged

INITIAL PROPOSAL

AMENDED PROPOSAL

3. For a period of five years following the last payment in respect of any action, the beneficiary of financial assistance shall keep available for the Commission all the supporting documents regarding expenditure on the action.

4. On the basis of the results of the monitoring reports and sample checks referred to in paragraphs 1 and 2, the Commission shall, if necessary, adjust the scale or the conditions of allocation of the financial assistance originally approved and also the timetable for payments.

5. The Commission shall take every other step necessary to verify that the projects financed are carried out properly and in compliance with the provisions of this Regulation.

*Article 10***Protection of Community financial interests**

1. The Commission may reduce, suspend or recover the amount of financial assistance granted for a project if it finds irregularities, including non-compliance with the provisions of this Regulation or the individual decision or the contract granting the financial support in question, or if it transpires that, without Commission approval having been sought, the project has been subjected to a major change which conflicts with the nature or implementing conditions of the project.

2. If the time limits have not been observed or if only part of the allocated financial assistance is justified by the progress made with implementing a project, the Commission shall request the beneficiary to submit its observations within a specified period. If the beneficiary does not give a satisfactory answer, the Commission may cancel the remaining financial assistance and demand repayment of sums already paid.

3. Any undue payment must be repaid to the Commission. Interest may be added to any sums not repaid in good time. The Commission shall lay down detailed rules for the implementation of this paragraph.

*Article 11***Committee**

1. For *Life-Environment* and *Life-Third Countries*, the Commission shall be assisted by a Committee consisting of the representatives of the Member States and chaired by the representative of the Commission.

INITIAL PROPOSAL

AMENDED PROPOSAL

2. The representative of the Commission shall submit to the Committee a draft of the measure to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 205(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in the abovementioned Article. The Chairman shall not vote.

The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee.

If the measures envisaged are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of one month from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

*Article 12***Evaluation of the third phase and continuation of Life**

1. Not later than 31 December 2003, the Commission shall submit a report to the European Parliament and the Council on the implementation of this Regulation and the use made of the appropriations, and shall, where appropriate, make proposals for any adjustments to be made with a view to continuing the action beyond the third phase.

2. The Council, acting in accordance with the Treaty, shall decide on the implementation of the fourth phase as from 1 January 2005.

*Article 13***Repeal of Regulation (EEC) No 1973/92**

1. Regulation (EEC) No 1973/92 is hereby repealed without prejudice to decisions taken and contracts concluded concerning the granting of financial assistance pursuant to that Regulation.

2. References to the repealed Regulation shall be understood as referring to this Regulation and are to be read in accordance with the table of equivalence in the Annex.

*Article 14***Entry into force**

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

1. Not later than 31 December 2003, the Commission shall submit a report to the European Parliament and the Council on the implementation of this Regulation, its contribution to the development of Community environmental policy and the use made of the appropriations, and shall, where appropriate, make proposals for any adjustments to be made with a view to continuing the action beyond the third phase.

2. The European Parliament and the Council, acting in accordance with the Treaty, shall decide on the implementation of the fourth phase as from 1 January 2005.

Unchanged

ANNEX

TABLE OF EQUIVALENCE

ORIGINAL TABLE

Regulation (EEC) No 1973/92	This Regulation
Article 1	Article 1
Article 2(1)(a)	Article 3(1) 2(a)
Article 2(1)(b)(i), (ii)	Article 4(1)(a)
Article 2(1)(b)(iii), first subparagraph	Article 4(1)(b) and 2(b)
Article 2(1)(b)(iii), indents 1, 2, 3 and 4	—
Article 2(2)(a)	Article 5(1) 2(a)
Article 2(2)(b), (c)	—
Article 2(3)	Articles 3(2)(b), 3(9), 4(2)(c), 4(8), 5(2)(b) and 5(9)
Article 4(a)	Articles 3(3), 4(3), 5(3)
Article 4(b)	—
Article 5	Article 7(1)
Article 6	Article 7(2)
Article 7(1), first subparagraph	Article 8(1)
Article 7(1), second subparagraph	—
Article 7(1), third subparagraph	Article 8(2)
Article 7(2)	—
Article 7(3)	Article 12(1)
Article 8(1)	Article 8(3)
Article 8(2)	Articles 3(3), 4(3) and 5(3)
Article 8(3)	—
Article 9(1)	Articles 3(4), 4(5), and 5(4)
Article 9(2)	—
Article 9(3)	Article 5(4)
Article 9(4)	Articles 3(7), 4(9), and 5(7)
Article 9(5), first subparagraph	Article 3(5)(a) first indent and 3(5)(b) first indent
Article 9(5), second subparagraph, first indent	Articles 3(9), and 4(11)
Article 9(5), second subparagraph, second indent	Article 5(9)
Article 9(6)	Articles 3(7), 4(10), 5(8)
Article 9(a)(1)(a)	Article 2
Article 9(a)(1)(b)(i)	Article 3(5)(a) and (b)
Article 9(a)(1)(b)(iii), indents 1, 2, 3, 4 and 5	Article 4(6) first and second paragraphs
Article 9(a)(1)(b)(ii), indent 6	—
Article 9(a)(1)(b)(iii), indents 1, 2 and 3	Article 4(6), indents 1, 2 and 3
Article 9(a)(1)(b)(iii), indent 4	—
Article 9(a)(1)(b)(iv)	—
Article 9(a)(1)(c), indents 1, 2, 3 and 4	Article 5(5)
Article 9(a)(1)(c), indents 5, 6	—
Article 9(a)(2)	—

Regulation (EEC) No 1973/92	This Regulation
Article 9(b)	Article 4(7) indents 2, 3 and 4
Article 10(1)	—
Article 10(2)	Article 9(2)
Article 10(3)	Article 9(3)
Article 11(1)	Article 10(1)
Article 11(2)	Article 10(2)
Article 11(3)	Article 10(3)
Article 12(1)	—
Article 12(2)	Article 9(1)
Article 12(3)	Article 9(4)
Article 12(4)	—
Article 13	Article 11
Article 13(a)	Article 6
Article 14	—
Article 15	—
Article 16	—
Article 17	—

AMENDED TABLE

Regulation (EEC) No 1973/92	This Regulation
Article 1	Article 1
Article 2(1)(a)	Article 3(1) and 2(a)
Article 2(1)(b)(i), (ii)	Article 4(1)(a) and 2(a)
Article 2(1)(b)(iii), first subparagraph	Article 4(1)(b) and 2(b)
Article 2(1)(b)(iii), indents 1, 2, 3 and 4	—
Article 2(2)(a)	Article 5(1) and 2(a)
Article 2(2)(b), (c)	—
Article 2(3)	Article 3(2)(b), 4(2)(c), 5(2)(b)
Article 4(a)	Article 3(3), first subparagraph, 4(3), first subparagraph, 5(3)
Article 4(b)	—
Article 5	Article 7(1)
Article 6	Article 7(2)
Article 7(1), first subparagraph	Article 8(1)
Article 7(1), second subparagraph	—
Article 7(1), third subparagraph	Article 8(2)
Article 7(2)	—
Article 7(3)	—
Article 8(1)	Article 8(3)
Article 8(2)	Articles 3(3), 4(3)
Article 8(3)	Articles 3(3)(a), 4(3), third subparagraph, 5(3)
Article 9(1)	Articles 3(4), 4(5), 4(8)
Article 9(2)	—

Regulation (EEC) No 1973/92	This Regulation
Article 9(3)	Article 5(4)
Article 9(4)	Articles 3(6), 4(9), 5(6)
Article 9(5), first subparagraph	Article 3(7), first subparagraph, 4(10), 5(7)
Article 9(5), second subparagraph, first indent	Articles 3(7), second subparagraph, 4(11)
Article 9(5), second subparagraph, second indent	Article 5(8)
Article 9(6)	Articles 3(7), second subparagraph, 4(11), 5(8)
Article 9(a)(1)(a)	Article 2
Article 9(a)(1)(b)(i)	Article 3(5)
Article 9(a)(1)(b)(iii), indents 1, 2, 3, 4 and 5	Article 4(6)
Article 9(a)(1)(b)(ii), indent 6	—
Article 9(a)(1)(b)(iii)	Article 4(6)
Article 9(a)(1)(b)(iv)	—
Article 9(a)(1)(c), indents 1, 2, 3 and 4	Article 5(5)
Article 9(a)(1)(c), indents 5, 6	Article 2, second subparagraph, (b) and c)
Article 9(a)(2)	—
Article 9(b)	Article 4(7)(b)(c) and (d)
Article 10(1), indent 1	Article 9(5)
Article 10(1), indents 2 and 3	—
Article 10(2)	Article 9(2)
Article 10(3)	Article 9(3)
Article 11(1)	Article 10(1)
Article 11(2)	Article 10(2)
Article 11(3)	Article 10(3)
Article 12(1)	—
Article 12(2)	Article 9(1)
Article 12(3)	Article 9(4)
Article 12(4)	—
Article 13	Article 11
Article 13(a)	Article 6
Article 14	—
Article 15	—
Article 16	—
Article 17	—