

Opinion of the European Committee of the Regions — Mid-term evaluation of the LIFE programme

(2017/C 207/18)

Rapporteur: Witold Stępień (PL/EPP), Marshal of Łódzkie region**Reference document:** Letter from the European Commission Vice-President of 26 September 2016**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS,

1. welcomes the European Commission's request for an outlook opinion on the subject and seeks with the opinion to contribute to the mid-term evaluation of the LIFE programme 2014-2020 as foreseen under Article 27(2) of Regulation (EU) No 1293/2013 ('LIFE Regulation'), the implementing act adopting the second LIFE Multiannual Work Programme (MAWP) 2018-2020 (Article 24(4) of the LIFE Regulation), and the development of the next LIFE programme under the next Multiannual Financial Framework 2020-2027;

2. believes that the protection of the natural environment and preserving 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 change⁽¹⁾, EU 2020-2030 energy and climate objectives⁽²⁾, and contributing to the Paris Agreement⁽³⁾;

3. 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;

4. reiterates its strong support for LIFE, as an independent, directly managed funding programme, entirely dedicated to the environment and making a significant impact in terms of creating jobs and growth, to be continued after 2020, and for a serious increase in its budget⁽⁴⁾. 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*

5. considers the thematic priorities of LIFE as set out in Annex III LIFE Regulation⁽⁵⁾ 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 COR-2016-01412-00-01-AC-TRA.

⁽⁴⁾ CDR86-2012_FIN_AC.

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

6. 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 billion⁽⁶⁾ 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 CoR⁽⁷⁾. 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 increase LIFE's contribution to Natura 2000 funding substantially;

7. 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 change mitigation and adaptation actions, and taking into account the upcoming review of the EU climate change adaptation strategy⁽⁸⁾. In addition, the thematic priorities and project topics under the Climate Action sub-programme should be defined and linked with the action grants. In particular, with respect to the priority area 'Climate Change Mitigation', they should refer to the EU policy priorities and the contribution of the major sectors of economy, such as energy and transport, to the GHG emission trends;

8. believes that the LIFE programme plays an important role in developing new solutions in the area of environmental protection and climate, promoting eco-innovation and building capacity for new instruments such as green infrastructure⁽⁹⁾ and nature-based solutions⁽¹⁰⁾. The CoR encourages the Commission to continue this approach both under the current multiannual programme and after 2020;

9. stresses that the development of the circular economy, as outlined in the EC Circular Economy Action Plan, and supported by the CoR⁽¹¹⁾, 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;

10. 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 CoR⁽¹²⁾. 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;

11. also stresses in this context the LIFE programme's contribution to the EU's goal of better regulation, to creating sustainable growth and jobs and to implementing the Union's environment and climate-protection policy by setting and adapting the corresponding objectives and through improved feedback mechanisms and experience from the projects supported; also stresses, however, that the overriding goal of the LIFE programme must remain the protection of the environment and biodiversity for their own sake, because it is the biological heritage of Europe and of humanity that is at stake;

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

⁽⁷⁾ COR-2015-02624-00-01-AC-TRA, CDR86-2012_FIN_AC.

⁽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⁾ COR-2016-01415-00-01-AC-TRA, COM(2015) 614 final.

⁽¹²⁾ COR-2015-05660-00-00-AC-TRA.

The budget and eligibility of expenditure

12. 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 2020 ⁽¹³⁾;

13. states, that achieving the LIFE goals might be hampered by the sub-optimal co-funding rate ⁽¹⁴⁾, 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), without, however, creating an imbalance detrimental to the more developed regions;

14. 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;

15. 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;

16. calls for more use to be made of flat rates and lump sums to reduce the reporting on VAT, without compromising its eligibility ⁽¹⁵⁾, as already stipulated in recital 38 of 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 recovered ⁽¹⁶⁾;

17. stresses that the purchase of land (Article 20(3) of the LIFE Regulation) must continue to be eligible for support under the LIFE programme, but also that the condition that the land purchased must be reserved in the long term for nature conservation must be retained. The purchase of land is often a prerequisite for conserving Natura 2000 sites and ensuring long-term nature conservation;

Management simplification

18. 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 opinion ⁽¹⁷⁾, simplification of application and administration procedures is needed, as well as shortening the waiting time for a decision about the project financing;

⁽¹³⁾ COM(2015) 614 final, supported by CoR Opinion COR-2016-01415-00-01-AC-TRA.

⁽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⁾ CDR86-2012_FIN_AC, CDR6-2011_FIN_AC.

⁽¹⁶⁾ CDR86-2012_FIN_AC.

⁽¹⁷⁾ CDR112-2010_FIN_AC

19. encourages the European Commission to consider the possibility of applications for traditional projects under the LIFE programme being submitted in two stages, as has hitherto been the case with integrated projects. The first stage should consist of a brief general overview of the proposed project (concept notes) and, if it receives a positive evaluation, the beneficiary should then submit a full proposal. It would also urge the Commission to look into ways of simplifying procedures for the final approval of a project's financial and technical elements and of staggering them throughout its duration. This will give operators greater flexibility and reduce the risk of focusing on financial and administrative aspects at the expense of the technical content of the project;

20. 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

21. 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 2020 ⁽¹⁸⁾ be established;

22. believes that LIFE is a small but flexible programme, which supports ambitious environmental and climate targets which are not supported 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 funds ⁽¹⁹⁾. 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

23. 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 interest in participating in it ⁽²⁰⁾, 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;

24. 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 1-year, instead of a 4-year period, to make it more flexible to the available budgetary resources and geographical distribution of the funds uptake, but stresses that the projects granted funding must meet the requirements in terms of innovation and reproducibility, in order to generate European added value. Alternatively, it proposes maintaining a portion of the budget to be allocated to each separate country and making the remaining portion jointly available to the Member States on a fully competitive basis;

25. acknowledges that some of the National Contact Points have made extra efforts to attract new applicants. Calls on the Member States with lower uptake to engage their National Contact Points in actively promoting the programme to their local and regional authorities;

⁽¹⁸⁾ COM(2013) 840 final

⁽¹⁹⁾ CDR86-2012_FIN_AC, CDR6-2011_FIN_AC.

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

26. 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

27. 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 capacity ⁽²¹⁾ by funding capacity-building projects, including after 2020;

28. believes that protection of the environment and nature and combating climate change must always strike a balance between different goals securing human safety, life and property. Action and support for projects are needed to achieve acceptable compromises in this area between all stakeholders and LIFE projects can contribute to this. The CoR encourages the EC, when assessing project applications, to take account of the potential of a project to promote the drawing-up of new rules that harmonise the protection of human life threatened by certain species with the protection of endangered species.. It also suggests that one of the conditions for a project to receive a positive assessment should be a plan for an open public debate for the stakeholders in the territory in question and have their proposals be examined;

Eco-innovation and market uptake

29. 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;

30. 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;

31. 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)

32. recognises that LIFE projects to a great extent provide long-term positive effects and replicable, transferable results ⁽²²⁾, 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

⁽²¹⁾ CDR86-2012_FIN_AC.

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

objectives, efficient use of the funds, enhancing eco-innovation, and supporting sustainable and responsible growth. The CoR calls on the EC to set clear selection criteria for assessing SRT potential at the project application, and indicators for assessing its SRT efficiency during and after the implementation;

33. attaches particular importance to support for projects that aim to draw up statistical surveys on the population of species classified as protected and on the size of their habitat, and projects that aim to survey how endangered natural habitats classified as protected are, the reasons for this and the risk factors;

34. is concerned that wild animals are being increasingly squeezed out of their natural habitat, and therefore calls for the development and integrated implementation of innovative crisis management measures to preserve animals' natural habitat;

35. suggests, that the European Commission should develop a SRT plan for the LIFE programme to further enhance the programme's performance in this respect. This could include among others⁽²³⁾: further developing an 'innovation platform' — based on the online database of LIFE projects to help with searching for replicable eco-ideas; efficient, targeted dissemination of the information about innovation; creation of thematic platforms, networks and clusters of projects around priority areas; making better use of communication toolkits available on the LIFE website; further development of the selection and dissemination of results of the 'best of the best' LIFE projects⁽²⁴⁾;

36. in order to further increase the long-term sustainability of LIFE projects, 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

37. 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, but would call for a review of the results achieved during the 2014-2017 period with a view to their improvement in the next LIFE programme;

38. 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 could be an even more important instrument in the future LIFE programme; this applies in particular to the support of Prioritised Action Frameworks by integrated projects for the establishment of Natura 2000 management plans;

39. 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 application⁽²⁵⁾;

40. 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

⁽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.

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

⁽²⁵⁾ CDR86-2012_FIN_AC.

for the assessment of their efficiency. It also asks the EC to consider extending the existing instruments or introducing a new financial instrument, appropriately funded, with the aim of also attracting investors to the Environment and Resource Efficiency priority area. It supports the European Parliament's call that the PF4EE must guarantee that projects deliver appropriate, positive and scientifically tangible results for biodiversity;

41. 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. The Committee suggests that, in order to make better use of the potential of PF4EE, the possibility should be considered of treating this mechanism as complementary financing of LIFE projects in the area of energy efficiency. The EC should refer to the possibility of complementary financing of this kind in the annual guidelines issued for applicants. 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;

42. welcomes the fact that the NCFE 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 analysing and evaluating the operation of the NCFE mechanism on the basis of both its actual and projected results, in order to ensure that it is used effectively until the end of the second multiannual work programme and, in the event of a positive assessment, after 2020;

43. 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, 9 February 2017.

*The President
of the European Committee of the Regions*

Markku MARKKULA
