

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed 2004/0218(COD)
Financial Instrument for the Environment (LIFE+) 2007-2013 Repealing Regulation (EC) No 1655/2000 <a href="#">1998/0336(COD)</a> Repealing Decision 1411/2001/EC <a href="#">1999/0233(COD)</a> Repealing Decision 466/2002/EC <a href="#">2001/0139(COD)</a> Repealing Regulation (EC) No 2152/2003 <a href="#">2002/0164(COD)</a> Repealed by <a href="#">2011/0428(COD)</a>	
Subject 3.70 Environmental policy 3.70.01 Protection of natural resources: fauna, flora, nature, wildlife, countryside; biodiversity	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CODE</b> EP Delegation to Conciliation Committee		25/10/2006
		Verts/ALE <a href="#">ISLER BÉGUIN</a> <a href="#">Marie Anne</a>	
	Former committee responsible		
	<b>ENVI</b> Environment, Public Health and Food Safety		20/01/2005
		Verts/ALE <a href="#">ISLER BÉGUIN</a> <a href="#">Marie Anne</a>	
	<b>ENVI</b> Environment, Public Health and Food Safety		20/01/2005
		Verts/ALE <a href="#">ISLER BÉGUIN</a> <a href="#">Marie Anne</a>	
Former committee for opinion			
<b>INTA</b> International Trade	The committee decided not to give an opinion.		
<b>BUDG</b> Budgets			31/01/2005
	ALDE <a href="#">SAMUELSEN Anders</a>		
<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.		
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">2788</a>	05/03/2007
	<a href="#">Environment</a>	<a href="#">2740</a>	27/06/2006
	<a href="#">Environment</a>	<a href="#">2697</a>	02/12/2005
	<a href="#">Environment</a>	<a href="#">2670</a>	24/06/2005
	<a href="#">Environment</a>	<a href="#">2632</a>	20/12/2004

## Key events

29/09/2004	Legislative proposal published	<a href="#">COM(2004)0621</a>	Summary
25/10/2004	Committee referral announced in Parliament, 1st reading		
20/12/2004	Debate in Council	<a href="#">2632</a>	
26/04/2005	Vote in committee, 1st reading		Summary
02/05/2005	Committee report tabled for plenary, 1st reading	<a href="#">A6-0131/2005</a>	
24/06/2005	Debate in Council	<a href="#">2670</a>	
07/07/2005	Debate in Parliament		
07/07/2005	Decision by Parliament, 1st reading	<a href="#">T6-0291/2005</a>	Summary
02/12/2005	Debate in Council	<a href="#">2697</a>	Summary
24/05/2006	Modified legislative proposal published	COM(2004)0621/2	Summary
27/06/2006	Council position published	<a href="#">06284/1/2006</a>	Summary
06/07/2006	Committee referral announced in Parliament, 2nd reading		
14/09/2006	Vote in committee, 2nd reading		Summary
19/09/2006	Committee recommendation tabled for plenary, 2nd reading	<a href="#">A6-0288/2006</a>	
23/10/2006	Debate in Parliament		
24/10/2006	Decision by Parliament, 2nd reading	<a href="#">T6-0431/2006</a>	Summary
05/03/2007	Parliament's amendments rejected by Council		Summary
27/03/2007	Formal meeting of Conciliation Committee		
07/05/2007	Joint text approved by Conciliation Committee co-chairs	<a href="#">03611/2007</a>	
08/05/2007	Final decision by Conciliation Committee		
11/05/2007	Report tabled for plenary, 3rd reading	<a href="#">A6-0180/2007</a>	
14/05/2007	Decision by Council, 3rd reading		
21/05/2007	Debate in Parliament		
22/05/2007	Results of vote in Parliament		
22/05/2007	Decision by Parliament, 3rd reading	<a href="#">T6-0187/2007</a>	Summary
23/05/2007	Final act signed		
23/05/2007	Final act signed		

23/05/2007	End of procedure in Parliament		
09/06/2007	Final act published in Official Journal		

Technical information	
Procedure reference	2004/0218(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealing Regulation (EC) No 1655/2000 <a href="#">1998/0336(COD)</a> Repealing Decision 1411/2001/EC <a href="#">1999/0233(COD)</a> Repealing Decision 466/2002/EC <a href="#">2001/0139(COD)</a> Repealing Regulation (EC) No 2152/2003 <a href="#">2002/0164(COD)</a> Repealed by <a href="#">2011/0428(COD)</a>
Legal basis	EC Treaty (after Amsterdam) EC 175-p1
Stage reached in procedure	Procedure completed
Committee dossier	CODE/6/43017

Documentation gateway					
Committee of the Regions: opinion		<a href="#">CDR0253/2004</a> <a href="#">OJ C 231 20.09.2005, p. 0072-0074</a>	14/04/2004	CofR	
Legislative proposal		<a href="#">COM(2004)0621</a>	29/09/2004	EC	Summary
Document attached to the procedure		<a href="#">SEC(2004)1176</a>	29/09/2004	EC	
Economic and Social Committee: opinion, report		<a href="#">CES0382/2005</a> <a href="#">OJ C 255 14.10.2005, p. 0052-0054</a>	07/04/2005	ESC	
Committee opinion	<b>BUDG</b>	<a href="#">PE355.402</a>	22/04/2005	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0131/2005</a>	02/05/2005	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0291/2005</a> <a href="#">OJ C 157 06.07.2006, p. 0405-0451 E</a>	07/07/2005	EP	Summary
Document attached to the procedure		<a href="#">COM(2006)0239</a>	24/05/2006	EC	Summary
Modified legislative proposal		COM(2004)0621/2	24/05/2006	EC	Summary
Council statement on its position		<a href="#">10436/2006</a>	19/06/2006	CSL	
Committee draft report		<a href="#">PE376.312</a>	23/06/2006	EP	
Council position		<a href="#">06284/1/2006</a> <a href="#">OJ C 238 03.10.2006, p. 0001-0017 E</a>	27/06/2006	CSL	Summary
Commission communication on Council's position		<a href="#">COM(2006)0355</a>	28/06/2006	EC	Summary
Committee draft report		<a href="#">PE376.412</a>	30/06/2006	EP	
Committee recommendation tabled for		<a href="#">A6-0288/2006</a>	19/09/2006	EP	

plenary, 2nd reading					
Text adopted by Parliament, 2nd reading		<a href="#">T6-0431/2006</a>	24/10/2006	EP	Summary
Commission opinion on Parliament's position at 2nd reading		<a href="#">COM(2006)0759</a>	28/11/2006	EC	Summary
Joint text approved by Conciliation Committee co-chairs		<a href="#">03611/2007</a>	07/05/2007	CSL/EP	
Report tabled for plenary by Parliament delegation to Conciliation Committee, 3rd reading		<a href="#">A6-0180/2007</a>	11/05/2007	EP	
Text adopted by Parliament, 3rd reading		<a href="#">T6-0187/2007</a>	22/05/2007	EP	Summary
Draft final act		<a href="#">03611/2/2007</a>	23/05/2007	CSL	
Follow-up document		<a href="#">COM(2008)0006</a>	22/01/2008	EC	Summary
Follow-up document		<a href="#">SEC(2008)0030</a>	22/01/2008	EC	
Follow-up document		<a href="#">SEC(2008)2633</a>	09/10/2008	EC	Summary
Follow-up document		<a href="#">COM(2010)0516</a>	30/09/2010	EC	Summary
Follow-up document		<a href="#">SEC(2010)1120</a>	30/09/2010	EC	
Follow-up document		<a href="#">COM(2013)0478</a>	28/06/2013	EC	Summary

#### Additional information

National parliaments	<a href="#">IPEX</a>
European Commission	<a href="#">EUR-Lex</a>

#### Final act

[Regulation 2007/614](#)  
[OJ L 149 09.06.2007, p. 0001](#) Summary

## Financial Instrument for the Environment (LIFE+) 2007-2013

**PURPOSE** : to establish a financial instrument for the environment referred to as "LIFE+".

**PROPOSED ACT** : Regulation of the European Parliament and of the Council.

**CONTENT** : the decision to establish this instrument flows from the Lisbon/Gothenburg policy goals. These involve the development of a European economy that delivers growth and social cohesion while reducing negative impacts on the environment. In order to complement main funding programmes, a new Financial Instrument for the Environment, LIFE + is proposed.

The general objective of LIFE + is to contribute to the development, implementation monitoring, evaluation and communication of Community environment policy and legislation as a contribution to promoting sustainable development in the EU. LIFE+ will support, in particular, the implementation of the 6th Environmental Action Programme which aims at combating climate change, halting the decline in nature and bio-diversity, improving environment, health and the quality of life, promoting the sustainable use and management of natural resources and wastes and developing strategic approaches to policy development, implementation and information/awareness raising.

LIFE+ will support those activities which have:

- European added value: it will intervene only where there is a clear EU value added and contributes to economies of scale on a European level;
- leverage or multiplier effect: it will provide a co-funding mechanism with Member States, regional or local authorities and other public and private operators;
- catalytic or demonstrative character: LIFE + will support actions that show novel ways to approach and implement environment policy;
- long term perspective: LIFE + interventions will be investments for the future. They will aim at setting the foundations for sustainability.

LIFE + will have two strands:

LIFE+ Implementation and Governance will:

- contribute to the development and demonstration of innovative policy approaches and instruments including promotion of successful research results.
- contribute to consolidating the knowledge base for the development, assessment, monitoring and evaluation, including ex-post evaluation of environmental policy and legislation (through studies, modelling and scenario building);
- support the design and implementation of approaches to monitoring and assessment of the state of the environment and the drivers, pressures and responses that impact on it;
- facilitate the implementation of Community environment policy, with a particular emphasis on implementation at local and regional level, through capacity building, exchange of best practice and networking, development of training modules and/or programmes;
- provide support for better environmental governance, broadening stakeholder involvement, including that of environment non-governmental organisations, in policy consultation and implementation.

LIFE+ Implementation and Governance will facilitate networking and exchange of best practice on a European scale.

LIFE+ Information and Communication will actively promote EU environmental policies by means of information, communication, awareness-raising and dialogue, thereby helping to empower individuals and groups in European civil society to participate in the protection of the environment and the sustainable use of resources. By building up effective mechanisms for co-operative awareness raising and dialogue with networks of relevant stakeholders, LIFE Information and Communication will enhance ownership of EU environmental policies and contribute to more effective implementation. The programme will bring EU policies closer to the citizen.

There are currently several different programmes - the LIFE programme, a sustainable urban development programme, a NGO programme, Forest Focus, a general policy development and implementation facility (which has an internal and external dimension) and a budgetary transfer to the EEA. Each of these different programmes has its own application/administration and comitology procedures, the management of which demands considerable resources. Most of these programmes will be merged to fall under the single instrument for the environment. The basic objectives and scope of some of these programmes will continue to be covered under LIFE+. For example, the scope of the current Forest Focus regulation will be reflected in the LIFE+ programmes and the activities will be covered by both strands of LIFE+. Support for NGOs and local and regional authorities will continue under LIFE+. The budgetary envelope is sufficient to facilitate funding of these activities in line with past commitments. The subsidy to the EEA will be made under the same Budgetary Expenditure Heading but not under the LIFE+ regulation.

However, the single instrument is not a simple extension of the current LIFE programme. The environmental technology and eco-innovation component of the current LIFE programme will be integrated in the EU's competitiveness framework programme which is under preparation. The LIFE Third Countries strand under the current LIFE programme and the external actions which were financed out of the general implementation facility will be funded under the external assistance instruments in the future. Civil protection will continue to be funded separately, under a separate solidarity instrument.

For further information concerning the financial implications of this measure, please refer to the financial statement.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The committee adopted the report by Marie-Anne ISLER BÉGUIN (Greens/EFA, FR) amending the proposal under the 1st reading of the codecision procedure:

- in Article 1, MEPs specified that the general objective of LIFE+ should include contributing to "nature conservation and biodiversity, in particular management of the NATURA 2000 network". They also firmed up the policy on greenhouse gases, saying that LIFE+ should contribute to "drastically reducing" such gases and thereby "averting potential economic, social and environmental upheaval". The committee also introduced protection of Europe's forests as an objective of LIFE+ in the implementation of the 6th Environmental Action Programme, as well as "increasing the involvement of European citizens in achieving environmental aims";
- the committee heavily amended Article 2, introducing a third component ('Nature and Biodiversity', focusing on the NATURA 2000 network) in addition to the two components suggested by the Commission. It also introduced a number of new elements into the original two components, such as encouraging the use of new technologies to facilitate environmental management and enabling management models to be devised to maintain forest biodiversity. In addition, MEPs laid down general criteria for projects financed by LIFE+;
- in Article 3, the committee introduced a new clause stipulating that priority will be given to interregional or cross-border projects;
- Parliament should be consulted on the multi-annual strategic programmes, which should subsequently be adopted under the codecision procedure to enable Parliament to have a role in decision-making. MEPs also said that these programmes should emphasise the need to ensure added value;
- although the proposal provided in Article 5 for the Commission to entrust part of the budget implementation to national public sector bodies, the committee added the rider that the Commission "will be responsible for following up, validating and assessing this implementation, which will be included in a communication to the European Parliament";
- MEPs called for the total budget to be increased from EUR 2 190 million to EUR 23 190 million to take account of the needs indicated by the Commission for managing the sites protected under the NATURA 2000 network;
- the regions should be represented on the LIFE+ Committee set up to assist the Commission.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The European Parliament adopted the report by Marie-Anne ISLER BÉGUIN (Greens/EFA, FR) with 520 votes in favour, 52 against and 15 abstentions. (Please refer to the summary dated 26/04/2005).

Moreover, the European Parliament included several new provisions stating that :

- Community grants for Natura 2000 sites will be co-financed. The co-financing of costs relating to site management will be at a rate starting at 50%, up to a maximum of 75%. The specific criteria for sites eligible for a financial contribution higher than 50% will be set out in the multi-annual programmes;

- the financial framework for the implementation of this instrument is set at EUR 2 190 million, increased by a minimum of 35 % of the Natura 2000 network needs as evaluated by the Member States and the Commission, that means a total of EUR 9 540 million for the period from 1 January 2007 to 31 December 2013 (seven years), bearing in mind that with other Funds the total Natura 2000 needs, evaluated to be EUR 21 000 million for the programming period, shall be covered;

- in addition to the general rules established under Articles 7 and 8 of Decision 1999/468/EC, the Commission shall submit to the European Parliament the proposals relating to the measures to be taken by the Committee and in particular any measures related to the planning of the distribution and allocation of the annual LIFE+ budget (either concerning the LIFE+ Regulation itself or the annual work programmes).

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The Council reached a partial political agreement, by qualified majority, on a draft regulation establishing the EU's Financial instrument for the environment (LIFE +). The "partial" nature of this agreement is due to the fact that the budgetary aspects have been excluded pending the outcome of the discussions on the future Community financial framework (Financial Perspective 2007/2013). It is therefore expected that the Council will adopt this text as a common position after finalisation of the budget issue and of matters inextricably linked with it.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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On 29 September 2004, the Commission proposed a new simple and streamlined funding programme for the environment (LIFE+). The new programme called "LIFE+" (LIFE plus) would become the EU's single financial instrument targeting only the environment. At the time, the Commission proposed to commit a total of EUR 2 190 million from 2007 to 2013.

On 7 July 2005, the European Parliament, at first reading, proposed increasing the financial envelope to EUR 9 540 million, bearing in mind that the overall needs of the Natura 2000 ? EUR 21 000 million for the programming period ? should be covered.

Following the Interinstitutional Agreement on the financial framework for 2007-2013, the final budget allocation for LIFE + is set at EUR 2 097 880 million.

As a consequence, the Commission presents its amended proposal which will replace its initial proposal concerning the reference amount for 2007-2013. It proposes that at least 40% of the budgetary resources for LIFE+ shall be allocated to measures to support the conservation of nature and biodiversity.

For further information concerning the financial implications of this measure, please refer to the financial statement.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The Council's common position incorporates half of the European Parliament's first reading amendments, either verbatim, in part or in spirit. In particular, it makes provision for a specific nature and biodiversity component and establishes general eligibility criteria to ensure "European added value". A number of changes, not included in Parliamentary amendments, have been included in the Common Position. In summary, the Common Position, has made the following adjustments:

**Purpose, definitions and eligibility criteria:** The Council has made a distinction between the "general objective" (Article 1) and the "specific objectives" (Article 4). The 6<sup>th</sup> Community Environmental Action Programme and its objectives have not been paraphrased. The Council has, however, clarified some of the eligibility criteria to ensure that Community co-financing through LIFE+ has a European dimension or "European added value". This establishes the principle that LIFE + will not finance day-to-day operations.

**Specific objectives:** the Council has taken on board Parliamentary suggestions to create a new component specifically dealing with "nature and biodiversity". References to eco-technologies and forests have also been incorporated into the common position. Annex I has been changed so that it is now a list of exhaustive, as opposed to indicative, measures. The Council Considers that the objectives and criteria set out in Article 1, 3 and 4 plus the list of eligible measures set out in Annex I are sufficient to define the scope and boundaries of LIFE+.

**Financial Provisions:** The Council has rejected Parliamentary financial proposals regarding the funding of LIFE+. The Common Position provides for a financial envelope of EUR 1 854 372 000 ? a figure consistent with the May 2006 agreement on the Financial Framework (2007-2013). On the matter of the indicative division of the LIFE+ budget, the Common Position is fully consistent with that of the Parliament. However, rather than giving a figure for each of the three components, the Common Position provides greater flexibility by ring-fencing 40% of the budget for measures in support of nature conservation and biodiversity. The common position conforms to the Parliamentary proposal of setting a general maximum co-financing rate of 50% and is partially consistent with the proposed higher rate of 75% for co-financing certain nature protection projects. The cost of co-financing staff has also been clarified in a manner consistent with current practice and the Financial Regulation.

On the matter of listing potential beneficiaries of LIFE+ funding, the Council has opted to reject this amendment on the grounds that there is no

specific need to do so. The Council does agree, however, with the principle of complementarity ? in other words LIFE+ should not finance measures which fall within the eligibility criteria of other Community financial instruments.

Programming approach: The Common Position has clarified considerably what procedures should be used regarding delegating part of the budget to the Member States. The common position provides for greater precision on the respective roles of the Member States and the Commission and on the types of expenditure that will fall under the centrally managed part of the budget ? this applies to NGO?s in particular. Detailed criteria for the allocation of the delegated part of the budget have been set out. Two criteria have been created: 1) Population (including population density given that this forms a proxy for many environmental pressures); and 2) Nature and biodiversity. The later being based on the absolute and relative size of designated sites.

The Common Position has accepted that LIFE+ could fund transnational measures, whilst giving Member States enough flexibility to take account of national and regional priorities. On the other hand, the Council has decided not to accept Parliamentary proposal relating to the adoption of multi-annual strategic programmes through the co-decision procedure given that such an approach would unduly delay the funding of environmental projects.

Comitology: The Common Position is broadly consistent with Parliamentary amendments in that all key decisions will be subject to the regulatory procedure

Other: In other matters, the Common Position has: slightly expanded the preamble to clarify key provisions in the body of the Regulation; included Commission requirement to carry out and report on follow-up measures (including the time-frame for the submission of these reports); deleted any provisions regarding job creation, given that the Commission would not be able to ensure that LIFE+ could lead to any job creation.

To conclude, the Council is of the view that the Common Position represents a balanced package and complements other Community financial instruments.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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Following work in Council, the Commission is able to accept either verbatim, or in principle, a great number of amendments.

Parliamentary amendments accepted by the Commission and included in the common positions relate to:

- a provision on the eligibility criteria (specifically those relating to European added value); as well as a nature and biodiversity component;
- a provision on ring-fencing for nature and biodiversity;
- the setting of a maximum co-financing rate.;
- allowing certain nature projects to benefit from higher financing rates;
- continued funding for certain NGO?s;
- clarification that LIFE+ will fund transnational measures;
- submitting key decisions to the comitology procedure;

Parliamentary amendments not incorporated in the common position, in summary, include:

- a proposed increase to the budget given that the current budget is in line with the agreed financial perspectives;
- the setting up of a list of possible beneficiaries given that this may prove too restrictive in the long run.

To conclude, the changes introduced by the Council help to clarify the Commission?s proposal especially as regards clarification of the term ?European added value? as well as clarifying the role of the Member States, the national agencies and the Commission vis-à-vis the programme?s planning and delivery mechanisms. The Commission, therefore, support the Common Position, which was adopted by a qualified majority. The Commission also takes note of the Council declaration concerning the modification of the programme?s budget at second reading.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The committee adopted the report by Marie-Anne ISLER-BEGUIN (Greens/ALE, FR) amending - under the 2nd reading of the codecision procedure - the Council's common position on the regulation on the Financial Instrument for the Environment (LIFE+). The key amendments focused on the allocation of budgetary resources:

- the committee deleted the Council's proposal that "at least 80% of the budget shall be subject to delegated management" and wanted the current management approach to continue. It argued that allocating so much of the funding to the Member States would mean that all the European added value would be lost, and above all it would give a blank cheque to Member States to pursue national objectives. MEPs adopted a number of other amendments deleting the principle of delegated management;
- following on from this, one amendment deleted the clause allowing staff costs to be eligible for Community co-financing. MEPs felt that, although staff currently seconded from the Member States to manage the programme should continue with that task, it did not follow that any more staff should be employed or paid from the Community budget for that purpose;
- the committee wanted the budget for the LIFE+ programme to be EUR 1 911 000 000 (in 2004 prices) for the period 1 January 2007 to 31 December 2013 rather than EUR 1 854 372 000 as proposed by the Council;
- at least 55% of the budget should be allocated to measures to support the conservation of nature and biodiversity, rather than 40% as

proposed by the Council;

- the committee retabled, in slightly modified form, an amendment adopted by Parliament at 1st reading pointing out that sufficient funds should be made available for the Natura 2000 network through other instruments, given that this regulation will only finance best-practice or demonstration measures and that the annual cost of managing the network was estimated to be around EUR 6 100 million for the EU as a whole;

- lastly, the Commission should ensure that cross-border projects will continue to be financed.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The European Parliament adopted the resolution drafted by Marie-Anne Isler-Beguín (Greens/ALE, FR) by 525 in favour, 65 against and 25 abstentions, and made some amendments to the Council's common position. In particular, it rejected the Council's text allocating at least 80% of the LIFE+ budget for 2007-2013 to delegated management to the Member States. (For details of Parliament's amendments, please refer to the summary dated 14/09/2006.)

## Financial Instrument for the Environment (LIFE+) 2007-2013

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Out of the 32 amendments adopted by the Parliament, 4 were acceptable to the Commission in their entirety, as they clarified or improved the original proposal, 6 amendments were acceptable in principle and a further 2 amendments in part. The remaining 20 amendments adopted by the Parliament are not acceptable to the Commission.

The amendments accepted in full aim to:

- apply the regulatory procedure with scrutiny to the adoption of the multi-annual strategic programmes and to Annex I of the Regulation;
- clarify the criteria that must be met by NGOs for their operational activities to be eligible for LIFE+ funding. It is acceptable, since it reflects the wording of article 1(2) of the current NGO operational funding instrument;
- further elaborate on the importance of disseminating information and raising awareness in connection with environmental matters;
- express the Parliament's wish for a solution to be found regarding the funding gap that the late adoption of the LIFE+ may create. While the budget question will ultimately be solved by the Budgetary Authority, the Commission will do its utmost to facilitate agreement on this issue.

Those amendments accepted in part concern:

- the procedure surrounding the drafting and approval of the multiannual strategic programmes to be elaborated by the Commission. While the Commission agrees with the idea of providing for public participation on the draft multi-annual strategic programmes, it cannot accept having LIFE+ implementation subject to a two-committee procedure;
- the complementarity between LIFE+ and other Community instruments. The Parliament introduces here 4 substantial changes to the Common Position text. First, it suggests replacing the words "eligibility criteria" by the words "main scope" in the first sentence of this article. This is acceptable to the Commission so long as an explanatory recital was also added. Second, the Parliament would have the references to the Competitiveness and Innovation Programme and to the 7th Research Framework Programme removed from the list of Community instruments with which complementarity should be sought. The Commission cannot accept this part of the amendment, since complementarity should also be sought with these two programmes. Third, the Parliament asks for the removal of the reference to centrally financed measures and delegated measures. The Commission cannot accept this part of the amendment, since having both centralised and decentralised management is an essential element of its proposal. Fourth, the Parliament wants the Commission to ensure coordination and complementarity between LIFE+ and other Community instruments. The Commission cannot accept the new text as proposed, since it cannot, on its own, ensure complementarity among instruments: Member States play a big role in this.

The Commission accepted the following amendments in principle which:

- contain alternative wording on environmental protection, as "one of the key dimensions of sustainable development of the European Union". This alternative to the Common position text, which refers to the environment as a key objective for sustainable development, would be acceptable in principle;
- concern the regulatory procedure with scrutiny, which would apply to the adoption and possible amendment of the multi-annual strategic programmes and amendments to the Regulation annex. While the Commission agrees that the Regulatory procedure with scrutiny is appropriate in this case, it believes that the amendment should be redrafted to take account of the new Comitology Decision (2006/512/EC);
- introduce a reference to climate change as one of the specific objectives of the LIFE+ Nature and Biodiversity component. While the Commission welcomes this reference to climate change, it considers the wording proposed by the Parliament may be shortened;
- raise the financial envelope for the implementation of LIFE+ to EUR 1,911,000,000 (in 2004 prices) for the period from 1 January 2007 to 31 December 2013;
- concern on-the-spot checks to be carried by Commission officials and other staff on projects financed under LIFE+, in particular to check compliance with the eligibility criteria set out in Article 3 of the draft Regulation;
- concern the LIFE+ Committee. It introduces a reference to the regulatory procedure with scrutiny which should be redrafted to bring it into line with the standard text agreed by the three institutions.



The Commission rejected amendments which aimed in particular to: delete all references to the delegated management of the programme; finance the Natura 2000 Network; introduce mandatory consultation of the Habitats Committee; allocate "at least 55%" of LIFE+ budgetary resources to nature and biodiversity conservation; make "capacity building assistance" one of the measures eligible for funding under LIFE+.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The Council decided not to accept all the European Parliament's second reading amendments to a draft Regulation concerning the EU's financial instrument for the environment (Life +).

It accordingly decided to convene the Parliament-Council conciliation committee with a view to negotiating a joint text. Life+ is aimed at providing support for measures and projects with European added value for the implementation, updating and development of Community environmental policy and legislation.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The European Parliament adopted a resolution approving the joint text agreed by the Conciliation Committee concerning the Financial Instrument for the Environment (LIFE+). The rapporteur was Marie Anne Isler Béguin (Greens/EFA, FR). (For a summary of the joint text, please refer to the preceding document.)

## Financial Instrument for the Environment (LIFE+) 2007-2013

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PURPOSE: the establishment of a financial instrument for the environment: ?LIFE+?.

LEGISLATIVE ACT: Regulation (EC) No 614/2007 of the European Parliament and of the Council concerning the Financial Instrument for the Environment (LIFE+).

BACKGROUND: environmental protection is one of the key elements of sustainable development. Although much of the EU's financing on sustainable development is channelled through horizontal financial instruments such as the European Regional Development Fund (ERDF) and the Common Agricultural Policy (CAP), these financial instruments do not cover all environmental priorities, hence the need for a unique financial instrument for the environment capable of providing specific support to the EU's Sixth Community Environmental Action Programme (6<sup>th</sup> EAP).

CONTENT: the purpose of this Regulation, therefore, is to establish a financial instrument for the environment, LIFE + to support the EU's 6<sup>th</sup> EAP. The general objective of LIFE + is:

- to contribute to the implementation, updating and development of the Community's environmental legislation;
- to integrate environmental policy objectives into other EU policies to further the principle of sustainable development;
- to support the implementation of the 6<sup>th</sup> EAP; and
- to finance measures and projects that offer added value at the European level in the Member States.

LIFE+ has been awarded a total financial envelope of EUR 2 143 409 000 covering the period 1 January 2007 to 31 December 2013, with at least 50% of the budgetary resources for LIFE+ dedicated to action grants for projects allocated to the conservation of nature and biodiversity. Three components characterise the LIFE+ programme namely: Nature and Biodiversity; Environment Policy and Governance; and Information and Communication.

Nature and Biodiversity: under this component attention will be given to the implementation ? at a local, regional and national level ? of the Natura 2000 network, including coastal and marine habitats and species. Support will also be channelled towards consolidating the knowledge base of the Community's nature and biodiversity policies and legislation; the implementation of policies and instruments that monitor and assess nature and biodiversity and the threat that climate changes poses on biodiversity. It also seeks to further environmental governance by broadening stakeholder involvement.

Environment Policy and Governance: the specific objectives of this component are linked to the objectives of the 6<sup>th</sup> EAP notably: climate change, health and quality of life; natural resources; and waste. Work will, therefore, focus on the development of innovative policy approaches, technologies, methods and instruments; the consolidation of the EU's knowledge base for the assessment, monitoring and evaluation of environmental policy and legislation; emphasising environmental implementation at a local and regional level; and supporting improved environmental governance by broadening stakeholder participation.

Information and Communication: this component will focus on raising environmental awareness on issues such as the prevention of forest fires as well as providing support to information campaigns, conferences and training ? again on issues such as the prevention of forest fires.

Community grants will be provided in specific forms, such as framework partnership agreements, participation in financial mechanisms and funds, or through co-funding action grants. For action grants, the maximum rate of co-financing will be 50% of eligible costs. However, by way of exception, the maximum co-financing rate for LIFE + Nature and Biodiversity may be up to 75% of eligible costs in the case of projects concerning priority habitats or species.

At least 78% of the budgetary resources for LIFE + must be set aside for action grants for projects, with the Commission responsible for the proportionate distribution of projects through the establishment of indicative annual national allocations (for the periods 2007-2010, and 2011-2013).

Programmes financed through LIFE+ will be open to the participation of third countries notably: EFTA States; candidate countries for

accession to the EU; and Western Balkan countries.

In adopting this Regulation a number of benefits are expected to be realised. For example, all existing environmental instruments will be consolidated into one legal framework in a bid to avoid work duplication. The creation of a single, streamlined financial instrument for the environment will lead to the simplification of procedures. Further, the Regulation provides for a smooth transition from LIFE (the current programme) to LIFE+ through the establishment of procedures relating to monitoring, auditing and assessing activities financed under the current programmes following their expiry.

REPEAL: Regulation (EC) No 1655/2000 concerning the Financial Instrument for the Environment LIFE. Decision No 1411/2001/EC on a Community Framework for co-operation to promote sustainable urban development Decision No 466/2002/EC laying down a Community action programme promoting non-governmental organisations primarily active in the field of environmental protection. Regulation (EC) No 2152/2003 concerning monitoring of forests and environmental interactions in the Community (Forest Focus).

ENTRY INTO FORCE: 12 June 2007.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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This report has been prepared by the Commission in accordance with requirements set out in Regulation N° (EC) 2152/2002; the 'Forest Focus' Regulation. The main purpose of the Regulation is to establish a Community scheme for the long-term monitoring of European forests between 2003 and 2006. Regulation N° (EC) 2152/2002 has now been repealed and its main provisions taken over by the LIFE+ Regulation. This analysis, therefore, focuses on the four year 'Forest Focus' scheme only.

To recall, Forest Focus centred on the monitoring of atmospheric pollution and how this affects forests, monitoring forest fires, their causes and effects and examine aspects relating to forest fire prevention. The scheme also foresaw the development of new monitoring instruments relating to soil monitoring, carbon sequestration, biodiversity, climate change and the protective role of forests. The Member States are still carrying out a number of studies and experiments, the outcome of which will be known in the course of 2008.

Whilst the Commission was responsible for coordinating, monitoring and developing the scheme the Member States were required to designate a competent authority to manage the national programme. The total Forest Focus budget over the 4-year period was EUR 65 million, including EUR 9 million for fire prevention measures. The EU contribution towards the cost of national programmes stood at between 50% to 75% - depending on the type of activity funded. Forest Focus activities, for each national programme, were divided into a number of activities including: project coordination and management (activities related to the coordination of the national programme); Level I monitoring network (installation and maintenance of a systematic grid net); Level II plots involving intensive monitoring (such as crown condition measurements); forest fire prevention activities (including the European Forest Fire Information System); and Studies and demonstration projects (such as identifying some of the causes of forest fires).

Although various studies under Forest Focus will not be completed until 2008, the Commission undertook an external evaluation of the programme's management and forest conditions for the year 2005. The evaluation was carried out by one UK and one Finish research institute. This evaluators made the following findings:

- The management of the programme has been cost effective.
- Monitoring activities should include, not only the health of forests, but air pollution as well. Other parameters relating to climate change, biodiversity and the protective functions of forests should also be included in future monitoring activities.
- Data from national forest inventories should be taken into account when forest monitoring takes place.
- The monitoring scheme should be continued.

The evaluators expressed some concern that in repealing the Forest Focus Regulation Member States would no longer be obliged to undertake a co-ordinated, EU-wide, inspection of Europe's forests. The main recommendations, as set out by the evaluators, has therefore been taken on board and incorporated into the LIFE+ Regulation. In addition, the EU has adopted the 'EU Forest Action Plan 2007-2011'. Indeed, the purpose of Action 8 is the establishment of a European Forest Monitoring System.

Further, LIFE+ provides for the establishment of national forest inventories. Given that LIFE+ is based on voluntary participation, the report predicts that, in future, monitoring will be more policy specific driven and include parameters such as climate change, biodiversity and the protective function of forests - rather than a simple continuation of observations based on traditional parameters (as was the case under the 'Forest Focus' scheme).

As far as the management of the scheme is concerned, the report notes that the average financial commitment per programme is low. For 2003-2004 it amounted to approximately EUR 0.5 million per contracting party ranging between EUR 20 000 and EUR 2.7 million. For 2005 it was EUR 0.4 million ranging between EUR 20 000 and EUR 2.1 million and for 2006 EUR 0.4 million ranging from EUR 28 000 to EUR 2.1 million. Of this amount, approximately 7% was devoted to the co-ordination and management of the national programmes.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The aim of this report is to communicate on the Commission's experience from the implementation of the programme for operating grants to European environmental NGOs in the period 2002-2007. Between 2002 and 2006, the legal basis for this grant aid was Decision 466/2002/EC of the European Parliament and of the Council laying down a Community action programme promoting non-governmental organisations primarily active in the field of environmental protection for the period 2002-2006. This has since been replaced by provisions included in the single financial instrument for the environment, LIFE+ (2007-2013) which has provided the legal basis for funding since 2007.

This document is based on the findings of the 2005 external evaluation, information from the monitoring of NGO performance 2002-2006 and an internal survey among DG Environment policy units carried out in April 2008. It includes a description of the programme and its functioning, an overview of the types of organisations funded, and an assessment of the outputs of the NGOs and the relevance of the programme.

Overall assessment of the programme

## 1. NGO outputs

1.1. Problem identification and definition of policy options: to support policy work NGOs, like other stakeholder groups, are systematically invited by DG Environment to participate in various working groups, scientific expert groups, advisory groups and preparatory and implementation committees. They fill the functions of providing specific expertise, balance to other interests and a grassroots' perspective. They also undertake research and studies resulting in scientific information that can feed into the policy process. The surveys undertaken among DG Environment policy units have shown that most units have experience with NGOs regularly giving this type of input in their policy areas and they underline the role of NGOs as important counterweights to other stakeholders with financial interests.

1.2. Policy definition and political debate: the participation of NGOs in consultations and policy debate contributes to a balanced and broad stakeholder representation. Being European networks, the funded NGOs coordinate the positions of their members, providing the Commission with one single interlocutor and giving a voice to a large number of local organisations which would otherwise have difficulties reaching to EU decision-makers. Examples of activities are lobbying and preparation of coordinated press releases, position papers and memoranda to EU presidencies. NGOs also reply regularly to public consultations providing useful input and perspective to the policy process.

1.3. Policy implementation: with their networks and specific expertise, NGOs are effective in promoting implementation of EU policy on the ground. They communicate EU environmental policy to their members at regional and national level and they serve as watchdogs for implementation by, for example, drawing attention to cases of incompliance and publishing black lists and reports.

1.4. Awareness raising: NGOs carry out activities in view of raising awareness of the public and decision-makers e.g. through campaigns, events and awards, which often attract high press coverage, production and translation of information material, as well as environmental education targeting various groups such as children, officials and professionals. In this regard, NGOs have the advantage of being close to the ground and given their high credibility with the public, they have good potential to achieve effective awareness and outreach. NGOs are also actively raising awareness and promoting EU environmental policy beyond EU borders.

1.5. Organisational development: a separate objective of the funding programme is to contribute to capacity building of the beneficiaries and their networks in order to enable them to become a more effective interlocutor in the policy dialogue. In the evaluation of the programme carried out in 2005, it was found that, since the programme started in 1997, there has been an increase in staff, better organisational structures, improved professionalism and a more co-ordinated action on EU policy-making among the beneficiaries. EU funding has made it possible for NGOs to increase the volume and quality of their contributions and their communication activities. There has also been an increase in the involvement of small regional or local associations thanks to improved network structures, co-ordination and capacity building.

## 2. Relevance of the programme

2.1. Need to support NGOs: without funding from the programme, the majority of beneficiaries would need to substantially reduce their activities, including the contributions to the EU policy process. NGOs stress that demands on environmental organisations, their European structures and their offices in Brussels have grown considerably, including demands from citizens and requests from the EU institutions for input and expertise. Insufficient resources force them to make priorities and be selective. Generally, the total budget available for the programme is not sufficient to fund all meriting applications. Furthermore, in order to provide support to a wide range of organisations who present programmes evaluated as being of high quality, funding to individual NGOs has been reduced compared to initial requests. This reduction has been in the order of 25 %. The final decision is a result of the need to achieve a balance of supporting a sufficient range of NGOs and the desire to avoid an excessive reduction of the initially presented programmes.

2.2. Validity of rationale: the rationale of the programme is given by the 6<sup>th</sup> Environmental Action Programme (6EAP) and the White Paper on European Governance and comes down to greater involvement of civil society in EU policy process. In the area of environment, NGOs make a significant contribution to ensuring the involvement of civil society and they are needed to provide a sound balance in relation to the interests of other actors with more resources and financial interests.

2.3. Added value of EU funding: one clear added value of providing funding at EU level is the increased effectiveness in civil society dialogue. By encouraging the creation of NGO networks, the programme provides the Commission with a more cost-effective way of dealing with civil society since one NGO represents the co-ordinated views of all national member organisations. This means that the Commission has only one or a few interlocutors in the NGO community instead of many uncoordinated positions, resulting in important savings of resources.

A second important aspect is that the selection of the beneficiaries is based on the priorities of the 6EAP. The funding programme thereby ensures that NGO input is given to the areas of importance at European level.

Thirdly, without funding at EU level it would not be possible to guarantee the presence of European NGOs as stakeholders in the EU policy process. National NGOs may be less suited and competent to work with EU institutions and they tend to have a different focus.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The Commission presents its mid-term review of the LIFE+ Regulation adopted in the context of Regulation (EC) No 614/2007. In preparing this review, the Commission contracted an external evaluation published in June 2010.

Launched in 1992, the LIFE Programme is one of the spearheads of EU environmental funding and has financed 3115 projects contributing in ?2.2 billion to the protection of the environment.

The Regulation applies for the period 2007-2013 and has a financial envelope of ?2.14 billion. The European Parliament provided an additional allocation to increase the budget to ?2.17 billion. Action grants, from the traditional LIFE Programme, represent 78% of the budget.

1) Evaluation of results: in the reporting period, LIFE+ has served as an effective tool to implement the priorities set in the 6th Environmental Action Programme (6EAP). LIFE+ consolidated almost all environmental expenditure by DG Environment into a single financial instrument. The main benefit of the consolidation is the potential for improved strategic planning. However, some drawbacks have been identified especially for Forest Focus.

Action Grants are the successor of LIFE III but the Regulation introduced changes. LIFE+ now includes three strands: (1) Nature and biodiversity, (2) Environment and governance, and (3) Information and communication.

The report notes that the co-financing rate is 50% of eligible costs but the maximum co-financing rate in Nature projects may be up to 75% if

targeting priority habitats or species. 547 projects were funded in the reporting period. Projects under the Nature & Biodiversity strand represented around 51% of the action grants budget.

While the traditional LIFE strands (i.e. LIFE Nature and LIFE Environment) continue to play a central role, the two new strands had a slow start.

As to projects financed per Member State, the Regulation introduced indicative national allocations to promote a proportionate distribution of projects throughout the EU. The evaluation hints that national allocations may lead to selecting projects of lower quality.

The evaluation concludes that the Programme achieves added value by improving the implementation of EU environmental policy at national, regional or local levels and by providing EU-wide exchange of information. The inclusion of new themes and strands has furthered its relevance and capacity to create EU added value.

2) Actions for the remaining financing period: the Commission has taken note of the recommendations made in the consultants' report and is taking the necessary steps to overcome most pressing issues identified.

Several major recommendations e.g. national allocations or co-financing rate cannot be implemented without amending the Regulation but they will be taken into account when designing any future instrument.

The actions proposed here can be implemented or continued within the current framework:

- organisation of workshops for potential applicants after each call for proposal to increase the number and quality of applications;
- substantial revision of the Guide for applicants for the 2010 call for action grants;
- shortening of the selection procedure without reducing the quality of the project selection;
- improvement of the mechanisms for carrying out more systematic ex-post visits to assess sustainability;
- improvement of efforts to support National Contact Points and Member States with lower uptake;
- better integration of action grants into policy development and implementation;
- reinforcing and improving dissemination activities and increasing efforts to attract non-traditional LIFE applicants, especially for Biodiversity and new themes under Environment & Governance;
- encouraging more networking, inter alia by organising regional and EU-wide meetings;
- exploring the possibility to develop result indicators similar to those adopted under the CIP (Competitiveness and Innovation Programme);
- exploring new ways to improve synergies and complementarity with other funds;
- for the NGO funding programme, exploring stronger focus on yearly priorities, and possibilities for introducing external assessment and multi-annual framework partnerships.

3) The future of LIFE+: at this stage, the main conclusion of the mid-term evaluation is that a specific instrument for the environment, i.e. LIFE, is relevant and needed, as is creating EU added value for EU environmental policy development and implementation. However, more work is required to identify environmental financial needs and the main obstacles to finance those in order to define alternatives for environmental spending for the next programming period.

The evaluation highlighted the importance of providing an adequate framework for financing Natura2000 and biodiversity.

Now that the network has been established, the focus should move to active conservation and restoration leading to a significant increase in the cost incurred by public and private managers of the network.

Any future instrument should also consider whether:

- more focus such as annual focus areas or EU policy priorities is needed in the current LIFE+ Environment & Governance to increase its added value;
- delivery mechanisms other than action grants should be explored to define the most effective EU intervention to address business and public sector needs. These other mechanisms could be direct investment, investment funding to lever private sector funds, loans guarantees, equity as well as the blending of grants and other financial instruments;
- assessment of the effectiveness of retaining two separate instruments (e.g., CIP and LIFE+ Environment & Governance) to finance innovative ideas for the environment, and whether other specific funds (e.g. a climate-specific instrument) may be required;
- funding for EU environmental NGOs should be reviewed to more effectively support them in two of their roles;
- the external dimension of environmental policy should also be considered based on the evaluation conclusions.

In September 2010, the Commission is launching an impact assessment of possible options for the review of the Regulation. The impact assessment will deal with the fundamental question of the best processes for financing environmental needs. The aim is to identify those environmental areas with financing needs for which a specific EU instrument for the environment would be the most effective way of tackling environmental problems and those where environmental funding through instruments other than LIFE may be more appropriate.

The results of the impact assessment will be available by the third quarter of 2011 and will form the basis, if relevant, of a Commission proposal for a new financial instrument for the environment.

## Financial Instrument for the Environment (LIFE+) 2007-2013

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The Commission presents its final evaluation of Regulation (EC) No 614/2007 concerning the Financial Instrument for the Environment (LIFE+). The Regulation covers the period 2007-2013 and has a financial envelope of EUR 2.17 billion.

The reports main conclusions are as follows:

- EU Added value: the high level of EU added value delivered under the Regulation has been achieved by ensuring that:

- Action grant projects were of high quality individually, and their impact was multiplied through dissemination and sharing of project results, reaching a maximum number of policy makers and stakeholders across the EU;
- NGOs financed were enabled to play an effective role in making and implementing policy;
- Public procurement was well planned and aligned with formally agreed priorities.

However, the EU added value was somewhat compromised by the system of national allocations leading to compromises in the quality of projects financed, and by overly broad priorities which led to insufficient focus on targeted needs and priorities.

- Selection process and project monitoring: the rigorous evaluation and selection process for LIFE+ projects has ensured that funded projects are well-designed and therefore likely to be successful.
- NGOs Operating grants: Operating Grants have enabled NGOs to participate in EU working groups, produce information and analysis papers, engage in awareness-raising and consultative activities, and carry out long-term projects. The evaluations confirm the continued relevance of this intervention and concluded that the NGOs selected made a necessary contribution to EU policy.
- Public procurement: the evaluations show that the expenditure through public procurement has been appropriate and has responded to the needs of the policy. Outputs have included high profile communication and outreach; although it is hard to assess the real full impact of such measures, they were delivered in line with the required quality criteria and based on strategic need.

Challenges and actions within the current framework:

- Action grants: the LIFE+ Programme has been evaluated as being relevant. However, the Programme's objectives are not always clear and sometimes lack coherence with other EU policies. The lack of a clear strategic approach and critical mass has been identified as a drawback of the Programme, stemming mainly from limitations in the Regulation. Consequently, implementation of the LIFE+ programme has not been able to reflect the evolution of developing EU policy priorities, especially for the Environment and Information & Communication strands. Furthermore, evaluations concluded that the environment and governance strand of LIFE+ should focus more on implementation of EU environment legislation and the creation of multipliers.
- Administrative burden: the administrative burden of LIFE+ has increased over time due to stricter application and reporting requirements, particularly related to financial administration, and thus efficiency concerns have been raised.
- Application and selection process: procedures for project application and selection were evaluated as being too long and complex, needing simplification.
- Project results and integration: the evaluations propose that the Commission should carry out more ex-post visits to the projects, even if this is not required by the Regulation. A more systematic ex-post monitoring system would be an improvement on current arrangements, as it would provide evidence of which projects genuinely achieve long lasting benefits. This would help ensure that project results are better utilised and integrated into policy making. More generally, know-how transfer should be improved, especially at EU-level.
- Communication and outreach: evaluations have recommended that the horizontal outreach and communication of the LIFE Programme could be improved and the dissemination of project results and knowledge, especially at EU level should be reinforced.

National organisations and management: National Contact Points play an important role in ensuring consistency, complementarity and coordination of the LIFE+ Programme with national programmes. However, the coordination with other, mainly national, sources of funds still seems insufficient.

- NGOs Operating grants: although the impact of individual NGOs Operating grants is more difficult to assess than that of Action grants, it has been recognised that the NGO grants programme offers high added value through a contribution to policy development and implementation. The eligibility criteria have generally been considered as appropriate; however, the requirement of having members in many countries is perceived as contradictory to the provision that the support can only be given to the beneficiary and not to the members.