



Commissioner Connie Hedegaard
Commissioner for Climate Action
European Commission
B – 1049 Brussels

Brussels, 19th November 2013

Ref: 13/134

Subject: Concerns over limiting the LIFE Climate Action sub-programme to finance loans for the private sector and large scale public projects

Dear Commissioner Hedegaard,

We are writing to you to express our concerns regarding proposals of DG CLIMA's officials, as captured in Euractiv article from 23 October 2013¹ that could prevent the use of LIFE Climate Action sub-programme for local action grants.

The LIFE programme already has 20 years of experience in effective and efficient financing of innovative and pilot actions for the environment, as well as for climate action, through projects at the local level. There is a wide agreement that LIFE action grants are especially effective in involving local stakeholders, in creating socio-economic benefits and in giving the EU a positive visibility that most other EU instruments are lacking. This particularity of the LIFE programme, recognised also by the European Court of Auditors,² is irreplaceable by any other fund in the EU budget.

We doubt whether suggestions to mobilise a significant amount of funds to leverage large scale projects in the private sector through a loan mechanism would improve the programme's ability to address its objectives and priorities. To the contrary, it will largely eliminate the existing strengths of this small fund, which are found in the classical projects approach: local effectiveness and efficiency, involvement of civil society and local authorities, and the achievement of synergies with other environmental priorities. In addition, LIFE programme would lose any significant visibility in achieving the EU's climate change objectives.

¹ <http://www.euractiv.com/science-policy-making/leaked-memo-threatens-european-c-news-531232>

² European Court of Auditors (2009): The sustainability and the Commission's management of the LIFE Nature projects. Special Report No.11



Other Institutions such as European Investment Bank (EIB), Germany’s Development Bank (Kfw), and the French Development Agency (AFD), already provide around EUR 15 billion per year in investments to the private sector for climate action.³ Therefore the use of extremely scarce LIFE budget of EUR 80 million yearly for financial instruments would not have a recognisable added value. On the other hand, it would mean delivering a huge blow to the possibility of mobilising grass root support for climate action.

During the EU Budget and LIFE regulation negotiations, the European Commission has given reassurance that it intends to seek effective synergies between LIFE CLIMA and LIFE Environment and that the new LIFE Climate Action instrument would create opportunities for the much needed land based mitigation and adaptation projects that can also deliver secondary benefits to biodiversity. We believe that the loan system being currently proposed would significantly undermine that original vision.

We are at your disposal for any questions you might have and we would be pleased to meet you in the coming weeks to discuss the work programme of LIFE Climate Action in more detail.

Yours sincerely,

Angelo Caserta
Regional Director
Birdlife Europe

Wendel Trio
Director
Climate Action Network Europe

Ágnes Zólyomi
Interim Secretary General
CEEweb for Biodiversity

Jeremy Wates
Secretary General
European Environmental Bureau

Magda Stoczkiewicz
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Marion Hammerl
President
Global Nature Fund

Sebastien Godinot
Economist
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³ http://www.unep.org/pdf/Mapping_report_final.pdf