

COM 4/023

Brussels, 17 September 1999

OPINION

of the

Committee of the Regions

of 16 September 1999

on the

**Proposal for a Council Regulation (EC) concerning the financial instrument
for the Environment (*Life*)**

COM(1998) 720 final - 98/0336 (COD)

The Committee of the Regions,

HAVING REGARD TO the list of Commission proposals pending at 1 May 1999 for which the entry into force of the Treaty of Amsterdam entails a change of legal basis and/or procedure (SEC (1999) 581 final);

HAVING REGARD TO the Proposal for a Council Regulation (EC) concerning the financial instrument for the environment (*Life*) (COM(1998) 720 final - 98/0336 (COD) - formerly 98/0336 (SYN));¹

HAVING REGARD TO the decision taken by the Council on 18 May 1999, in accordance with Article 265, first paragraph and Article 175 of the Treaty establishing the European Community, to ask the Committee for an opinion on this proposal;

HAVING REGARD TO the decision taken by the Committee's Bureau on 15 July 1998 to instruct Commission 4 for Spatial Planning, Urban Issues, Energy and the Environment to prepare the Committee's work on this matter;

HAVING REGARD TO the conclusions set out in the Commission's Report of 4 December 1998 (COM(1998) 721 final) on the progress made in implementing Council Regulation (EC) No. 1404/96;

HAVING REGARD TO the previous opinion on the proposal for a Council Regulation (EC) amending Council Regulation (EEC) No 1973/92 establishing a financial instrument for the environment (LIFE) (CdR 301/95), adopted at its plenary session on 20 and 21 September 1995 (rapporteur: Mrs Du Granrut);²

HAVING REGARD TO the draft opinion (CdR 178/99 rev. 1) adopted unanimously by Commission 4 on 28 June 1999 (rapporteur: **Mr Maier, DE, EA**);

adopted unanimously the opinion set out below at its 30th plenary session on 15 and 16 September 1999 (meeting of 16 September 1999):

1. Introduction

1. *Life* has been the EU's key financial instrument for the environment since 1992. Prior to this date, the EU had a number of small environmental aid schemes, backed up by modest funding, and geared to particular sectors or geographically-defined areas. Although some notable successes were recorded, this fragmented approach was ultimately shown to be inefficient.
2. The *Life* Programme has, from the outset, been broadly based and tied in with the Fifth Community Action Programme on the Environment. The *Life* programme is therefore part of an overall EU strategy which embraces all environmental areas (nature, water, waste, the atmosphere) and seeks to incorporate environmental considerations into all measures pertaining to the economy.
3. *Life* Regulation (EEC) No. 1973/92, which came into force in 1992, was subsequently amended by Council Regulation (EC) No. 1404/96 establishing *Life II*. *Life II* comes to an end on 31 December 1999. As the aim of the *Life* Programme is to make a major contribution towards the Community's environmental objectives, the Commission proposes a third phase (*Life III*) running from the year 2000 to 2004.
4. The draft Council regulation under review draws lessons from the track records of *I*, *Life II* and makes suggestions for improving the programme, particularly with a view to increasing effectiveness and transparency.

2. Gist of the Regulation

1. *Life III* has three well-defined components (*Life-Nature*, *Life-Environment* and *Life-Third Countries*).
2. ***Life-Nature*** is designed to help bring about the establishment of the Natura 2000 European network and implementation of the Directive on the protection of the flora, fauna, habitat and wild birds. Support is to be provided, in particular, for conservation projects maintaining or re-establishing the natural habitats and populations of endangered species.
3. *Life-Nature* includes two new types of support measures: "starter" measures in respect of complex international projects; and "co-op" measures for promoting the exchange of information with a view to improving networking between projects dealing with similar themes, such as similar species or types of habitat.
4. ***Life-Environment*** promotes the development of innovative techniques and methods with the following key objectives:

- a) to integrate environmental considerations into spatial planning, in particular in urban areas,
- b) to promote sustainable industrial production with a view to minimising the environmental impact of industrial activities,
- c) to recycle waste of all kinds and ensure the sound management of waste streams,
- d) to achieve sustainable product management, involving in particular, an integrated approach to production, distribution and consumption which is designed to reduce the environmental impact,
- e) to develop new environmental measures.

- 5. In the above mentioned areas, *Life-Environment* will primarily support demonstration projects for techniques which have already gone beyond the purely research phase but which have not yet been applied on an industrial scale and are thus suitable for demonstration by pilot projects. *Life-Environment* thus bridges the gap between research and practical implementation.
- 6. *Life-Environment* also provides assistance for preparatory measures and accompanying measures. The accompanying measures underpin the evaluation and monitoring of projects and the dissemination of project results.
- 7. ***Life-Third Countries*** provides technical assistance with establishment of the necessary environmental capacities and administrative structures in Mediterranean and Baltic third countries. The applicant states are not regarded as "third countries" for the purposes of the *Life* Programme. Under the EU accession terms, these states are already able to take part in *Life-Nature* and *Life-Environment*.
- 8. It is proposed that *Life III* be allocated total funding of EUR 613 million for the period 2000-2004. The funding is to be broken down as follows: *Life-Nature* - 47%, *Life-Environment* - 47% and *Life-Third countries* - 6%. Aid provided under the *Life* Programme will take the form of co-financing. The EU contributions will cover between 30 and 50% of the eligible cost of projects. In the case of particular nature conservation projects, the rate may be increased to 75% and for accompanying measures it may even cover 100% of the costs.

3. Conclusions

- 1. The Committee of the Regions endorses continued application of the financial instrument for the environment (*Life*).
- 2. The Committee of the Regions is pleased to note that the duration of *Life III* is to be five years, i.e. one year longer than that of *Life II*. This will improve the scope for planning projects in the medium term and provide both applicants for aid and authorities with a higher level of certainty when drawing up their plans.
- 3. The Committee of the Regions welcomes the increased funding for *Life III*. The increase (*Life II*: ECU 450 m spread over four years; *Life III*: EUR 613 million spread over five years) is, however, inadequate in the Committee's view. However, the increase fails to take sufficient account of a) the increased importance attached to environmental protection by EU policy, as witness the Amsterdam Treaty and b) the fact that the *Life* Programme is already accessible to the applicant states, thereby

significantly increasing the number of potential applicants for aid.

4. The Committee of the Regions is pleased to note that the provisions governing the allocation of aid under the *Life* Programme have been made more transparent and that the eligibility requirements have been included in the *Life* Regulation itself.
5. In the Committee's view, however, the principle of sustainability should also be enshrined in the text of the regulation. The promotion of sustainable development should be included amongst the objectives set out in Article 1 in order to make it clear that the aim of the *Life* Programme is to promote balanced, sustainable development as well as contribute to the development of Community environment and sustainability policy in particular as regards the integration of sustainability principles into other policies and the implementing and updating of legislation.
6. The Committee of the Regions welcomes support being provided to nature conservation projects that restore the natural living environments and populations of endangered species. In this regard the COR refers to the importance of the ban on shooting birds during the breeding period.
7. With regard to *Life-Nature*, the Committee of the Regions is pleased to note that the deadlines for submitting applications and for decisions to be taken have been brought forward by three months; this will mean that *Life-Nature* projects can be implemented one cycle earlier.
8. The Committee of the Regions welcomes the fact that aid provided under *Life-Environment* is to be concentrated on five key areas
 - the incorporation of environmental considerations into spatial planning,
 - sustainable industrial production,
 - waste disposal,
 - sustainable product management,
 - the development of new environmental measures.

However, the Committee feels that the drive for sustainable-development should apply to all "business" activities and not just industry. Fundamental challenges requiring an innovative environmental approach exist in the craft and small-business sector. Waste disposal too should aim for sustainable-development.

9. The Committee of the Regions calls for the Member States or regions to be given an adequate say in the allocation of funding. The Committee particularly criticises the fact that the priority areas and preparatory and accompanying measures have not been determined in close liaison with the Member States and/or regions. As a result, the Member States or regions and local authorities have been given too little latitude in their medium-term planning and preparation of projects.
10. Recipients of funding under the *Life* Programme are obliged to provide very comprehensive reports. With a view to streamlining administrative procedures, the Committee of the Regions calls for the reporting requirement to be cut back to the essential level.

11. The Committee of the Regions urges that the discussions on *Life III* be concluded as quickly as possible to enable *Life III* to follow on seamlessly when *Life II* comes to an end on 31 December 1999.

Brussels, 16 September 1999.

The President

Acting Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

Manfred Dammeyer

Vincenzo Falcone

¹ OJ C 15, 20.1.1999, p. 4

² OJ C 100, 2.4.1996, p. 115

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