



European Economic and Social Committee

NAT/225
Life/extension

Brussels, 10 December 2003

OPINION

of the European Economic and Social Committee

on the

**Proposal for a Regulation of the European Parliament and of the Council amending
Regulation (EC) No. 1655/2000 concerning the Financial Instrument for the Environment
(Life)**

COM(2003) 667 final - 2003/0260 (COD)

On 19 November 2003 the Council decided to consult the European Economic and Social Committee, under Article 175(1) of the Treaty establishing the European Economic Community, on the

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No. 1655/2000 concerning the Financial Instrument for the Environment (Life)
COM(2003) 667 final - 2003/0260 (COD).

On 28 October 2003 the Committee Bureau instructed the Section for Agriculture, Rural Development and the Environment to prepare this opinion.

In view of the urgency of the matter, at its 404th plenary session held on 10 and 11 December 2003 (meeting of 10 December) the European Economic and Social Committee appointed **Mr Lutz Ribbe** as rapporteur-general and adopted the following opinion by 82 votes in favour, with 1 abstention.

1. Introduction

1.1 In May 1992 Regulation (EEC) No. 1973 established the *Financial Instrument for the Environment (Life)*. Its aim is to contribute to the implementation and development of Community environmental policy and legislation.

1.2 *Life I* ran from 1992 to 1995 and had a budget of €400 million (€100 per annum). In the wake of its success, Regulation (EC) No. 1404/96 launched a second phase (*Life II*) which ran from 1996 to 1999 with a total budget of €450 million (€112.5 per annum). The present *Life III* was established by Regulation (EC) No. 1655/2000 to run from 2000 to 2004 with a budget of €640 million (€128 per annum).

1.3 As the relevant regulation was not adopted until May 2000, *Life III* began more than six months late. One consequence of this regrettable delay is that the recent interim report¹ was able to assess only partially completed measures from *Life III*.

1.4 In the present draft regulation amending Regulation (EC) No. 1655/2000 the Commission is proposing:

- to continue *Life III* until 31.12.2006 and to provide a total budget of €317.2 million for 2005 and 2006 (€158.6 per annum);
- to bring the regulation fully into line with the new Financial Regulation;

¹ COM(2003) 668 of 5.11.2003. The EESC was not asked by the Commission for an opinion on this report but has nonetheless studied it closely and taken its findings into account in its comments.

- to revise the guidelines that define the priority areas for *Life*-Environment to link them more closely to the sixth Environment Action Programme;
- to bring out more clearly the complementarity with the research programmes, the Structural Funds and the rural development programmes;
- to increase the funding for accompanying measures from 5 to 6% of the budget.

2. General comments

2.1 In its opinion on *Life III*² the EESC has already underscored the importance of this instrument for the Community's environmental policy. Both the recent interim report and the special report of the European Court of Auditors³ basically support the EESC's views.

2.2 The EESC would point out that some of the shortcomings in the administration of Community funds criticised by the Court of Auditors cannot be laid at the door of *Life* itself but the EU's general finance regime. As long as the Environment DG does not have information on which specific projects are co-financed at Member State level with EU funds, e.g. under the Structural Fund operational programmes, there will always be some risk of partial double financing.

2.3 EU environmental policy faces major challenges:

- Sustainable development is becoming ever more important, including in connection with the Lisbon process.
- With the accession of ten new Member States, the EU and the present and future Member States will have many new tasks to accomplish.
- The implementation of international obligations (including the Kyoto Protocol) requires innovative advances to which *Life* has already made a highly positive contribution, often in conjunction with businesses and organised civil society groups.

2.4 To be able to meet these challenges, it is important that the EU should have its own – albeit relatively modest - environmental finance instrument so that it is able to push ahead with its efforts to develop and implement its environmental policies.

2.5 Therefore everything possible must be done to avoid any delay in continuing *Life* after its present phase expires at the end of 2004. The delays of 2000 must not be repeated.

2.6 The upcoming elections to the European Parliament and the appointment of a new European Commission at the end of 2004 could, however, slow down the preparations for *Life IV* next year. At the same time, the experience acquired to date with *Life III* is insufficient for it to make

² OJ C 209 of 22.7.1999, pp. 14-19

³ Special report No. 11/2003 on the Financial Instrument for the Environment

a meaningful contribution to the revision of the programme. As a new Community financing period starts after 2006, the EESC endorses the Commission's proposal to extend *Life* III until 31.12.2006. In this way continuity can be ensured and 2005 used to draw up a revised blueprint for *Life* IV.

2.7 The EESC notes that the *Life* now fulfils a highly varied and still growing number of functions. This is a clear indication that Community environmental policy still has many shortcomings which *Life* can help to overcome. However, bearing in mind the limited funding, the EESC considers it essential that its tasks be concentrated.

2.8 When in due course the content of *Life* is revised, some thought should be given to the length of future phases: *Life* I and II ran for four years, *Life* III – with a delayed start – for more than five years. The EESC thinks it worth considering aligning it on the running period of the environment action programmes which are intended to support the environmental contribution to sustainable development.

2.9 The EESC is prepared to share its ideas on the future shape of *Life* with the Commission. It considers that an intensive consultation process with civil society would be highly beneficial in the preparation of *Life* IV, so that this excellent and useful programme can be made even more effective in future.

3. **Specific comments**

3.1 The EESC welcomes and supports the draft regulation. Another delay in the *Life* instrument or even its abandonment would give out entirely the wrong signal for environment policy.

3.2 In particular the EESC welcomes the increase in the budget for accompanying measures from 5 to 6%. *Life* has had its shortcomings in the past and a failure to publicise its successes was certainly one. In this respect the proposed increase could be seen as a positive move.

3.3 In the EESC'S view the budget of €317.2 million is rather modest bearing in mind the many new tasks which *Life* will be called upon to fulfil with enlargement. The Community budgetary authorities should give a clear indication very soon as to the size of the *Life* IV budget.

Brussels, 10 December 2003.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Roger Briesch

Patrick Venturini
