

LIFE 2014-2020 – Environment Council negotiations under the Presidency of Cyprus

16th July 2012

After progress made in the first half of 2012 on the future of the LIFE funding programme, both in Environment Council and European Parliament, the signing organizations call on EU governments to propose further significant improvements of the European Commission's proposal under the Cypriot Presidency. These include, based on the recent Presidency compromise proposal of 13th July 2012:

- 1) **Use the debate on the LIFE Regulation to call for a higher overall budget of LIFE, in particular for financing the Natura 2000 network and biodiversity.**

In order to finance 15% (directly) or 20% (including 25% Member State co-financing) of Natura 2000:

ART. 4

1% of the EU budget and at least 12 billion EUR should be allocated to LIFE for 2014-2020;

ART. 9(2)

At least 65% of the budget for the LIFE-Environment sub-programme needs to be ring-fenced for "nature and biodiversity"; if the final total amount of the LIFE budget is lower than suggested above, the ring-fencing for nature and biodiversity needs to be higher (up to 75%);

Recently the position of Germany for a significant budget increase has been confirmed by a decision of the Environment Committee of the German Federal Parliament that would translate into a share of 0.7% of the EU Budget for LIFE (or more than doubling the European Commission's proposed total budget, to fund 10% of Natura 2000 and to increase the budget for LIFE Climate Action correspondingly)¹.

The draft report of the European Parliament's Rapporteur calls equally for a budget increase to allow LIFE to fund 10% of Natura 2000 costs.

¹ www.birdlife.org/community/2012/07/german-parliament-calls-eu-environment-spending-2014-2020

2) Ensure sufficient uptake of LIFE in times of public budget crisis

ART.20

The EU budget should co-finance all LIFE projects with 75% co-financing; higher rates (85%) should apply for projects in economically less developed regions, and especially high rates (90%) should be granted for countries that are subject to EU stability mechanisms;

Only in case a regular co-financing rate lower than 75% is decided, the current approach of granting 75% co-financing to projects focusing on priority species and habitats should be retained.

Already today it is hard for many LIFE applicants and Member States to mobilise the (normally required) co-financing of 50%. With increasing constraints on public budgets and expected cuts for environmental expenditure, we consider it highly necessary to increase the co-financing rate for LIFE projects to ensure uptake.

It could be explored if the possibility of a mid-term readjustment of co-financing rates depending on experience with uptake of LIFE projects could be introduced.

3) Ensure sufficient budget available for traditional LIFE projects, while allowing Integrated Projects to be tested in a meaningful way

ART.17 (5)

The maximum share for Integrated Projects of the budgetary resources dedicated to action grants should be 20%, at least in the field of nature/biodiversity (*current Council draft: 30%, European Commission proposal corresponds to approx. 50% in the field of biodiversity*).

ART.2(d)

Limit thematic scope of Integrated Projects to the areas of nature, water and ecosystem based climate change projects to compensate for the reduced budget.

The introduction of Integrated Projects is welcomed, however we strongly object to the plans indicated by the European Commission to reduce the budget allocated to traditional bottom-up projects by almost 50% until the end of the financial period.²

Only for maintaining (while an increase would be necessary) the absolute budget for traditional projects in the field of nature/biodiversity it would be necessary to limit the share of Integrated Projects to approximately 20-25% - if the LIFE overall budgets remained as proposed by the European Commission. Any increase of the overall budget compared to the EC's proposal should equally benefit both Integrated and Traditional Projects.

In order to ensure nevertheless sufficient budget available for the Integrated Projects, the thematic scope (and required budget) for these should be reduced by 50%, focusing only on nature, water and climate change (ecosystem oriented mitigation *or* adaptation).

In these areas the integration of EU funds and policies is most needed and suitable processes already exist. Other areas should only be added after a mid-term evaluation, and if sufficient budget is available.

² in the area of nature/biodiversity from currently 120 million/year to 66 million/year, corresponding to a decrease from 80 to only 44 projects per year (see Legislative Financial Statement of the European Commission to the LIFE proposal, chapter 3.2.2)

4) Expand the scope of LIFE to the EU's Overseas Territories (OCTs)

ART.5

Add the following text: (d) the overseas countries and territories referred to in Decision 2001/822/EC (*in addition to the welcomed recital 7*).

The EU's 21 OCTs host some of the Union's most precious environmental heritage, e.g. 7% of the world's coral reefs. Also, OCTs are home to millions of EU citizens, the majority of them represented in the European Parliament. These communities are highly vulnerable to climate change and particularly dependent on the health of local ecosystems for their livelihoods and cultures.

Due to their association with the EU, OCTs are excluded from any international aid programmes.

Alongside Member States, the EU has a key role to play to fill this gap and support OCTs in the face of biodiversity loss and climate change. The BEST scheme initiated by the European Commission's DG Environment is insufficient to address this situation, and its future sources of funding remain unclear.

By opening LIFE funding to OCTs the EU has the potential to increase its positive influence in parts of the world that are crucial to solving the biodiversity crisis.

5) Focus LIFE Climate Action on synergies with other environmental objectives

RECITALS 16, 17, 18 and ART. 14, 15, 16

These recitals/articles should make specific reference to the need to focus LIFE support on projects on seek synergies between environmental objectives, in particular on ecosystem based mitigation or adaptation strategies.

Carbon Capture and Storage should not be specifically stressed in the recitals for LIFE funding, as currently spelled out in Recital 16.

As a very small fund LIFE Climate Action has a very limited potential to significantly reduce greenhouse gases. Therefore, there is a strong need for LIFE to deliver on innovative approaches for multiple environmental benefits, such as protecting biodiverse peatlands for carbon storage or creation of Green Infrastructure for flood prevention. LIFE should not fund areas where other (EU) funds are more appropriate.

6) Ensure LIFE continues to be managed by the European Commission, not by an External Agency

ADD as new RECITAL:

Given the long-standing experience of the Commission's Directorate General (DG) responsible for the environment with managing the LIFE programme and projects and the positive experience of LIFE beneficiaries with external Monitoring Teams, the management of the full LIFE Programme should stay within DG Environment.

The proposal of moving the administration of LIFE to an **external agency would have significant negative consequences:**

- as understood from the European Commission it planned to use an existing agency, without any technical experience/competence to deal with the aspects of environmental and biodiversity policy and questions around nature conservation/biology/ecology- the quality, effectiveness and policy orientation of LIFE would suffer significantly;

- external agencies and their staff (with a high fluctuation) do not have the long-term experience that European Commission officials have built over the past with applicants/beneficiaries, something that is very valuable when understanding the local/national context, social background and chances of success related to a particular project;
- this change is likely to imply the elimination of the de-centralised monitoring teams and with it the possibility to have a frequent and direct contact in case of questions, problems or potential changes;
- external agencies are significantly more exposed to pressure coming from different sectors that could jeopardize the independency of both project awarding and monitoring processes.

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