

# Establishing a programme for the environment and climate action (LIFE)

Impact assessment (SWD(2018) 292, SWD(2018) 293 (summary)) accompanying a Commission proposal for a regulation of the European Parliament and of the Council on the establishment of a programme for the environment and climate action (LIFE)

*This note is one of a series of brief initial appraisals of European Commission impact assessments (IA) accompanying the multiannual financial framework (MFF) proposals, tailored to reflect the specificities of the MFF package and the corresponding IAs.<sup>1</sup> It provides an initial analysis of the strengths and weaknesses of the European Commission's [impact assessment](#) (IA) accompanying the above-mentioned [proposal](#), submitted on 1 June 2018 and referred to the Parliament's Committee on Environment, Public Health and Food Safety (ENVI).*

## Political and legal context; objectives

The LIFE programme is the only EU fund entirely dedicated to environmental and climate objectives. It finances demonstration and best practice actions and actions that facilitate use, upscaling and awareness of green solutions to prepare the ground for their large-scale deployment (IA, pp. 5-6). In the framework of the MFF 2021-2027, the Commission has proposed to continue the current LIFE programme and to increase its budget and scope to include capacity-building projects related to clean energy.<sup>2</sup>

The IA sets the following **general objective** for the LIFE programme (IA, p. 16): to contribute to the shift towards a clean, circular, energy-efficient, low-carbon and climate-resilient economy, including through the transition to clean energy, to the protection and improvement of the quality of the environment and to halting and reversing biodiversity loss, thereby contributing to sustainable development.

The **specific objectives** of the programme are three-fold (IA, p. 16):

1. To develop, demonstrate and promote innovative techniques and approaches for reaching the objectives of Union legislation and policy on environment and climate action, including the transition to clean energy, and to contribute to the application of best practices in relation to nature and biodiversity;
2. To support the development, implementation, monitoring and enforcement of relevant Union legislation and policy, including by improving governance through enhancing capacities of public and private actors and involving civil society;
3. To catalyse the large-scale deployment of successful technical and policy-related solutions for implementing relevant Union legislation and policy by replicating results, integrating related objectives into other policies and into public and private sector practices, mobilising investment and improving access to finance.

Drawing on the lessons learned from the [final](#) and [mid-term](#) evaluations of the LIFE programme and addressing the cross-cutting objectives<sup>3</sup> of the future MFF, the IA defines **four operational goals**, also referred to as **challenges** (IA, p. 17): 1) to avoid gaps and ensure coherence with other EU programmes; 2) to improve the strategic focus of LIFE; 3) to improve LIFE's performance and catalytic role; and 4) to increase the efficiency and simplify the management of LIFE. The specific objectives and operational goals are phrased in rather

general terms and are therefore not sufficiently specific or measurable, thus not fully meeting the 'SMART' requirements of the [Better Regulation \(BR\) Guidelines](#).

## Programme structure and priorities; delivery mechanisms of the intended funding

The current LIFE programme includes two sub-programmes – environment and climate – and has three main types of delivery mechanisms: grants, financial instruments and public procurement contracts. According to the IA, the **priorities** of the LIFE programme remain unchanged compared to the 2014-2020 period, namely to support the development and implementation of the EU's environment and climate policy, through catalytic actions that improve compliance on the ground at all levels (IA, p. 18). In order to address the operational challenges, the IA proposes a total of 19 options to change the LIFE programme in terms of programme coverage, delivery mechanisms and programme management, in addition to the baseline scenario (IA, pp. 18-19). According to the IA, these options are not alternatives, but rather measures that are assessed individually and can function in synergy. Based on the effectiveness, efficiency and coherence assessment (Annex 8), the IA retains **12 options** for further analysis. These options are summarised in the table below:

A. Programme coverage/geographical and technical scope – operational challenge 1	
Option 1	Extend the scope of the LIFE programme to include capacity-building projects related to renewable and sustainable energy
Option 2	Extend the scope of the LIFE programme to improve mainstreaming for nature and biodiversity (projects supporting Natura 2000 network)
Option 3	Extend eligibility of LIFE to the EU's Overseas Countries and Territories specifically for nature and biodiversity actions within the Environment sub-programme
B. Programme's delivery mechanisms – operational challenges 2 and 3	
Option 4	Expand the scope and scale of Strategic Integrated Projects
Option 5	Provide targeted support to upscale and replicate successful projects
Option 6	Replace national capacity-building projects (for certain Member States only) and reinforce the entire network of national contact points
Option 7	Increase the co-financing rate
Option 8	Systematically define and develop synergies with other instruments
Option 9	Deliver financial Instruments through a central fund (InvestEU)
Option 10	Improve the strategic focus of the programme by simplifying the Regulation and the Multiannual Work Programme
C. Programme's management – operational challenge 4	
Option 11	Reduce the administrative burden for the applicants/beneficiaries
Option 12	Streamline procedures for the implementation of the EU budget

Source: IA, p. 21.

The assessment of options in terms of their effectiveness, efficiency and coherence is not entirely consistent (in that not all aspects are assessed for each option). The assessment of economic, social and environmental impacts for each option is done qualitatively and in a balanced way. The IA does not identify preferred option(s). However, it concludes that option 1 is clearly desirable and should be implemented as a priority, provided the new LIFE programme is equipped with the necessary funding. In particular, according to the IA, option 1 has greater positive impacts on ensuring coherence in the overall MFF structure and synergies in energy, environmental and climate policies' implementation on the ground. Overall, the range of options and the assessment of impacts provided in the IA is largely in line with the requirements of [Tool #10 Financial](#)

[Programmes and Instruments](#) of the BR Guidelines. However, the IA would have gained in providing a risk assessment and in considering which options should be implemented together and their overall impact.

#### Budgetary or public finance implications

The financial envelope for the period 2021-2027 is set at € 5.45 billion in current prices, in comparison to € 3.45 billion for the period 2014-2020.

#### SME test / Competitiveness

The IA does not mention whether SMEs would be affected by the proposal, nor does it assess impacts on them.

#### Relations with third countries

The IA does not discuss the international dimension of the LIFE programme, although according to the proposed regulation, it would be open to selected third countries (Article 6 of the proposal).

#### Simplification and other regulatory implications

Options 11 and 12 were designed to address the operational challenge of simplification and reduction of administrative burden on beneficiaries.

### Subsidiarity / proportionality

The IA does not discuss subsidiarity or proportionality of the proposal or the proposed options. According to the proposal's explanatory memorandum, the legal basis for EU action on the environment and climate change is Article 192 TFEU. The Czech Senate and the Romanian Chamber of Deputies issued a number of recommendations. The deadline for submissions was 17 September 2018.<sup>4</sup>

### Quality of data, research and analysis

The IA is substantiated by several studies and reports. These include the [final evaluation](#) of the LIFE+ programme (2007-2013), the [mid-term evaluation of LIFE programme](#) (2014-2020) supported by an external [evaluation report](#), an IA support study carried out by an external consultant and a JRC contribution on the future indicators at programme level.<sup>5</sup> Additionally, the IA provides an environmental problems and needs assessment (Annex 4), an EU added value assessment (p. 20) and an extensive list of references used to develop the IA report and its options (IA, pp. 52-54). Therefore, the quality of the IA data and analysis is largely in line with the requirements of the BR Guidelines.

### Stakeholder consultation

The Commission conducted [six online public consultations](#) for the MFF proposals clustered by policy areas, rather than carrying out one online public consultation for each accompanying IA as normally required by the Better Regulation Guidelines. However, the IA does not report anything on the results of the MFF consultation. Instead, it states that it was not considered necessary to organise a new, broad public consultation for the IA, as the stakeholders were already consulted under the mid-term evaluation (IA, p. 12). According to the IA, further discussions, including with environmental NGOs, Commission Directorates General and the European Agency for Small and Medium Enterprises were undertaken. These, however, were limited and cannot be considered representative, according to the IA (p. 56). Nonetheless, the Commission seems to have taken stakeholder responses seriously, because their suggestions to increase co-financing rates, reduce administrative burden and include an energy component in the future LIFE programme, were included in the IA as options. Stakeholder views are reflected in Annex 2 of the IA and broken down by category (IA, pp. 55-62).

### Monitoring and evaluation

As part of the new evaluation framework for the projects, the IA proposes to combine several data sources, thereby shifting the data collection burden from the beneficiaries to the monitors (among others, the Commission). The discussion of the monitoring and evaluation provisions provided in the IA is rather detailed, but the link between the proposed objectives and the monitoring and evaluation framework is not clear. Evaluation provisions are included in article 19 of the proposal and monitoring indicators in its Annex 2, although the latter is missing the process, outcome and impact indicators contained in the IA.

## Commission Regulatory Scrutiny Board

The Regulatory Scrutiny Board (RSB) issued a positive [opinion](#) with reservations on a draft IA on 13 April 2018. Its main observations were that the report 1) downplays the implications of extending LIFE to also support Natura 2000 in the structure, implementation and funding of the programme; and 2) does not establish the basis to demonstrate the catalytic role of LIFE in its monitoring and evaluation proposal. Annex 1 of the IA gives a detailed account of the modifications made to its text following the RSB's recommendations. Overall, the IA seems to have responded to the comments expressed in the RSB opinion.

## Coherence between the Commission's legislative proposal and IA

The proposal appears to be based on options 1, 2, 4, 8, 10 and 12 of the IA. The proposal's explanatory memorandum does not explain why the other options were not included.

## Conclusions

For the 2021-2027 programming period, the Commission has proposed to continue the current LIFE programme and to increase its budget and scope. Overall, the range of options, the assessment of impacts, the quality of data and the analysis provided in the IA are largely in line with the requirements of the Better Regulation Guidelines. However, the IA does not mention whether SMEs are affected by the proposal; nor does it discuss the international dimension of the LIFE programme, subsidiarity and proportionality, or the proposed options. Consultation activities for the IA were limited and according to the IA itself cannot be considered representative, although the Commission does seem to have taken stakeholder responses seriously. The specific objectives and operational goals are phrased in rather general terms and the link between the proposed objectives and the monitoring and evaluation framework is not clear.

## ENDNOTES

<sup>1</sup> The almost parallel adoption of the spending programmes and the MFF proposals had an impact on the IA process and resulted in simplified IAs, with their format and scope differing from the standard IAs as defined by the Commission's Better Regulation Guidelines (see also [Toolbox 10 Financial Programmes and Instruments](#)).

<sup>2</sup> For further information about the proposal, see D. Yougova, [LIFE programme 2021-2027](#), EPRS, European Parliament, November 2018.

<sup>3</sup> According to the IA, these are: greater efficiency (simplification and flexibility), improved coherence, better synergy with other programmes and increased effectiveness (IA, p. 16).

<sup>4</sup> See the Platform for EU Interparliamentary Exchange (IPEX).

<sup>5</sup> The latter two sources are not available online at the time of writing.

This briefing, prepared for the Committee on Environment, Public Health and Food Safety (ENVI), analyses whether the principal criteria laid down in the Commission's own Better Regulation Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal.

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