

Financial Instrument for the Environment (LIFE+) 2007-2013

2004/0218(COD) - 27/06/2006 - Council position

The Council's common position incorporates half of the European Parliament's first reading amendments, either verbatim, in part or in spirit. In particular, it makes provision for a specific nature and biodiversity component and establishes general eligibility criteria to ensure "European added value". A number of changes, not included in Parliamentary amendments, have been included in the Common Position. In summary, the Common Position, has made the following adjustments:

Purpose, definitions and eligibility criteria: The Council has made a distinction between the "general objective" (Article 1) and the "specific objectives" (Article 4). The 6th Community Environmental Action Programme and its objectives have not been paraphrased. The Council has, however, clarified some of the eligibility criteria to ensure that Community co-financing through LIFE+ has a European dimension or "European added value". This establishes the principle that LIFE + will not finance day-to-day operations.

Specific objectives: the Council has taken on board Parliamentary suggestions to create a new component specifically dealing with "nature and biodiversity". References to eco-technologies and forests have also been incorporated into the common position. Annex I has been changed so that it is now a list of exhaustive, as opposed to indicative, measures. The Council Considers that the objectives and criteria set out in Article 1, 3 and 4 plus the list of eligible measures set out in Annex I are sufficient to define the scope and boundaries of LIFE+.

Financial Provisions: The Council has rejected Parliamentary financial proposals regarding the funding of LIFE+. The Common Position provides for a financial envelope of EUR 1 854 372 000 – a figure consistent with the May 2006 agreement on the Financial Framework (2007-2013). On the matter of the indicative division of the LIFE+ budget, the Common Position is fully consistent with that of the Parliament. However, rather than giving a figure for each of the three components, the Common Position provides greater flexibility by ring-fencing 40% of the budget for measures in support of nature conservation and biodiversity. The common position conforms to the Parliamentary proposal of setting a general maximum co-financing rate of 50% and is partially consistent with the proposed higher rate of 75% for co-financing certain nature protection projects. The cost of co-financing staff has also been clarified in a manner consistent with current practice and the Financial Regulation.

On the matter of listing potential beneficiaries of LIFE+ funding, the Council has opted to reject this amendment on the grounds that there is no specific need to do so. The Council does agree, however, with the principle of complementarity – in other words LIFE+ should not finance measures which fall within the eligibility criteria of other Community financial instruments.

Programming approach: The Common Position has clarified considerably what procedures should be used regarding delegating part of the budget to the Member States. The common position provides for greater precision on the respective roles of the Member States and the Commission and on the types of expenditure that will fall under the centrally managed part of the budget – this applies to NGO's in particular. Detailed criteria for the allocation of the delegated part of the budget have been set out. Two criteria have been created: 1) Population (including population density given that this forms a proxy for many environmental pressures); and 2) Nature and biodiversity. The later being based on the absolute and relative size of designated sites.

The Common Position has accepted that LIFE+ could fund transnational measures, whilst giving Member States enough flexibility to take account of national and regional priorities. On the other hand, the Council has decided not to accept Parliamentary proposal relating to the adoption of multi-annual strategic programmes through the co-decision procedure given that such an approach would unduly delay the funding of environmental projects.

Comitology: The Common Position is broadly consistent with Parliamentary amendments in that all key decisions will be subject to the regulatory procedure

Other: In other matters, the Common Position has: slightly expanded the preamble to clarify key provisions in the body of the Regulation; included Commission requirement to carry out and report on follow-up measures (including the time-frame for the submission of these reports); deleted any provisions regarding job creation, given that the Commission would not be able to ensure that LIFE+ could lead to any job creation.

To conclude, the Council is of the view that the Common Position represents a balanced package and complements other Community financial instruments.