

EUROPEAN UNION



Committee of the Regions

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DRAFT OPINION

Commission for the Environment, Climate Change and Energy

Mid-term evaluation of the LIFE programme

Rapporteur: **Witold Stępień (PL/EPP)**,
Marshal of Łódzkie region

This document will be discussed at the meeting of the **Commission for the Environment, Climate Change and Energy to be held from 11 a.m. to 6 p.m. on 1 December 2016**. To allow time for translation, any amendments must be submitted through the online tool for tabling amendments (available on the Members' Portal: <http://cor.europa.eu/members>) **no later than 3 p.m. (Brussels time) on 18 November 2016**. A user guide is available at: <http://toad.cor.europa.eu/CORHelp.aspx>.

Reference document

Letter from the European Commission vice-president of 26 September 2016

**Draft opinion, Commission for the Environment, Climate Change and Energy -
Mid-term evaluation of the LIFE programme**

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. Believes that the protection of the natural environment and biodiversity will continue to be one of the European Union's main objectives. The LIFE environment programme strengthens Europe's natural capital and the ecosystem services associated with it, and helps generate green jobs, local entrepreneurship and smart and sustainable economic growth that promotes social inclusion, i.e. the goals of the Europe 2020 strategy and political priorities of the CoR. Establishing new instruments such as a sub-programme on climate action is recognised as of fundamental importance in light of the emerging European climatic challenges, also as a frontrunner in paving the way for the local and regional agenda of the EU strategy on adaptation to climate change¹, EU 2020-2030 energy and climate objectives², and contributing to the Paris Agreement³.
2. Notes that local and regional authorities are amongst the main beneficiaries of the LIFE programme and make direct use of it by implementing LIFE projects and developing regional and local partnerships. What makes the programme attractive to regional and local authorities is the broad range of thematic priorities funded, the possibility of cooperating with a large number of stakeholders and the diversity of funding models.
3. Reiterates its strong support for LIFE, as an independent, directly managed funding programme, entirely dedicated to the environment, to be continued after 2020, and for a serious increase in its budget⁴. Considering the emerging challenges in the area of the environment and climate and the need for innovation, specific approaches are required to deal with the uneven integration of environmental and climate objectives into Member States' practices, and implementation of the legislation.

Section 1. Changes to expenditure eligibility

Linking with EU priorities

4. Considers the thematic priorities of LIFE as set out in Annex III LIFE Regulation⁵ to be still valid, thus sees no need for their mid-term revision by delegated act, as provided for by Article 9 (2) LIFE Regulation.

¹ COM(2013) 216 final.

² COM(2014) 015 final.

³ See also CdR 1412/2016.

⁴ CdR 86/2012 fin.

⁵ Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013.

5. Remains very concerned that the total budget allocated to LIFE Nature and Biodiversity 2014-2020 is around EUR 1.155 billion, while the EC has estimated that EUR 5.8 billion⁶ of annual investments are needed for the entire Natura 2000 network to adequately protect nature in the EU, in line with the requirements of Article 8 of the Habitats Directive. The CoR expects one of the significant results of the on-going fitness-check of the Habitats and Bird Directives to be the lack of funding for their adequate implementation, as also highlighted by the CoR⁷. Consequently, the CoR calls on the EC to adopt a delegated act, in accordance with Article 9(4) LIFE Regulation, to increase the allocation of funds to action grants under the LIFE programme for Nature and Biodiversity and to maintain a substantially higher budget after 2020, to make LIFE the central instrument for Natura 2000 funding.
6. Strongly recommends maintaining and strengthening the sub-programme on climate in the 2nd LIFE Multiannual Work Programme (MAWP) and after 2020, as the frontrunner in paving the way for local and regional action in the EU and international climate political agenda. This could be done by a substantial increase in the budget allocated for climate actions, and taking into account the upcoming review of the EU climate change adaptation strategy⁸.
7. Believes that the LIFE programme plays an important role in speeding up implementation of European guidelines, developing new solutions and building capacity for new instruments such as green infrastructure⁹ and nature-based solutions¹⁰. The CoR encourages the Commission to continue this approach both under the current multiannual programme and after 2020.
8. Stresses that the development of the circular economy, as outlined in the EC Circular Economy Action Plan, and supported by the CoR¹¹, will require public and private sources of financing to scale up improved technologies and processes, develop infrastructure and increase cooperation between actors in the value chain. The CoR believes that the thematic priorities on waste and resource efficiency are largely in line with this concept and call for the 2nd MAWP to continue in this regard, whilst adding explicit reference to the circular economy, and giving preference to issues to be addressed in the upcoming strategy on plastics in a circular economy and to construction and building waste under a future LIFE programme.
9. Welcomes the role of LIFE in tackling the uneven and inadequate implementation and enforcement of environment legislation in the Member States, which is one of the key priorities for the CoR¹². This direction should be continued and strongly reinforced in the next programme, by further implementing integrated projects and the LIFE priority area of Environmental Governance and Information.

⁶ http://ec.europa.eu/environment/nature/natura2000/financing/docs/financing_natura2000.pdf. Note that this excludes Croatia.

⁷ CdR 2624/2015, CdR 86/2012 fin.

⁸ See also CoR opinion, ENVE-VI/015, in preparation.

⁹ COM(2013) 249 final.

¹⁰ Towards an EU Research and Innovation policy agenda for Nature-Based Solutions & Re-Naturing Cities, EC 2015.

¹¹ CdR 1415/2016, COM(2015) 614 final.

¹² CdR 5660/2015.

The budget and eligibility of expenditure

10. Remains concerned about the limited budget of the LIFE programme, which during the MAWP 2014-2020 represents only about 0.3% of the total amount of commitment appropriations as referred to in Regulation (EU) No 1311/2013. The CoR reiterates its 2012 call for a substantial increase in the programme's budget, to be applied after 2020¹³.
11. States, that achieving the LIFE goals might be hampered by the sub-optimal co-funding rate¹⁴, making the beneficiaries selective in applying for funding, especially in the case of the non-profit partners. The CoR calls on the EC to increase the co-financing rate in the next LIFE programme, and to better align the co-financing rates of LIFE with the rates and their differentiation for less-developed regions of other both directly and jointly managed EU funding programmes. Specific co-financing rates for nature and biodiversity action grants could be defined by a factor derived from both protected areas coverage and economic wealth of a region (e.g. NUTS 3 level).
12. Expresses doubts about the 102% rule for public institutions according to which the sum of the own contribution to the project budget must be at least 2% higher than the planned cost of public employees' remuneration. This rule often makes it difficult or impossible for public authorities (in particular scientific and research centres and non-governmental organisations) to participate in projects, yet their involvement is often essential in order to meet the goals of LIFE projects.
13. Calls into question the limited infrastructure funding available under the LIFE programme, particularly for large infrastructure projects. Calls on the Commission to ensure that the evaluation takes account of the potential risk that LIFE projects might focus more on capacity-building than having an actual impact on the environment or climate.
14. Calls for more use to be made of flat rates and lump sums to reduce the reporting on VAT, without compromising its eligibility¹⁵, as already stipulated in the current LIFE regulation. The CoR reiterates its belief that the removal of VAT as eligible expenditure would deter many potential applicants from developing a proposal. VAT should still be accepted as an eligible cost if the beneficiaries can prove that it cannot be recovered¹⁶.

¹³ COM(2015) 614 final, supported by CoR Opinion CdR 1415/2016.

¹⁴ Traditional Nature and Biodiversity Projects: 60% co-financing but 75% for projects targeting priority habitats & species. Integrated projects, preparatory projects and technical assistance projects: 60% co-financing. Capacity building projects: 100% co-financing. All other projects, i.e., traditional projects under the sub-programme of Climate Action and traditional projects under priorities Environment and Resources Efficiency and Environment Governance and information Projects in the sub-programme for Environment: 60% co-financing during the first multiannual work programme (2014-2017), 55% co-financing during the second multiannual work programme (2018-2020).

¹⁵ CdR 86/2012 fin, CdR 6/2011 fin.

¹⁶ CdR 86/2012 fin.

Management simplification

15. Stresses that the administrative burden related to the preparation and submission of the projects often discourages the regions in applying for LIFE support. This is especially the case for large (e.g. integrated) projects, when significant time, energy and human resources are required to complete and submit a successful application, especially for less experienced partners. Therefore, as the CoR has already suggested in earlier opinion¹⁷, simplification of application and administration procedures is needed, as well as shortening the waiting time for a decision about the project financing.
16. Welcomes the emphasis given in Article 3 of the LIFE Regulation and the 1st MAWP 2014-2017 for measuring the success of LIFE, with new qualitative and quantitative environmental, social and economic indicators; calls, however, for their further simplification, as several indicators cannot be credibly assessed within the timeframe of the projects. They should also be made more flexible and adapted to local or regional specifics, and the time spent on reporting minimised.

Section 2. Complementarity of funding and implementation systems among EU -financed programmes

Complementarity with other EU funds

17. Acknowledges, that the complementarity and coherence of LIFE with other EU funds such as Cohesion Policy Funds (ESF, ERDF, CF), the Rural Development Fund (EAFRD) or the European Maritime and Fisheries Fund (EMFF) have been reinforced under the current MAWP. It urges that synergies and a structured cooperation with other EU funds for the further development of LIFE after 2020¹⁸ be established.
18. Believes that LIFE is a small but flexible programme, with ambitious environmental and climate targets which are not covered directly by other EU programmes or are implemented in another area by such programmes. With its support for specific projects at regional level, the programme is an excellent catalyst for carrying out other projects and for mobilising national and private funds¹⁹. The CoR urges the Commission to develop a model for wide-scale coordination between the LIFE programme and other EU programmes directly or indirectly linked to environmental protection and climate.

National Uptake

19. Is concerned about uneven uptake of LIFE by the EU Member States and regions. A Strong Action Plan, to increase the visibility of LIFE in the less successful countries and to raise

¹⁷ CdR 112/2010 fin

¹⁸ COM(2013) 840 final

¹⁹ CdR 86/2012 fin, CdR 6/2011 fin.

interest in participating in it²⁰, in both the 2nd MAWP and in a future LIFE programme, is needed, and could be introduced at the yearly revision of the efficiency of the funds uptake in each Member State.

20. Following on from the above, suggests that the ongoing phasing out of the national allocations for the traditional LIFE projects should be re-considered. Withdrawing the national allocation may result in a further increase of geographical disparities in the LIFE funds uptake, lowering chances of the countries who are less experienced, while still facing environmental and climatic challenges. The CoR suggest considering a system of allocation for a one-year, instead of a four-year period, to make it more flexible to the available budgetary resources and geographical distribution of the funds uptake.
21. Acknowledges that some of the National Contact Points have made extra efforts to attract new applicants. It calls on the Member States with lower uptake to increase the administrative capacity and engage their NCP in actively promoting the programme to their local and regional authorities.
22. Calls on the European Commission to continue support for training measures in those Member States which have less experience and have made more limited use of the funds. Its objective should be to increase the capacity of national and regional contact points and to provide active support to applicants, resulting in more high-quality applications, particularly in countries facing major environmental and climate challenges and with less experience of applying for LIFE funding.

Section 3. Building public consensus and strengthening regional and cross-regional partnerships

Stakeholder relations and social issues

23. Notes that the LIFE programme offers many tools and mechanisms that promote replication and transfer of solutions, and that it is an excellent tool for demonstrating to local and regional authorities the benefits of investing in the environmental and climate sectors. The durability of the relationship between stakeholders depends on their experience, local and interregional contacts, the desire to cooperate and awareness. The development of such awareness is a long-term process. The CoR urges further investment in building up this capacity²¹ by funding capacity-building projects, including after 2020.
24. LIFE has to take into consideration and find a balance between environmental objectives and securing human safety, life and property. Measurements are needed in order to create consensus between animal protection activists, hunting organisations, other citizens and every stakeholder. The CoR encourages the EC to include this issue in the project application as one of the criteria for its assessment.

²⁰ See also GHK et al. (2011), Combined Impact Assessment and Ex Ante Evaluation of the Review of the LIFE+ Regulation.

²¹ CdR 86/2012 fin.

Eco-innovation and market uptake

25. Recognises the importance of the LIFE programme in developing innovation in the EU and calls for consideration to be given to how an appropriate financial model might be used to strengthen marketing of prototypes and solutions developed in LIFE projects. Establishing a fast-track procedure once LIFE projects have been completed should enable innovation developed through LIFE projects to be marketed more effectively. This will improve the EU's competitiveness on world markets and make it possible to create new green jobs.
26. Draws attention to the fundamental importance of involving scientific and research institutes and the private sector in developing and marketing eco-innovations; encourages the Commission to continue mechanisms that facilitate such cooperation. Among other things, the Committee calls for a review of the clause allowing prototypes developed through LIFE projects to be marketed only after their completion. Such a provision discourages businesses and scientific and research institutes from becoming involved in innovative projects.
27. Believes, that in order to upscale LIFE'S impact to transforming the EU economy into a circular, decarbonised production and consumption system, a key challenge for the 2nd MAWP and a future LIFE programme is to up-scale from eco-innovation, demonstration and pilot projects to an industrial scale. New ways need to be explored to support widespread and market replication of results of innovative LIFE projects. The CoR calls on the EC to assess for a future LIFE programme the option of providing additional support to successful projects, e.g. for supporting upscaling best eco-innovations through other financial instruments as well.

Long-term sustainability, replicability and transferability of the project results (SRT)

28. Recognises that LIFE projects to a great extent provide long-term positive effects and replicable, transferable results²², however still see room for improvement. Continuous attention should be paid under the 2nd MAWP and after 2020 to assure the results of projects to be sustained, transferred and replicated, which is fundamental for reaching LIFE objectives, efficient use of the funds, enhancing eco-innovation, and supporting sustainable and responsible growth. The CoR calls on the EC to set clear criteria for assessing SRT potential at the project application, and for assessing its SRT efficiency during and after the implementation.
29. Suggests, that the SRT plan should be developed to further enhance LIFE performance in this respect. This could include among others²³: further developing "innovation platform" - the online database of LIFE innovations to help with searching for replicable eco-ideas; efficient, targeted dissemination of the information about innovation; creation of networks and clusters of

²² European Commission, DG Environment (2014): LIFE Focus "Long-term impact and sustainability of LIFE Nature"; European Parliament, DG IPOL (2016).

²³ European Court of Auditors (2014), Special report (SR 15/2013); European Commission, DG Environment (2014): LIFE Focus "Long-term impact and sustainability of LIFE Nature"; European Parliament, DG IPOL (2016), Parliament, Committee on Budgetary Control, Working Document on European Court of Auditors' Special Report (PE535.987), LIFE+ Final Evaluation.

projects around priority areas; making better use of communication toolkits available on the LIFE website²⁴.

30. In order to further increase the long-term sustainability of LIFE projects, the CoR wants to maintain the obligation to provide an "after-LIFE" plan for the projects, demonstrating continued funding for sustaining the project results, identifying the responsible body with continuity of staff, formal support of authorities, communication with local stakeholders.

Types of interventions and new financial instruments

31. Considers the types of funding of LIFE as set by Article 17 of LIFE Regulation to be valid and supporting large diversity of the funding options for the regions, and sees no need for their revision in the next LIFE programme.
32. Recognises the important catalytic function of integrated projects for public authorities in closing gaps in the implementation of the EU environmental policy. Believing that there is not yet enough experience available with this type of funding, suggests maintaining its budget in the 2nd MAWP at the level specified in Article 17(5) of the LIFE Regulation. The CoR suggests assessing the results of the integrated project at the end of 2020, and believes that it may be an important instrument in the future LIFE programme.
33. Calls for a future LIFE programme to maintain the "technical assistance projects" to help the beneficiaries who have not yet carried out an integrated project, in view of the complexity, time and resources needed for the preparation of the application²⁵.
34. Welcomes two new financial instruments: the Private Finance for Energy Efficiency (PF4EE) and the Natural Capital Financing Facility (NCFE), which offer a new opportunity to bring private investors to fund energy-efficiency and natural capital related projects, and help to trigger a general shift towards green finance. Recognises that both instruments, have not yet reached their full potential, in particular due to the project novelty and certain degree of administrative complexity in the first months of implementation. The CoR calls on the EC to further observe the programmes and develop methodology for the assessment of their efficiency. It supports the European Parliament's call that the NCFE must guarantee that projects deliver appropriate, positive and scientifically tangible results for biodiversity²⁶.
35. Recognises the important role of the PF4EE, which supports implementation of national priorities in the area of Energy efficiency both by providing funding, as well as technical and know-how support to the beneficiaries. This model should be continued to the end of the 2nd MAWP, and in the event of a positive evaluation of the instrument, after 2020.

²⁴ LIFE programme, DG Environment website, Communication tools available at: <http://ec.europa.eu/environment/life/toolkit/comtools/index.htm>.

²⁵ CdR 86/2012 fin.

²⁶ European Parliament resolution of 2 February 2016 (2015/2137(INI)).

36. Welcomes the fact that the NCFF has taken on the difficult and ground-breaking challenge of funding projects relating to ecosystem services and incentives for the private sector to invest in this area; takes the view that investing in ecosystem services represents Europe's future and welcomes the fact that LIFE has taken up this challenge. The Committee recommends continuing the programme until the end of the second multiannual work programme and, in the event of a positive assessment (point 34), after 2020.

37. Acknowledges the LIFE programme's innovative role and takes the view that environment and climate measures do not always require development of innovative solutions, but often depend on continuing measures already under way or putting into practice innovation developed through other projects. The CoR calls on the Commission to consider funding two types of project: innovative projects and those that take account of current environmental and climate needs. Granting subsidies would not be conditional upon new innovation, but rather on the continuation of activities already under way while at the same time making use of innovation and good practices from other LIFE projects.

Brussels ...

II. PROCEDURE

Title	Mid-term evaluation of the LIFE programme
Reference(s)	Referral letter from the European Commission of 26 September 2016
Legal basis	Optional referral, Article 307(1) TFEU
Procedural basis	Outlook opinion
Date of Commission letter	26 September 2016
Date of President's decision	30 September 2016
Commission responsible	Commission for the Environment, Climate Change and Energy
Rapporteur	Witold Stępień (PL/PPE), President of Łódzkie Region
Analysis	27 July 2016
Discussed in commission	Scheduled for 1 December 2016
Date adopted by commission	Scheduled for 1 December 2016
Result of the vote in commission (majority, unanimity)	
Date adopted in plenary	Scheduled for 8-9 February 2017
Previous Committee opinions	Opinion on An EU action plan for the Circular Economy, rapporteur: Babette Winter (DE/PES), CDR 1415/2016 Opinion on EU environment law: improving reporting and compliance, rapporteur: Andres Jaadla (ET/ALDE), CDR 5660/2015 ²⁷ Opinion on Contribution to the fitness check on the EU Birds and Habitats Directives, rapporteur: Roby Biwer (LU/PES), CDR 2624/2015 ²⁸ Opinion on the Proposal for a regulation of the European Parliament on the establishment of a Programme for the Environment and Climate Action (LIFE), rapporteur: Kay Twitchen (UK/ECR), CDR 86/2012 ²⁹ Opinion on The EU LIFE Programme. The way forward, Rapporteur: Daiva Matonienė (LT/EA), CdR 6/2011 fin ³⁰
Date of subsidiarity monitoring consultation	n/a

²⁷ [OJ C 240, 1.7.2016, p. 15–23](#)

²⁸ [OJ C 51, 10.2.2016, p. 48–52](#)

²⁹ [OJ C 277, 13.9.2012, p. 61–73](#)

³⁰ [OJ C 259, 2.9.2011, p. 54–61](#)