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*****I** **REPORT**

on the proposal for a regulation of the European Parliament and of the Council concerning the Financial Instrument for the Environment (LIFE +) (COM(2004)0621 – C6-0127/2004 – 2004/0218(COD))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Marie Anne Isler Béguin

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or
amend the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or
amend the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council concerning the Financial Instrument for the Environment (LIFE +)
(COM(2004)0621 – C6-0127/2004 – 2004/0218(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2004)0621)¹,
 - having regard to Article 251(2) and Article 175(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0127/2004),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Budgets (A6-0131/2005),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1
Recital 2

(2) These Community programmes **do not cover** all environment funding imperatives and there is a need to support Community environment policy and legislation, and specifically the priorities under the Sixth Environmental Action Programme;

(2) These Community programmes **are far from covering** all environment funding imperatives and there is a need to support Community environment policy and legislation, and specifically the priorities under the Sixth Environmental Action Programme, **thereby contributing to**

¹ Not yet published in OJ.

sustainable development;

Justification

As the programmes mentioned in recital 1 are not specifically concerned with protecting the environment, it is necessary to clarify the extent of the lack of funding in relation to needs. Furthermore, the importance of a concerted strategy aimed at sustainable development, as defined by the Gothenburg European Council in 2001, should be stressed.

Amendment 2
Recital 2 a (new)

(2a) These priorities include the objective of halting the loss of biodiversity by 2010 and the need to preserve natural areas of Community interest. The efforts made to identify and designate Natura 2000 sites require a follow-up and continuous support, particularly for the management of the sites in question, as they clearly play a part in realising the aforementioned objectives. The Natura 2000 network is governed by the Directive of 2 April 1979 on the conservation of wild birds (the 'Birds Directive')¹ and the Directive of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora ('Habitats Directive')², Article 8 of which authorises co-financing by the Member States and the European Union;

Justification

It is important to stress that Community environmental policy includes the management as well as the identification of protected Natura 2000 sites. This network is essential for the realisation of the objective of reducing the loss of biodiversity by 2010. The need to guarantee that adequate funding can be found for the implementation of and follow-up to

¹ OJ L 103, 25.4.1979, p. 1.

² OJ L 206, 22.7.1992, p. 7.

Natura 2000 should, therefore, be specified in the new LIFE+ programme.

Amendment 3
Recital 2 b (new)

(2b) The Member States agreed in Malahide in May 2004 that arrangements need to be established which ensure adequate and guaranteed Community co-financing for the Natura 2000 network. The Commission has estimated the annual costs of managing the Natura 2000 network at EUR 6.1 billion per year, without taking into account marine protected areas. That figure is likely to be an underestimate of the full costs and should therefore be considered as the minimum necessary;

Justification

Justifies the amount of budget increase resulting from the inclusion of Natura 2000 management in the objectives of the Regulation.

Amendment 4
Recital 3 a (new)

(3a) The final report on Financing Natura 2000 by the Expert Working Group on Article 8 of the Habitats Directive, produced in 2001, recommended that, in the short term, a 'significant increase should be made in the funding to LIFE-Nature and the operation of this instrument should be simplified and made more readily applicable to supporting the capital investment needs of a wide variety of Natura 2000 sites'.

Amendment 5
Recital 3 b (new)

(3b) Article 6 of the Sixth Environmental Action Programme lays down the priority of establishing the Natura 2000 network and providing the technical and financial instruments and measures needed to bring it fully into effect and to enable the species protected by the ‘Habitats’ and ‘Wild Birds’ directives, and sites of Community interest, to be protected outside the areas covered by Natura 2000;

Justification

It is important to draw attention to the pre-existing legislative factors implying a need to add a third component to LIFE+ to cover the Natura 2000 network. It should also be pointed out that the Habitats and Birds directives are intended to protect animal species that move about from place to place. The dangers to these species are very often greater outside the protected areas. The pardel lynx is one species in that situation.

Amendment 6
Recital 3 c (new)

(3c) In its conclusions issued on 11 July 2002 the Council acknowledged that the network management provisions of the ‘Habitats’ Directive needed to be implemented as soon as possible and that it was necessary to deal with the subject of funding, including the matter of an appropriate framework for Community co-financing, called on the Commission to use its communication on funding for the Natura 2000 network to put forward different options for an appropriate and effective Community financial framework, which would have to be included in the Community’s future financial perspectives, and recognised that Life-Nature had a key role to play in setting up the Natura 2000 network and preserving biodiversity in the

European Union in general;

Justification

It is important to draw attention to the pre-existing legislative and political factors implying a need to add a further component to LIFE+ to cover the Natura 2000 network.

Amendment 7

Recital 4

(4) The support under this regulation should therefore be targeted on the development, implementation, monitoring and evaluation of environment policy and legislation as well as its communication and dissemination throughout the EU;

(4) The support under this regulation should therefore be targeted on the development, implementation, monitoring and evaluation of environment policy and legislation ***within all European policies*** as well as its communication and dissemination throughout the EU;

Justification

This amendment stresses the need to incorporate environmental concerns into all Community sectoral policies across the board, as stipulated by the Cardiff European Council in June 1998.

Amendment 8

Recital 5 a (new)

(5a) The Court of Auditors' Special Report No 11/2003, which examines the conception, management, and implementation of the Financial Instrument for the Environment (LIFE), and the Council conclusions of 2 March 2004, in which the Council welcomed the report, endorse the Court's view that LIFE has become an important tool of Community environment policy and point out that it is still the only instrument used to support that policy;

Amendment 9

Recital 8

(8) There is however a need to ensure a smooth transition and to continue to monitor and audit the activities financed under current programmes following their expiry;

(8) There is however a need to ensure a smooth transition and to continue to monitor, audit and **qualitatively assess** the activities financed under current programmes following their expiry;

Justification

A financial audit alone cannot ensure adequate visibility of the effectiveness of the actions covered by the LIFE+ programme; a qualitative assessment will give a more overall picture and a more complete analysis of the impact of the activities financed.

Amendment 10

Recital 12

(12) The achievement of the objectives of the 6th Environmental Action Programme agreed at Community level, cannot be sufficiently achieved by the Member States acting individually, and **there is hence a justification for Community assistance provided that it does not go beyond what is necessary in order to achieve those objectives;**

(12) The achievement of the objectives of the 6th Environmental Action Programme agreed at Community level, cannot be sufficiently achieved by the Member States acting individually, and **Community assistance is therefore essential: the European Union will be responsible for implementing and promoting Community policy as regards the environment;**

Justification

Environmental protection cannot stop at borders, because the environment is a transnational matter. An effective and ambitious environment policy consequently needs, above all, to be a Community policy. It is not just necessary or 'justified' but vital and, for this reason, the European Union must retain control over responsibility for its implementation.

Amendment 11

Article 1

A financial instrument for the environment, hereinafter referred to as "LIFE+", is hereby established.

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 and

The general objective of LIFE+ shall be to contribute to **nature conservation and**

implementation of Community environment policy and of environmental legislation, as a contribution to promoting sustainable development.

LIFE+ will support the implementation of the 6th Environmental Action Programme, and specifically contribute to

- achieving a quality of the environment where the levels of pollution do not give rise to harmful effects on human health and the environment,
- **stabilising** greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system,
- protecting, preserving, restoring and facilitating the functioning of natural **systems**, natural habitats, wild flora and fauna, with the aim of halting desertification and the loss of biodiversity,
- promoting better management of natural resources and waste, and encouraging a shift to more sustainable production and consumption patterns,
- developing strategic approaches to policy development, implementation and integration, including improving environmental governance **and** raising awareness.

biodiversity, in particular management of the NATURA 2000 network, and to the development and implementation of Community environment policy and of environmental legislation, as a contribution to promoting sustainable development.

LIFE+ will support the implementation of the 6th Environmental Action Programme, and specifically contribute to

- achieving a quality of the environment where the levels of pollution do not give rise to harmful effects on human health and the environment,
- **drastically reducing** greenhouse gas concentrations in the atmosphere **in order to stabilise them** at a level that would prevent dangerous anthropogenic interference with the climate system, **thereby averting potential economic, social and environmental upheaval,**
- protecting, preserving, **managing,** restoring and facilitating the functioning of natural **environments**, natural habitats, wild flora and fauna, **particularly within the areas protected by the NATURA 2000 network,** with the aim of halting desertification and the loss of biodiversity,
- **protecting Europe's forests as a whole through measures to monitor and avert the contributory factors involved in their deterioration,**
- promoting better management of natural resources and waste, and encouraging a shift to more sustainable production and consumption patterns,
- developing strategic approaches to policy development, implementation and integration, including improving environmental governance, **providing information,** raising awareness **and**

presenting to a greater extent the arguments regarding rights and obligations, costs and benefits and the added value the environment represents for sectoral policies,

- increasing the involvement of European citizens in achieving environmental aims.

Justification

Specifies the general objectives of LIFE+.

Amendment 12 Article 2

Scope *and* Specific Objectives

1. To support the achievement of the environmental objectives set out in Article 1, LIFE+ will have *two* components.

Scope, Specific Objectives *and* **General Criteria**

1. To support the achievement of the environmental objectives set out in Article 1, LIFE+ will have *three* components.

The 'Nature and Biodiversity' component will:

- contribute to the creation of NATURA 2000 sites and to the networking and exchange of related techniques and expertise,***
- contribute to the management of NATURA 2000 sites, pursuant to Directives 79/409/EEC and 92/43/EEC, and to maintaining or restoring natural habitats and/or species populations to a favourable conservation status, thereby helping to achieve the objectives set in order to halt the loss of biodiversity by 2010 and beyond,***
- help to protect and to assist overall management of the rivers and seabed areas covered by the NATURA 2000 network;***

LIFE+ Implementation and Governance will:

- contribute to the development and demonstration of innovative policy approaches and instruments,
- contribute to consolidating the knowledge base for the development, assessment, monitoring and evaluation of environmental policy and legislation,
- 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,
- provide support for better environmental governance, broadening stakeholder involvement, including that of non-governmental organisations, in policy *consultation* and implementation;

LIFE+ Implementation and Governance will:

- contribute to the development and demonstration of innovative policy approaches and instruments, *making clear their added value for the environment*,
- contribute to consolidating the knowledge base for the development, assessment, monitoring and evaluation of environmental policy and legislation,
- support the design and implementation of approaches to, *and initiatives for*, monitoring and assessment of the state of the environment and the drivers, pressures and responses that impact on it,
- *encourage the use of new technologies to facilitate environmental management, the prevention or reduction of natural or man-made disasters, including forest fires, and the treatment of contaminated rivers and seabed areas*,
- *enable management models to be devised to maintain forest biodiversity, and contribute to conserving the soil, preventing risks, and combating fires in woodland areas*,
- *support* the implementation of Community environment policy, with a particular emphasis on implementation at local and regional level,
- provide support for better environmental governance, *including through informal networks of environmental authorities, such as IMPEL*, broadening stakeholder involvement, including that of non-governmental organisations, in *European Union policy development* and

LIFE+ Information and Communication will:

- disseminate information and raise awareness on environmental issues,
- provide support for accompanying measures (information, communication actions and campaigns, conferences, etc).

2. An indicative list of eligible themes and actions is provided in Annex 1.

implementation;

LIFE+ Information and Communication will:

- disseminate information and raise awareness on environmental issues,
 - ***raise awareness of the benefits of this approach to sectoral policies, making the concept of sustainable development accessible,***
 - provide support for accompanying measures (information, communication actions and campaigns, conferences, etc) ***that will bring added value at European level.***
 - ***provide the support needed to set up databases, and develop means and services to improve public access to environmental information.***

2. An indicative list of eligible themes and actions is provided in Annex 1.

2a. Projects financed by LIFE+ shall satisfy the following general criteria:

(a) they must be of Community interest to the extent that they contribute significantly to the general objective set out in Article 1;

(b) they must be carried out by technically and financially reliable stakeholders;

(c) they must be feasible technically and in terms of time, budget, and expediency.

Projects may be treated as a priority if they are based on a multinational approach and this is considered likely to produce more effective results in terms of attaining the objectives, having regard to feasibility and

costs.

2b. Funding criteria applicable to projects under the component "Implementation and Governance" are laid down in Annex 1.

Justification

Aims to specify the scope of the programme and the funding criteria.

Amendment 13

Article 3, paragraph 2 a (new)

2a. 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.

Justification

Article 8 of the Habitats Directive, which governs the Natura 2000 network, provides for cofinancing by Member States and the European Union. As with other funding, it is set at a level of 50% and may not exceed 75%.

Amendment 14

Article 3, paragraph 3 a (new)

3a. Priority will be given to area-wide projects enabling groups of municipalities to take part in interregional or cross-border projects.

Justification

The aim is to encourage local authorities, which very often are the bodies that manage the natural and urban environment, to participate and work together, as well as to foster cooperation at regional level.

Amendment 15
Article 4, paragraph 1

Funding will be provided in support of multi-annual strategic programmes drawn up by the Commission. These programmes shall define the principal objectives, priority areas of action, type of actions and expected results for Community funding in relation to the objectives set out in Article 1 and would, **as far as possible**, include **indicative** financial estimates.

Funding will be provided in support of multi-annual strategic programmes drawn up by the Commission **in consultation with the European Parliament**. These programmes shall define the principal objectives, **emphasising in particular the need to ensure added value**, priority areas of action, type of actions and expected results for Community funding in relation to the objectives set out in Article 1 and would include financial estimates.

Justification

As the only Community body directly elected by European citizens, the European Parliament should monitor and be able to intervene in decision-making relating to the LIFE+ multiannual strategic programmes. Environmental Policy is an area where the potential for added value when carried out at EU level is undeniable, but the greater the level of decentralization/localization the higher the risk that EU funds are used to replace, rather than complement local funding. In order to ensure that the implementation of the EU funds in the environmental field yields genuine value-for-money, the Commission's strategic programme must clearly insist on the need to provide added value and this must also be an evaluation criteria.

Amendment 16
Article 4, paragraph 1 a (new)

1a. Member States should have the flexibility to tailor and adapt the European Union's strategic planning to their needs and priorities.

Justification

Each Member State should be able to sift and evaluate in the light of its own needs and set its own priorities.

Amendment 17
Article 4, paragraph 2 a (new)

2a. The multi-annual programmes will be adopted pursuant to Article 251 of the EC Treaty.

Justification

As the only Community body directly elected by European citizens, the European Parliament should monitor and be able to intervene in decision-making relating to the LIFE+ multi-annual strategic programmes.

Amendment 18
Article 4, paragraph 3

The **multi-annual and** annual programmes will be adopted according to the procedures set out in Article 12. If circumstances require, the multi-annual and annual programmes may be amended during the period of their application following the same procedures.

The annual programmes will be adopted according to the procedures set out in Article 12. If circumstances require, the multi-annual and annual programmes may be amended during the period of their application following the same procedures.

Justification

See Amendment to Article 4, paragraph 2a..

Amendment 19
Article 5, paragraph 2

2. The Commission may decide to entrust part of the budget implementation to national public-sector bodies or bodies governed by private law with a public-service mission on the basis of the provisions as laid down in Article 54, para.2(c) of the Financial Regulation, according to the selection criteria set out in Annex 3.

2. The Commission may decide to entrust part of the budget implementation to national public-sector bodies or bodies governed by private law with a public-service mission on the basis of the provisions as laid down in Article 54, para.2(c) of the Financial Regulation, according to the selection criteria set out in Annex 3. **However, the Commission will be responsible for following up, validating and assessing this implementation, which will be included in a communication to**

the European Parliament.

Justification

The Commission's role in following up the implementation should be emphasised.

Amendment 20
Article 5, paragraph 2 a (new)

2a. The Commission should ensure that it develops new jobs created by implementing LIFE+, in particular on the basis of the Lisbon perspective.

Justification

It is necessary to support the programme by expanding human resources and creating new jobs which the European Union needs so much.

Amendment 21
Article 6, indent -1 (new)

- Owners and managers of Natura 2000 sites

Justification

By specifying that site managers and owners are also eligible to receive funding, this amendment allows Natura 2000 funding to be reincorporated into the LIFE+ programme.

Amendment 22
Article 6, indent 4

- Non governmental organisations.

- Non-governmental organisations, specifically when working towards the development or implementation of EU policies.

Justification

Life + funding should be clearly linked to EU policies, and should under no

circumstances replace national NGO funding.

Amendment 23

Article 8

Operations financed under this Regulation shall not fall within the main scope nor receive assistance for the same purpose from other Community financial instruments. The beneficiaries of this Regulation shall provide the Commission with information about funding received from the EC budget and of ongoing applications for funding. Synergies and complementarity will be sought with other Community instruments.

Operations financed under this Regulation shall not fall within the main scope ***or the eligibility criteria of***, nor receive assistance for the same purpose from, other Community financial instruments. The beneficiaries of this Regulation shall provide ***the managing authority and*** the Commission with information about funding received from the EC budget and of ongoing applications for funding. Synergies and complementarity will be sought with other Community instruments.

Amendment 24

Article 8, paragraph 1 a (new)

The Commission shall ensure that appropriate mechanisms are established for ensuring coordination from the planning to the implementation phases between the operational programmes and the use of the LIFE+ Funds, the Structural Funds, the European Agriculture Funds for Rural Development (EAFRD) and the European Fund for Fisheries (EFF).

Justification

The Commission should ensure that assistance available under LIFE+ is coordinated with assistance from other available structural funds. This is essential for avoiding the duplication of tasks.

Amendment 25

Article 9, paragraph 1, subparagraph 2

The financial framework for the implementation of this instrument is set at EUR **2,190** million for the period from 1 January 2007 to 31 December 2013 (seven years).

The financial framework for the implementation of this instrument is set at EUR **23,190** million for the period from 1 January 2007 to 31 December 2013 (seven years).

Justification

In its communication 'Financing Natura 2000', the Commission estimated the needs of the Natura 2000 network to be EUR 6.1 bn a year, which, with cofinancing, means approximately EUR 3 bn. As the programming period for the new LIFE+ instrument is seven years, Natura 2000 will therefore require EUR 21 bn for the 2007-2013 period. If the present funding is added, the total budget will be EUR 23 190 m. Although this estimated cost of running the Natura 2000 network is possibly far too low, the sum is based on the needs indicated by the Commission for managing the sites protected under Natura 2000.

Amendment 26
Article 9, paragraph 3

The indicative breakdown of the financial support between the **two** components of LIFE+ is given in Annex 2.

The indicative breakdown of the financial support between the **three** components of LIFE+ is given in Annex 2.

Justification

See Amendment to Annex 2.

Amendment 27
Article 10, paragraph 1

1. For any action financed by LIFE+, the beneficiary shall submit, technical and financial reports on the progress of work. A final report shall also be submitted within three months of the completion of the action. The Commission shall determine the form and content of the reports.

1. For any action financed by LIFE+, the beneficiary shall submit technical and financial reports **to the managing authority** on the progress of work. A final report shall also be submitted within three months of the completion of the action. The Commission shall determine the form and content of the reports **in accordance with the procedure**

laid down in Article 12.

Amendment 28
Article 12, paragraph 1

1. The Commission shall be assisted by a committee, LIFE+ Committee, composed of representatives of the Member States and chaired by the representative of the Commission.

1. The Commission shall be assisted by a committee, *the* LIFE+ Committee, composed of representatives of the Member States, ***and of regions with powers and responsibilities as regards the environment***, and chaired by the representative of the Commission. ***For the purposes of LIFE+ Natura 2000 Network Management, the committee shall be the one set up under Article 20 of Directive 92/43/EEC.***

Justification

The regions need to be represented because regional authorities are very often the bodies that implement environment policy.

Amendment 29
Article 12, paragraph 2

2. Where reference is made to this paragraph, ***Articles 4 and 7*** of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof. The period laid down in ***Article 4(2)*** of Decision 1999/468/EC shall be set at three months.

2. Where reference is made to this paragraph, ***Articles 5 and 7*** of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof. The period laid down in ***Article 5(2)*** of Decision 1999/468/EC shall be set at three months.

Justification

When the article is checked against the content of the provisions in question, the correct reference here is to Article 5.

Amendment 30
Article 12, paragraph 2 a (new)

2a. 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).

Amendment 31
Article 12, paragraph 2 b (new)

2b. The Chairman will invite as observers to the Committee meetings experts from civil society groups to discuss the distribution and allocation of the LIFE+ budget (either concerning the LIFE+ Regulation itself or the annual work programmes). The principles and conditions on public access to documents applicable to the Commission shall apply.

Amendment 32
Article 13, subparagraph 1

The multi-annual programmes will be monitored regularly in order to follow the implementation of activities carried out under each strand.

The multi-annual programmes will be monitored regularly in order to follow the implementation of activities carried out under each strand ***and to assess their impact.***

Justification

An evaluation report should include not only an assessment of the implementation of activities but also of their impact.

Amendment 33
Article 13, subparagraph 3

The final evaluation will be carried out not later than one year before the programme ends and shall be submitted to the EP and the Council.

The final evaluation will be carried out not later than one year before the programme ends and ***it and the mid-term evaluation*** shall be submitted to the EP and the Council.

Justification

As the only Community body directly elected by European citizens, the European Parliament should monitor and have a say in the evaluations under the LIFE+ strategic programmes.

Amendment 34 Annex 1

1. Themes

In view of the objectives laid down in Article 1, funding ***could be provided, inter alia***, for support of the implementation of the 6th EAP priorities, namely:

- climate change: the European Climate Change Programme (and any successor)
- nature and bio-diversity: The NATURA 2000 network (***complementary to but not over-lapping with rural development and cohesion policy instruments***) such as innovative approaches to site management and planning ***and management costs for certain sites, including new sites or those not covered by either structural or rural development fund provisions***; the reversal of the decline in bio-diversity by 2010 and monitoring of forests and environmental inter-actions in the Community, ***as well as*** forest fire prevention measures.

1. Themes

In view of the objectives laid down in Article 1, funding ***shall be provided for the conservation of nature and biodiversity, in particular the management of NATURA 2000 sites in the European Union, for the promotion of non-governmental organisations primarily active in the field of environmental protection at European level and*** for support of the implementation of the 6th EAP priorities, namely:

- climate change: the European Climate Change Programme (and any successor)
- nature and bio-diversity: The NATURA 2000 network such as innovative approaches to site management and planning, ***including the development of market measures and ways of using the network in a manner compatible with its conservation; the monitoring of conservation status; funding for the development and implementation of species action plans***; the reversal of the decline in bio-diversity by 2010 and monitoring of forests and environmental inter-actions in the Community, forest fire prevention measures, ***urgent conservation measures for habitats and species with the***

- environment and health: including the Environment and Health Action plan, the Water Framework Directive, Clean Air for Europe (CAFÉ) and the Marine, Soil, Urban and Pesticides Thematic Strategies.

- sustainable use of resources: the resources and waste prevention and recycling thematic strategies, sustainable production and consumption strategies.

- strategic approaches to policy development, implementation and enforcement: including environmental impact assessment and strategic environmental assessment;

- ex-post evaluation of Community environmental policy measures.

2. Actions

The following types of activities may be covered by *the* LIFE+:

- studies, surveys, modelling and scenario building
- monitoring
- capacity building assistance
- training, workshops and meetings
- networking

- best practice platforms
- awareness raising campaigns
- information and communication actions
- demonstration of policy approaches and

poorest conservation status, as well as species conservation measures and management of wetlands (bogs and mires), coastal, marine and freshwater habitats.

- environment and health: including the Environment and Health Action plan, the Water Framework Directive, Clean Air for Europe (CAFÉ) and the Marine, Soil, Urban and Pesticides Thematic Strategies.

- sustainable use of resources: the resources and waste prevention and recycling thematic strategies, sustainable production and consumption strategies.

- strategic approaches to policy development, implementation and enforcement: including environmental impact assessment and strategic environmental assessment;

- ***natural heritage; activities within the meaning of Section I, Article 2 of the UN Convention for the Protection of the World Cultural and Natural Heritage of 16 November 1972;***

- ex-post evaluation of Community environmental policy measures.

2. Actions

The following types of activities may be covered by LIFE+:

- studies, surveys, modelling and scenario-building
- monitoring
- capacity-building assistance
- training, workshops and meetings
- networking
- ***support for the IMPEL network***
- best practice platforms
- awareness-raising campaigns
- information and communications actions
- demonstration of policy approaches and

instruments.

instruments

– nature conservation projects, including purchase of land included in NATURA 2000 network.

2a. Specific criteria for co-financing for projects under LIFE+ Implementation and Governance

Financial support shall be granted in the form of project co-financing.

The percentage of Community financial support may not exceed 50% of the eligible costs of a project. The percentage of Community financial support for accompanying measures may not exceed 100% of such costs.

Proposals will not be considered for financial support unless they satisfy the following criteria:

(a) they offer means of resolving a frequent problem in the Community or one that is causing serious concern to several Member States;

(b) they are innovative from the point of view of the technology or method used;

(c) they constitute an example and an advance compared with the present situation;

(d) they seek to develop and transfer a form of know-how that can be used in the same or similar situations;

(e) they foster environmental cooperation;

(f) they are based on an environmentally satisfactory cost-benefit relationship.

Where appropriate, proposals should also

be considered in terms of their employment implications and on the basis of whether they can facilitate the dissemination and the widest possible application of useful technologies or products that help to protect the environment.

Justification

Aims to specify the themes, actions and the criteria for financial support.

Amendment 35

Annex 2

The amounts allocated to *each of the two* components of LIFE are indicatively the following:

LIFE + Implementation and governance:
75-80%

LIFE + Information and communication:
20-25%

The amounts allocated to the components of LIFE are indicatively the following:

LIFE+ Management of Natura 2000 sites: 90%

LIFE + Implementation and governance

LIFE + Information and communication

Justification

In view of the sum necessary to cover the management costs of the Natura 2000 network, around 90% of available funding needs to be allocated to the 'Management of the Natura 2000 network' component. The rest would go to the two other components.

Amendment 36

Annex 3 a (new)

Annex 3a.

Promotion of non-governmental organisations primarily active in environmental protection

LIFE + shall co-fund operating or action grants for NGOs which are primarily active in protecting and enhancing the

environment at European level.

In order to qualify for a grant, an NGO shall have the following characteristics:

- it must be an independent and non-profit-making legal person primarily active in protecting and enhancing the environment for the common good and with a view to achieving sustainable development;

- it must be active at European level, either alone or in the form of a association with a structure (membership base) and activities covering at least three European countries.

- it must be involved in the development and implementation of EU policy and legislation.

Justification

Environmental NGOs play an essential role in making the connection between the EU institutions and the general public, in this way contributing to good environmental governance. In order to contribute to their efficiency and impact, the new regulation should provide for a rather predictable multiannual framework for these organisations (notwithstanding the right of the Commission to judge individual organisations on their performance and the quality of their plans). NGO support should have a clear link with EU policies, meaning that this type of activity does not lend itself for decentralisation.

EXPLANATORY STATEMENT

Life +: the new budgetary policy for the environment

The discussions about LIFE+ concern far more than the financial instrument itself. It cannot be detached from the other policies under discussion, be it the proposed regulations on the Rural Development Fund, the Cohesion Fund or Objective 2, the future financial instruments for innovative technologies, the New Neighbourhood Policy or, of course, the next European Union budget.

At a time when the financial perspective is being redefined for a seven-year period (from 2007 to 2013), it is also appropriate to take an overall look at the share of the Community budget dedicated to the environment. The approaches taken by the various committees must therefore coincide to ensure the cohesion of the next budget and to achieve the political goals the European Union has set itself. An overall view is all the more important given the ambitiousness of the Union's objectives.

While the environment was for a long time in direct competition with other policies (agriculture and regional development in particular) that were the cause of a significant decline in resources, today the Union's sectoral policies incorporate or *should* incorporate environmental policy. As a result, some environmental investment projects are financed by the Structural Funds and the Cohesion Fund (water management etc.).

However, incorporating environmental policy is not enough: in order to respond to the specific nature of the objectives targeted in the complex, wide-ranging and transversal area of the environment, the financial instrument LIFE was created in 1992. It is undoubtedly the main tool for promoting environmental projects, although some environmental policies have benefited from specific programmes, equipped with low budgets, such as Urban, support for NGOs, Forest Focus and marine pollution.

The LIFE instrument underwent three periods. The most recent, LIFE III, had three components:

- **LIFE-Nature** covering nature conservation measures;
- **LIFE-Environment** covering innovative projects to improve the environment;
- **LIFE-Third Countries** supporting sustainable development projects in third countries.

In spite of the modest budgets, LIFE enabled remarkable projects to be set up at all levels. Under **LIFE-Environment**, for example, pilot projects were launched to improve environmental quality (energy conservation, waste management, innovative business techniques etc.).

LIFE-Nature will prove to have yielded the most benefits, having served as the first step

towards the selection and management of the Natura 2000 sites. It should be remembered that the designation of Natura 2000 sites was not an entirely smooth process. The delay in setting up the network was due to the refusal by some Member States to acknowledge the benefits of Natura 2000. Where projects have been completed, however, Natura 2000 has proved that it makes a decisive contribution to sustainable development.

Outlook for LIFE + for the 2007-2013 period

The issue of the day is the funding of EU environmental policies. In its proposal, the Commission has retained the specifically environmental nature of the LIFE+ financial instrument, which is to be welcomed. LIFE has been the only financial instrument so far to contribute effectively to the implementation and development of EU environment policy and legislation.

However, the objectives and content of LIFE+ as set out under the Commission's proposal for a regulation are rather puzzling. The vagueness and lack of precision on basic issues concerning the achievement of the environmental objectives under the Gothenburg Sustainable Development Strategy and relating to the conservation of biodiversity and the fight against climate change raise questions about the real ambitions of the Commission proposal.

The integration question: what guarantees are there for the environment?

In order to implement environmental policy, the Commission has chosen to focus on integration as a means of generating funds, leaving the responsibility for the selection and completion of projects to others, who are not necessarily equipped with the requisite environmental awareness and expertise.

The Commission's proposal for LIFE+ shows that it has relinquished responsibility at European level for the implementation of environmental policy and delegated it to the Member States. The Commission proposes an 'à la carte' European environment policy, which means EU Member States are free to choose which projects will be carried out with Union cofinancing.

This transfer of responsibility ignores the obvious: environmental policy must be drafted at European level as the environment has no borders. This transfer is, therefore, unacceptable and would result in the loss of the overall cohesion of the Union's environmental policies.

LIFE+ will mainly concern measures to support environmental policy and will focus on two areas: 'implementation and governance' and 'information and communication'. The objectives listed are astonishing when you are aware of what it is needed to achieve the objectives set by the Union (such as the major challenge of climate change and water policy under the Framework Directive, which will require considerable investment).

Lacking the necessary funds, the Commission is counting on the strategy of incorporating the environment into all policies. It hopes, by way of the Union's other, well-funded policies, to ensure the implementation of the Sustainable Development Strategy and the Lisbon Strategy, both with a strong environmental flavour, without putting forward any kind of figure. Without any guarantees, this transversal proposal is doomed to failure.

Natura 2000

The proposal's second shortcoming is undoubtedly the failure to make any mention of funding for the management of the Natura 2000 network for the 2007-2013 period. This is in spite of the fact that the Working Group on Article 8 of the Habitats Directive stressed in its report that 'the Habitats Directive and Natura 2000 have assumed (...) strategic importance [and] are now recognised as being the EU's principal tools for achieving the new global and EU objective of halting the decline in biodiversity by 2010.'

The 'integrationist' approach the Commission is proposing for Natura 2000 would be compatible with a Community policy that included responsibility for the management of Natura 2000 sites in the text and the budget lines of the structural policies.

In its communication on financing Natura 2000, the Commission acknowledges the cost of managing Natura 2000 to be EUR 6.1 bn, EUR 5 bn of which is to be allocated to the 15 'old' Member States and EUR 1 bn to the 10 new Member States. According to environmental organisations, these estimates account for only half of the real investment needed for site management. The sum of EUR 6.1 bn should, therefore, be considered the absolute minimum.

These needs, half of which must be covered by the Member States, are not mentioned in any budgetary line or as a percentage in the Structural Funds, which, according to the Commission, are nevertheless intended to finance it. The Article 8 Working Group confirms that 'the Commission has completely forgotten the essential condition for choosing the Structural Funds, which is inserting the specific requirement in the EAFRD, ERDF and ESF instruments that they should support the proper management of Natura 2000.'

Furthermore, to obtain assistance from the Structural Funds, it will have to be demonstrated that the actions financed will be of benefit economically and socially, meaning that the management of natural habitats, marshes, forests, calcareous grasslands and the protection of species will not be eligible for funding.

It will be equally difficult to share aid earmarked for rural development with Natura 2000, as rural areas are also a priority. In fact, no sum has been mentioned for fear of frightening either party. Without this transparency, however, Natura 2000 managers must be prepared for a dirty battle. It is neither desirable nor acceptable that the protection of

biodiversity should have to compete with other Union policies.

It does not seem unlikely that the principle of integrating the environment into other policies will prove to create rivalry and that the environment, the eternal poor relation in the EU budget, and Natura 2000 in particular, will, in fact, be the recipient of a laughable amount of funding.

It is the Commission, therefore, that must continue to be responsible for the implementation of Natura 2000 and the protection of biodiversity, which has been acknowledged to be of European interest and a priority issue. By masking the issue of cofinancing Natura 2000 in this way, the Commission is compromising its implementation. Without European cofinancing, all that has been achieved so far, and not without difficulty, is in jeopardy, which would make Natura 2000 a fine example of a project over before it has begun.

Rapporteur's suggestions

It is because the options presented by the Commission do not guarantee this funding that the cost of implementing Natura 2000 has been inserted into the LIFE+ instrument by including the 'LIFE+ Management of the Natura 2000 network' component and reminding the Commission and the Council of their responsibilities.

In view of the need to provide environmental organisations with a predictable multiannual framework, measures have also been introduced to guarantee the level of funding for environmental NGOs involved in developing European policy.

The rapporteur calls on the Commission to discuss in greater depth the need for specific financial assistance for activities relating to nature and biodiversity, bearing in mind the importance and success of the previous LIFE-Nature programme.

20.4.2005

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on the Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council concerning the Financial Instrument for the Environment (LIFE +) (COM(2004)0621 – C6-0127/2004 – 2004/0218(COD))

Draftsman: Anders Samuelsen

SHORT JUSTIFICATION

BACKGROUND

Under the new Financial Perspective, the strategic approach taken by the Commission is to mainstream environmental policy by making it an integral part of other priority policy areas so the bulk of environmental expenditure will fall under the new Heading 1 "Sustainable Growth". Some environmental expenditure is also integrated into CAP expenditure, particularly expenditure on rural development, which falls under the new Heading 2 "Preservation and Management of Natural Resources". Finally, also under Heading 2, a separate instrument is set up to support actions of a uniquely environmental nature. This instrument is LIFE + and accounts for most of the environmental expenditure in this Heading (the rest being the amount spent on the European Environment Agency). It is to be noted that all environmental spending outside the European Union is included in the new Heading 4 "Europe as a global partner".

COMMISSION'S PROPOSAL

LIFE + is aimed at simplifying the administration of the existing multiannual programmes by merging them into a single instrument . Its general objective is to contribute to the development, implementation, monitoring, evaluation and communication of Community environment policy and legislation with a view to promoting sustainable development in the EU.

LIFE + is divided into two strands, LIFE Implementation and Governance and LIFE

Information and Communication.

The total financial framework for the period 1 January 2007 to 31 December 2013 proposed by the Commission is € 2,190 Mio. The schedule of commitments/payments proposed (the exact amounts are of course to be decided on each year during the annual budget procedure) is as follows:

	2007	2008	2009	2010	2011	2012	2013	2014	Tot
Commitments	231	252	275	294	314	336	359		2061
Payments	90	220	240	250	270	296	320	375	2061

The indicative breakdown of expenditure between the two strands of LIFE + is 75-80 % and 20-25% respectively

REMARKS

The Commission's proposal for LIFE + can be welcomed in as far as having a single instrument for financing environmental actions increases the visibility of those actions and simplifies their administration, leading to a reduction in administrative overheads and a greater degree of coherency of procedures.

The multi annual global programming of actions with detailed annual programmes is also a positive feature of this proposal which should ensure greater effectiveness of measures since long term planning is coupled with a degree of flexibility to adapt actions if appropriate.

The Commission's proposal nonetheless raises a number of concerns:

Firstly, it should be pointed out that the amount for the financial framework mentioned in Article 9 can only be considered indicative at this stage where there is as yet no decision on the Financial Perspective. **An amendment is thus proposed to Article 9 deleting the figures.**

There is furthermore a definite lack of more detailed information on the actual use of funds. The proposal contains only the global figures with an indicative breakdown between the two strands of LIFE. By its own admission, the Commission is unable to provide an accurate estimate of the number of projects envisaged for each year or the average cost of each measure. This begs the question as to how reliable the estimates forecast can therefore be considered to be?

The indicative basis on which the forecast for the indicative breakdown between the two components of LIFE + has been made is unclear and the difficulty of clearly delimiting the two components is furthermore evidenced by the fact that the indicative breakdown of

the

80 % foreseen for LIFE Implementation and Governance for 2007 also includes 60 % for ((capacity building and) information. In these circumstances, the usefulness of Annex 2 is highly questionable and **your Rapporteur suggests that the Annex be deleted.**

As far as the actual management of LIFE + is concerned, the Commission proposes a high degree of decentralisation to the Member States. This is of course commendable in many ways and should at least speed up implementation of measures but it is questionable whether, if the Member States have too much freedom to decide on the types of projects to be managed, this will not be detrimental to the effectiveness of the EU's environment policy.

At best, such a high level of decentralisation risks compromising the guarantee of EU added value, at worst it risks leading to national interests overriding European-level interests.

It is therefore essential that the Commission's strategic programming explicitly stipulates the need to ensure EU added value. When evaluating the programme, compliance with the obligation to ensure EU added-value must be an evaluation criterion. **An amendment is proposed to Article 4 to this effect.**

Furthermore, it is essential that the evaluation is frequent and thorough enough to be effective in ensuring change of policy where that turns out to be necessary. A mid term and final review cannot be truly effective hence **an amendment is proposed to Article 13 stating that a bi-annual evaluation shall be carried out.**

AMENDMENTS

The Committee on Budgets calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1 Article 4, paragraph 1

Funding will be provided in support of multi-annual strategic programmes drawn up by the Commission. These programmes shall define the principal objectives, priority areas of action, type of actions and expected results for Community funding in relation to the objectives set out in Article 1 and would, as far as possible, include indicative financial estimates

Funding will be provided in support of multi-annual strategic programmes drawn up by the Commission. These programmes shall define the principal objectives, ***emphasising in particular the need to ensure added value***, priority areas of action, type of actions and expected results for Community funding in relation to the objectives set out in Article 1 and would, as far as possible, include indicative financial estimates

Justification

Environmental Policy is an area where the potential for added value when carried out at EU level is undeniable, but the greater the level of decentralization/localization the higher the risk that EU fund are used to replace, rather than complement local funding. In order to ensure that the implementation of the EU funds in the environmental field yields genuine value-for-money, the Commission's strategic programme must clearly insist on the need to provide added value and this must also be an evaluation criteria.

Amendment 2 Article 9, paragraph 1, subparagraph 2

The financial framework for the implementation of this instrument is set at

The financial framework for the implementation of this instrument is set at

¹ OJ C , ... , p. .

EUR **2,190** million for the period from 1 January 2007 to 31 December 2013 (seven years)

EUR XXX million for the period from 1 January 2007 to 31 December 2013 (seven years)

Justification

The reference amount for the financial framework cannot be set until such time as a decision has been reached the Financial Perspective for the period 2007-2013. Once a decision is reached, the Commission shall present a legislative proposal to set the reference amount with the respect to the appropriate ceiling of the financial framework concerned.

Amendment 3 Article 13

The multi-annual programmes will be monitored regularly in order to follow the implementation of activities carried out under each strand.

LIFE+ will be subject to **a mid-term and final** evaluation in order assess its contribution to the development of Community environmental policy and the use made of the appropriations. The final evaluation will be carried out not later than one year before the programme ends and shall be submitted to the EP and the Council.

The multi-annual programmes will be monitored regularly in order to follow the implementation of activities carried out under each strand **and to assess their impact.**

LIFE+ will be subject to **a bi-annual** evaluation in order assess its contribution to the development of Community environmental policy and the use made of the appropriations. The final evaluation will be carried out not later than one year before the programme ends and shall be submitted to the EP and the Council.

Justification

Whilst recognising the inherent problem of carrying out evaluations early into the operating period of multi annual programmes, limiting evaluation to a mid term and final evaluation is too infrequent to permit the timely correction of any inappropriate or less than optimum use of funds. In the interests of sound financial management and in recognition of the evaluation obligations imposed by the Financial Regulation, the budgetary authority should insist on the submission of a bi-annual report which should include not only an assessment of the implementation of activities but also of their impact..

Amendment 4 Annex 2

ANNEX 2
Indicative Financial Breakdown
(percentage of total)

deleted

The amounts allocated to each of the two components of LIFE are indicatively the following:

*LIFE + Implementation and governance:
75-80%*

*LIFE + Information and communication:
20-25%*

Justification

The basis on which the forecast for this indicative breakdown has been made is not clear and the proportion of funding foreseen for LIFE + Information and Communication is seen by many as having been overestimated. Furthermore, the usefulness of this indicative breakdown is not immediately apparent. Should an indicative breakdown of expenditure be considered essential, consideration should be given to other more appropriate types of breakdown, e.g. by priority policy area.

PROCEDURE

Title	Proposal for a regulation of the European Parliament and of the Council concerning the Financial Instrument for the Environment (LIFE +)
References	COM(2004)0621 – C6-0127/2004 – 2004/0218(COD)
Committee responsible	ENVI
Committee asked for its opinion Date announced in plenary	BUDG 25.10.2004
Enhanced cooperation	No
Draftsman Date appointed	Anders Samuelsen 31.1.2005
Discussed in committee	21.4.2005
Date amendments adopted	21.4.2005
Result of final vote	for: 18 against: 0 abstentions: 0
Members present for the final vote	Simon Busuttil, Paulo Casaca, Gérard Deprez, Hynek Fajmon, Ingeborg Gräßle, Louis Grech, Catherine Guy-Quint, Ville Itälä, Anne Elisabet Jensen, Wiesław Stefan Kuc, Vladimír Maňka, Anders Samuelsen, Nina Škottová, László Surján, Yannick Vaugrenard, Kyösti Tapio Virrankoski
Substitutes present for the final vote	Jacek Emil Saryusz-Wolski, José Albino Silva Peneda
Substitutes under Rule 178(2) present for the final vote	

PROCEDURE

Title	Proposal for a regulation of the European Parliament and of the Council concerning the Financial Instrument for the Environment (LIFE +)		
References	COM(2004)0621 – C6-0127/2004 – 2004/0218(COD)		
Legal basis	Articles 251(2) and 175(1)EC		
Basis in Rules of Procedure	Rule 51		
Date submitted to Parliament	1.10.2004		
Committee responsible Date announced in plenary	ENVI 25.10.2004		
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 24.10.2004	INTA 24.10.2004	ITRE 24.10.2004
Not delivering opinion(s) Date of decision	INTA 15.11.2004	ITRE 27.1.2005	
Enhanced cooperation Date announced in plenary	No		
Rapporteur(s) Date appointed	Marie Anne Isler Béguin 20.1.2005		
Previous rapporteur(s)			
Discussed in committee	15.3.2005		
Date adopted	26.4.2005		
Result of final vote	for: 52 against: 1 abstentions: 1		
Members present for the final vote	Adamos Adamou, Georgs Andrejevs, Liam Aylward, Irena Belohorská, Johannes Blokland, John Bowis, Frederika Brepoels, Hiltrud Breyer, Chris Davies, Avril Doyle, Mojca Drčar Murko, Edite Estrela, Anne Ferreira, Karl-Heinz Florenz, Norbert Glante, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Gyula Hegyi, Mary Honeyball, Marie Anne Isler Béguin, Caroline Jackson, Dan Jørgensen, Christa Kläß, Holger Krahmer, Urszula Krupa, Aldis Kušķis, Marie-Noëlle Lienemann, Jules Maaten, Linda McAvan, Marios Matsakis, Riitta Myller, Péter Olajos, Dimitrios Papadimoulis, Dagmar Roth-Behrendt, Guido Sacconi, Karin Scheele, Carl Schlyter, Richard Seeber, Kathy Sinnott, María Sornosa Martínez, Antonios Trakatellis, Thomas Ulmer, Anja Weisgerber, Åsa Westlund, Anders Wijkman		
Substitutes present for the final vote	Margrete Auken, María del Pilar Ayuso González, Milan Gaľa, Genowefa Grabowska, Vasco Graça Moura, Erna Hennicot-Schoepges, Miroslav Mikolášik, Andres Tarand		
Substitutes under Rule 178(2) present for the final vote			

Date tabled – A6	2.5.2005	A6-0131/2005
Comments	...	