

# EUROPEAN PARLIAMENT

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FINAL  
**A5-0137/2004**

11 March 2004

**\*\*\*I**  
**REPORT**

on the proposal for a European Parliament and Council regulation amending Regulation (EC) N° 1655/2000 concerning the Financial Instrument for the Environment (LIFE)  
(COM(2003) 667 – C5-0527/2003 – 2003/0260(COD))

Committee on the Environment, Public Health and Consumer Policy

Rapporteur: Caroline F. Jackson

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## PROCEDURAL PAGE

By letter of 5 November 2003 the Commission submitted to Parliament, pursuant to Articles 251(2) and 175(1) of the EC Treaty, the proposal for a European Parliament and Council regulation amending Regulation (EC) N° 1655/2000 concerning the Financial Instrument for the Environment (LIFE) (COM(2003) 667 – 2003/0260(COD)).

At the sitting of 17 November 2003 the President of Parliament announced that he had referred the proposal to the Committee on the Environment, Public Health and Consumer Policy as the committee responsible and the Committee on Budgets for its opinion (C5-0527/2003).

The Committee on the Environment, Public Health and Consumer Policy appointed Caroline F. Jackson rapporteur at its meeting of 27 November 2003.

The committee considered the Commission proposal and draft report at its meetings of 27 January 2004, 9 February 2004 and 8 March 2004.

At the last meeting it adopted the draft legislative resolution by 40 votes to 1, with 0 abstentions.

The following were present for the vote: Alexander de Roo (acting-chairman), Guido Sacconi (vice-chairman), Caroline F. Jackson (rapporteur) and Jean-Louis Bernié, Hans Blokland, David Robert Bowe, John Bowis, Martin Callanan, Raquel Cardoso, Chris Davies, Säid El Khadraoui, Francesco Fiori (for Eija-Riitta Anneli Korhola, pursuant to Rule 153(2)), Karl-Heinz Florenz, Robert Goodwill, Jutta D. Haug (for Dorette Corbey), Marie Anne Isler Béguin, Martin Kastler, Hedwig Keppelhoff-Wiechert (for María del Pilar Ayuso González), Hans Kronberger, Peter Liese, Giorgio Lisi (for Paolo Costa), Torben Lund, Albert Jan Maat (for Avril Doyle), Minerva Melpomeni Malliori, Erik Meijer (for María Luisa Bergaz Conesa), Rosemarie Müller, Neil Parish (for Marialiese Flemming), Marit Paulsen, Encarnación Redondo Jiménez (for Cristina García-Orcoyen Tormo), Dagmar Roth-Behrendt, Jacqueline Rousseaux, Yvonne Sandberg-Fries, Karin Scheele, Ursula Schleicher (for Françoise Grossetête), Jonas Sjöstedt, Renate Sommer (for Cristina Gutiérrez Cortines), María Sornosa Martínez, Catherine Stihler, Charles Tannock (for Christa Klauß), Nicole Thomas-Mauro and Peder Wachtmeister.

The opinion of the Committee on Budgets is attached.

The report was tabled on 11 March 2004.

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a European Parliament and Council regulation amending Regulation (EC) N° 1655/2000 concerning the Financial Instrument for the Environment (LIFE) (COM(2003) 667 – C5-0527/2003 – 2003/0260(COD))**

**(Codecision procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2003) 667)<sup>1</sup>,
  - having regard to Articles 251(2) and 175(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C5-0527/2003),
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Consumer Policy and the opinion of the Committee on Budgets (A5-0137/2004),
1. Considers that the financial statement of the Commission proposal is compatible with the ceiling of heading 3 of the financial perspective without restricting other policies;
  2. Approves the Commission proposal as amended;
  3. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  4. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

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Amendments by Parliament

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### Amendment 1 RECITAL 5

(5) LIFE should be reinforced as a specific financial instrument, complementary to the Community Research Programmes and to the Structural Fund and Rural Development Programmes.

(5) LIFE should be reinforced as a specific financial instrument, complementary to the Community Research Programmes and to the Structural Fund and Rural Development Programmes. ***Appropriate mechanisms should be put in place to avoid the risk of double funding.***

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<sup>1</sup> Not yet published in OJ.

*Justification*

*In its special report on the financial management of LIFE II the Court of Auditors calls on the Commission to put in place the necessary safeguards against double-funding. It seems appropriate to mention explicitly this objective. See also amendment8.*

Amendment 2

ARTICLE 1, POINT 1, POINT A A (new)

Article 3, paragraph3, point (b a) (new) (Regulation (EC) No.1655/2000)

***(aa) In paragraph 3, the following point is added :***

***"(ba) Only the salaries of public employees specifically recruited to work on LIFE projects or staff recruited to replace public employees working on such projects and the salaries of public employees working exclusively on LIFE projects shall be considered eligible for co-financing".***

*Justification*

*This amendment addresses the concern voiced by the Court of Auditors with regard to the financing of the salaries of civil servants. It ensures that Community money has a real added value by encouraging public administrations to devote additional resources, including staff, on LIFE projects (see also amendment4).*

Amendment 3

ARTICLE 1, POINT 1, POINT A A (new)

Article 3, paragraph 3 a (new) (Regulation (EC) No.1655/2000)

***(aa) After paragraph 3 the following paragraph is added:***

***"3a. In the case of land purchases made by private entities with the aid of LIFE funds, these must be managed and safeguarded in perpetuity for the purposes set out in the LIFE regulation. The Commission shall ensure the transfer of ownership of such land to a public body if private entities are unable to fulfil the objectives of the LIFE regulation."***

Amendment 4  
ARTICLE 1, POINT 2, POINT (A A) (new)  
Article 4 (3), new subparagraph (Regulation (EC) No.1655/2000)

*(aa) At the end of paragraph 3, the following subparagraph is added:*

***"Only the salaries of public employees specifically recruited to work on LIFE projects or staff recruited to replace public employees working on such projects and the salaries of public employees working exclusively on LIFE projects shall be considered eligible for co-financing".***

*Justification*

*See amendment 2.*

Amendment 5  
ARTICLE 1, POINT 2, POINT B  
Article 4, paragraph 4, subparagraph 3 a (new) (Regulation (EC) No 1655/2000)

***The Commission shall also establish guidelines on preparatory projects referred to in paragraph 2(b). It shall publish such guidelines in the Official Journal of the European Union and inform the committee referred to in Article 11(1) of their publication.***

*Justification*

*To widen the scope of the guidelines for LIFE-environment to cover both demonstration and preparatory projects.*

Amendment 6  
ARTICLE 1, POINT 2, POINT B A (new)

Article 4, paragraph 6, points (d) and (e) (Regulation (EC) No 1655/2000)

*(ba) Points (d) and (e) shall be replaced by the following:*

*“(d) being capable of promoting the wide application and dissemination of practices, technologies and/or products conducive to environmental protection*

*(e) aiming at developing and transferring innovative technologies or methods which can be used in identical or similar situations, particularly in new Member States”;*

#### *Justification*

*To soften the current reference, in point (d), to the “widest possible application” of practices, technologies and products; and to emphasise the particular relevance of point (d) to new Member States.*

#### Amendment 7

#### ARTICLE 1, POINT 2, POINT C

Article 4, paragraph 8, point (a) (Regulation (EC) No 1655/2000)

(a) projects to be financed pursuant to paragraph 2(b) and accompanying measures to be financed pursuant to paragraph 2(c)(i) shall, after consultation of the committee mentioned in Article 11(1), be the subject of calls for proposal. Member States may submit proposals for projects to be financed pursuant to paragraphs 2(b) to the Commission;

(a) projects to be financed pursuant to paragraph 2(b) and accompanying measures to be financed pursuant to paragraph 2(c)(i) shall, after consultation of the committee mentioned in Article 11(1), be the subject of calls for proposal. Member States may submit proposals for projects to be financed pursuant to paragraphs 2(b) **and accompanying measures to be financed pursuant to paragraph 2(c)(i)** to the Commission;

#### *Justification*

*To align the rule for LIFE-environment more closely on the corresponding rule for LIFE-Nature (Article 3(8)).*



Amendment 8  
ARTICLE 1, POINT 3 A (new)  
Article 7, title and paragraph 1 (Regulation (EC) No.1655/2000)

Consistency between financial instruments

1. Without prejudice to the conditions for accession candidate countries set out in Article 6, projects receiving aid provided for under the Structural Funds or other Community budget instruments shall not be eligible for financial assistance under this Regulation.

Consistency **and complementarity** between financial instruments

1. Without prejudice to the conditions for accession candidate countries set out in Article 6, projects receiving aid provided for under the Structural Funds or other Community budget instruments shall not be eligible for financial assistance under this Regulation. ***The Commission shall ensure that applicants' attention is drawn to the fact that they cannot cumulate subsidies from different Community funds. It shall also set up internal control mechanisms to avoid risks of double funding.***

*Justification*

*See amendment 1.*

Amendment 9  
ARTICLE 1, POINT 4, POINT A  
Article 8 (1), new subparagraph (Regulation (EC) No.1655/2000)

The third phase is extended by two years until 31 December 2006. The financial framework for the implementation of the extended phase in the period 2005/2006 is hereby set at ***EUR 317.2 million. In the case LIFE were to be discontinued after this phase and*** in order to ensure the monitoring and auditing of projects still active at the end of 2006, appropriations ***for projects and*** for accompanying measures ***shall continue until*** 31 December 2010.

The third phase is extended by two years until 31 December 2006. The financial framework for the implementation of the extended phase in the period 2005/2006 is hereby set at ***EUR 354 million. The budgetary authority shall authorise annual appropriations in the context of the annual budgetary procedure and within the limits of the applicable financial perspective. In addition,*** in order to ensure the monitoring and auditing of projects still active at the end of 2006, ***the budgetary authority shall authorise annual appropriations for accompanying measures for the period from 1 January 2007 to 31 December 2010 within the limits of the financial perspective in force***

*for that period.*

#### *Justification*

*According to the Commission proposal, the total amount of funding will be 150 million euros per year in 2005 and 2006, compared to a figure of 168.4 million euros in 2004. Funding for the period 2000-2004 was calculated at the level of 8,5 million euros/year/Member State. If the same level of funding were continued the financial framework would need to be increased to 425 million. This amendment increases the proposed budget more modestly and intends to keep LIFE funding at 2004 levels (168.4 million for 2005 + 168.4 million for 2006 + 17.2 million for administration in 2007-2010 = 354 million euros). This is vital to ensure sufficient funds for LIFE projects in accession countries. The money available for LIFE is currently insufficient to tackle the main problems and threats to the implementation of Natura 2000 and the conservation of the habitats and species in these countries. The wording concerning future continuation of LIFE is not necessary.*

*The Commission insists that appropriations should be made available beyond the official expiry of the programme in 2006 to ensure that the Commission can continue to monitor and evaluate projects. This might be the case since, under the new Financial Regulation, administrative and technical assistance is to be considered non-differentiated, i.e. commitments cannot be paid over several years. However, the availability of CA after 2006 should be subject to the outcome of the negotiations for the next FP and to the decision taken by the budgetary authority every financial year and should under no circumstances be used to finance projects.*

#### Amendment 10

##### ARTICLE 1, POINT 4 A (new)

Article 9, paragraph 1, subparagraph 2 a (new) (Regulation (EC) No.1655/2000)

***4a. In article 9, paragraph 1 the following subparagraph is added:***

***"The Commission shall ensure that the results of all funded projects are disseminated to the general public and shall further demonstrate how the skills and experience gained may be reproduced elsewhere."***

#### *Justification*

*Experience gained needs to be well advertised, in order for other promoters to take advantage of it and for best practice to be implemented in other projects.*

Amendment 11  
ARTICLE 1, POINT 4 B (new)  
Article 9, paragraph 5 a (new) (Regulation (EC) No. 1655/2000)

***4b. In article 9 the following paragraph is added***

***"5a. The Commission shall publish annually a complete list of projects financed including a short description and a summary of funds expended in each case."***

Amendment 12  
ARTICLE 1, PARAGRAPH 5  
Article 11 (2) (Regulation (EC) No 1655/2000)

2. Where reference is made to this paragraph, **Articles 4** and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

***The period referred to in Article 4(3) of Decision 1999/468/EC shall be set at three months.***

2. Where reference is made to this paragraph, **Articles 3** and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

*Justification*

*Council Decision 199/468/EC (second comitology decision) leaves the EC legislator a certain margin of appreciation in the choice of the procedure applicable for management measures. The advisory procedure gives the Commission greater autonomy in managing EC funds. This means that the Commission can take full responsibility for the management of the programme. It is then up to the Parliament to scrutinize the way in which this task is achieved.*

Amendment 13  
ARTICLE 1, POINT 6  
Article 12 (Regulation (EC) No 1655/2000)

Not later than **30 September 2006**, the Commission shall submit to the European Parliament and the Council a report **on** the implementation of this Regulation, its contribution to the development of Community environmental policy, and the use made of the appropriations.

**1.** Not later than **30 September 2005**, the Commission shall submit to the European Parliament and the Council a report **updating the mid-term review submitted in November 2003 and evaluating** the implementation of this Regulation, its contribution to the development of Community environmental policy, and the use made of the appropriations **together, if appropriate, with a proposal concerning a fourth phase of LIFE, or alternative arrangements for a financial instrument in the environmental field, to apply from 2007 onwards.**

**2. The European Parliament and the Council, acting in accordance with the Treaty, shall decide no later than 1 July 2006 on the implementation of the fourth phase, or alternative arrangements, as from 1 January 2007.**

*Justification*

*Parliament needs to be informed about a possible extension of the programme in the context of the negotiations for the new Financial Perspective. The date foreseen by the Commission for a full-blown evaluation report is therefore too late. The Commission must therefore give a signal about its intentions in the context of the 2006 budgetary procedure.*

*The need for fully implementing the Community 6th Environmental Action Program and the EU Sustainable Development Strategy calls for the reinforcement of Environmental Community Financial Instruments. From 2004, the European Union will have ten more new Member States. LIFE has proved to be a fundamental financial instrument for the achievement of the objectives of Community environment policy. Thus, it will become even a more crucial instrument in the future.)*

## EXPLANATORY STATEMENT

Life III expires on 31 December 2004. This proposal intends to extend the existing instrument in order to ensure continuity until a new approach is developed in view of the new post-2006 financial perspectives.

An extension of the existing Regulation should avoid a legal gap between the end of the LIFE III phase on 31 December 2004 and the introduction of the new financial perspectives. The extension should therefore cover an interim period of two years and include certain modifications to the existing Regulation.

Your rapporteur considers that a comprehensive appraisal of the LIFE Regulation will be required when the two year interim period expires. Nevertheless, the Parliament now has the chance to compare the changes proposed to the LIFE programme for the next two years with the remarks made in the recent Court of Auditors report on LIFE II and in the mid-term review of LIFE III.

At this stage, in the view of your rapporteur, it is of importance to take into account in this "interim" regulation some points made in those reports.

That is why your rapporteur suggests three amendments to the proposal, aiming at assuring that land purchased by private entities with LIFE funds are transferred to public bodies if they are unable to fulfil the objectives of the LIFE regulation.

There is also a necessity to improve the dissemination of the results of the projects funded and ensuring that experience gained can benefit to other initiatives.

The rapporteur is confident that with goodwill on all sides these amendments can be agreed with the Council at first reading.

18 February 2004

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on the Environment, Public Health and Consumer Policy

on the proposal for a European Parliament and Council regulation on amending Regulation (EC) N° 1655/2000 concerning the Financial Instrument for the Environment (LIFE) (COM(2003) 667 – C5-0527/2003 – 2003/0260(COD))

Draftswoman: Jutta D. Haug

### **PROCEDURE**

The Committee on Budgets appointed Jutta D. Haug draftswoman at its meeting of 26 November 2003.

It considered the draft opinion at its meeting of 17 February 2004.

At this meeting it adopted the following amendments unanimously.

The following were present for the vote: Terence Wynn (chairman), Reimer Böge (vice-chairman), Anne Elisabet Jensen (vice-chairwoman), Franz Turchi (vice-chairman), Jutta D. Haug (draftswoman), Ioannis Averoff, Joan Colom i Naval, Den Dover, Göran Färm, Markus Ferber, Salvador Garriga Polledo, Neena Gill, Christopher Heaton-Harris (for Edward H.C. McMillan-Scott), María Esther Herranz García, John Joseph McCartin, Jan Mulder, Juan Andrés Naranjo Escobar, Joaquim Píscarreta, Giovanni Pittella, Per Stenmarck, Ralf Walter and Brigitte Wenzel-Perillo.

### **SHORT JUSTIFICATION**

#### **Introduction**

For a description of the objectives pursued and actions co-financed by this programme your rapporteur refers you to the Explanatory Memorandum provided by the Commission.

The main objectives of the current proposal are

- extending the programme (due to expire at the end of 2004) by a further 2 years till the end of the current Financial Perspective;
- establishing clearer links between the objectives pursued by the programme and the priorities set out in the Sixth Environmental Action Programme;
- aligning the current Regulation with the provisions of the new Financial Regulation with

- regard to the award of grants;
- tightening up the eligibility criteria for expenditure financed in the framework of technical assistance/accompanying measures;
  - achieving better co-ordination and complementarity with other financial instruments (Structural Funds, Research Programme);
  - complying with a recent ruling of the Court of Justice regarding the procedure for adopting implementing measures which should apply to the present programme (comitology)<sup>1</sup>.

### **Financial endowment**

The Commission proposes allocating EUR 317.2 million for the 2005-2006 period. It also suggests staggering CA for administrative and technical assistance (ATA) over a longer period (until 2010) to cover monitoring and auditing activities till the final winding up of projects financed by the programme. Article 179 of the new Financial Regulation stipulates that administrative appropriations are non-differentiated. Consequently, if the monitoring and auditing of projects is to continue beyond the formal expiry of the programme, commitment appropriations for ATA must be made available to the Commission. The schedule put forward by the Commission can be summarised as follows:

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<sup>1</sup> The Court concluded that the measures which the Commission is empowered to adopt under Regulation (EC) N° 1655/2000 are "management measures relating to the implementation of a programme with substantial budgetary implications" and that as such they "fall in principle under the management procedure defined in Article 4 of the second comitology decision or, in some circumstances, in accordance with Article 2c) of that decision, under the advisory procedure defined in Article 3 thereof" (Case C-378/00 - Ruling of 21.1.2003, paragraph 61).

		€ million						
		Year 2005	2006	2007	2008	2009	2010	Total
Financial assistance	CA	142.504	142.378	0	0	0	0	284.882
	PA	57.002	56.951	42.751	42.713	42.752	42.713	284.882
Technical and adm. assistance	CA	7.496	7.622	6.029	4.648	3.218	3.270	32.283
	PA	7.496	7.622	6.029	4.648	3.218	3.270	32.283
Total	CA	150.000	150.000	6.029	4.648	3.218	3.270	317.165
	PA	64.498	64.573	48.780	47.361	45.970	45.983	317.165

The above amounts take into consideration the impact of enlargement. As such they cannot be directly compared with the current financial envelope, notably EUR 640 million for a five-year period (2000-2004)<sup>1</sup>. A comparison can only be established by referring to the 2004 EU25 allocation. The result is outlined in the following table:

		2004 (EU 25)	2005 (forecast)	%
LIFE III (€ million)	financial intervention CA	160.4	142.5	- 11.1
	administrative and technical assistance CA	7.3	7.5	+ 2.7

From the above it is clear that the the annual endowment of the programme would be reduced in order to ensure that it is compatible with the tight financial framework for 2005 and 2006. It is worth noting that the Commission proposes increasing the ceiling for accompanying measures from 5% to 6%<sup>2</sup> of the total. This should be seen in the light of the remarks submitted by the Court of Auditors in its special report (see below), notably on the need to step up monitoring and evaluation activities and ensure wider dissemination of the result of the projects co-financed by LIFE.

### Evaluation of LIFE III

The implementation of the programme should be considered in the light of the Evaluation Report published by the Commission<sup>3</sup>, the evaluation study carried out by an external consultant<sup>4</sup> and the Court of Auditors' Special Report on LIFE II<sup>5</sup>.

<sup>1</sup> An additional 9.9 million have been granted for 2004; this amount corresponds to the increase in the reference amount put forward by the Commission to take account of enlargement (see COM(2003)0777 - Mr Böge and Mr Colom I Naval are rapporteurs on this proposal)

<sup>2</sup> This was 3 % under the LIFE II programme; it should be noted, however, that the percentage is higher if ATA is to continue beyond the date of expiry of the programme

<sup>3</sup> COM(2003)0668 of 5 November 2003

<sup>4</sup> Mid-term evaluation on the implementation of the LIFE financial instrument, AEA Technology plc, July 2003

<sup>5</sup> OJ C 291 of 2/12/2003 - the fact that the report focuses on projects co-financed under the previous programme (ended in 1999) means that many of the shortcomings identified by the Court often have in the meantime already been addressed



In the light of these three documents Your rapporteur takes the view that the Commission has taken due account of the criticism voiced by the Court and by relevant stakeholders (Member States, final beneficiaries) and that the changes envisaged under the current proposal will further contribute to improving the management of the system. Suffice it to say that the external consultant considers the management of the LIFE programme cost-effective in comparison with other EC programmes and commends the management tools adopted by the LIFE Unit<sup>1</sup>.

## Budgetary implementation

The implementation figures at the end of 2003 are summarised below.

Description	Post	Budgetary appropriations (commitments)	% implementation	Implementation as at 31/12/2002 commitments %	Budgetary appropriations (payments)	% implementation	Implementation as at 31/12/2002 payments %
Life III (Nature)	070303	68.8	100 %	100 %	41.0	94 %	100 %
Life III (Nature - technical assistance)	07010402	3.3	98 %	99 %	2.9	74 %	98 %
Life III (Environment)	070304	68.8	100 %	100 %	41.0	92 %	100 %
Life III (Environment - technical assistance)	07010403	3.2	98 %	100 %	2.9	100 %	98 %
Life (Third countries)	070202	6.6	99 %	89 %	5.0	95 %	93 %
Life (Third countries - technical assistance)	07010405	0.5	92 %	100 %	0.4	100 %	78 %

From 2002 the Commission has managed to speed up payments (currently more than 71% occur within 60 days of the receipt of the relevant documents, 11% within 90 days and 18% within 180 days)<sup>2</sup>.

The total amount of outstanding commitments (RAL) at the end of 2003 is EUR 252.8 million for financial assistance and 5.5 million for technical assistance measures. These data should be read in the light of the average duration of a LIFE project, which ranges between 2 and 5 years. The backlog for commitments relating to previous programmes (LIFE I and LIFE II) has been halved in 2003 from the initial €76.8 million to 37 million.

## Amendments tabled

Your rapporteur has tabled a standard amendments relating to the comitological procedure and one on to the compatibility with current ceilings of the Financial Perspective. With regard to the latter amendment *your rapporteur recalls that, in accordance with Rule 63a, this committee must be consulted should the committee responsible decide to increase the reference amount proposed by the Commission.*

A short explanation of the rationale behind the other amendments is provided below.

<sup>1</sup> Op. cit. Chapter 5 "Conclusions and Recommendations"

<sup>2</sup> Data provided by the Commission in its 2003 evaluation report (op. cit)

## AMENDMENTS

The Committee on Budgets calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following amendments in its report:

### AMENDMENT TO THE LEGISLATIVE RESOLUTION

#### Amendment 1

*The European Parliament considers that the financial statement of the Commission proposal is compatible with the ceiling of heading 3 of the financial perspective without restricting other policies.*

### AMENDMENTS TO THE LEGISLATIVE TEXT

Text proposed by the Commission<sup>1</sup>

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Amendments by Parliament

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#### Amendment 2

##### Recital 5

(5) LIFE should be reinforced as a specific financial instrument, complementary to the Community Research Programmes and to the Structural Fund and Rural Development Programmes.

(5) LIFE should be reinforced as a specific financial instrument, complementary to the Community Research Programmes and to the Structural Fund and Rural Development Programmes. ***Appropriate mechanisms should be put in place to avoid the risk of double funding.***

#### *Justification*

*In its special report on the financial management of LIFE II the Court of Auditors calls on the Commission to put in place the necessary safeguards against double-funding. It seems appropriate to mention explicitly this objective. See also amendment 6.*

#### Amendment 3

##### Recital 12

(12) The measures that the Commission is

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(12) The measures that the Commission is

<sup>1</sup> Not yet published in OJ.

empowered to adopt under the implementing powers conferred on it by the present Regulation are management measures relating to the implementation of a programme with substantial budgetary implications within the meaning of Article 2(a) of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission . **Those** measures should therefore be adopted in accordance with the **management** procedure provided for in **Article 4** of that Decision.

empowered to adopt under the implementing powers conferred on it by the present Regulation are management measures relating to the implementation of a programme with substantial budgetary implications within the meaning of Article 2(a) of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission . **Article 2(c) of the same Decision stipulates that in any case in which it is considered the most appropriate the advisory procedure may apply. The advisory procedure gives the Commission greater autonomy in ensuring that the projects co-financed by the programme are in keeping with the objectives of the 6th Environmental Action Programme. The measures in question** should therefore be adopted in accordance with the **advisory** procedure provided for in **Article 3** of the Decision.

#### *Justification*

*Council Decision 199/468/EC (second comitology decision) leaves the EC legislator a certain margin of appreciation in the choice of the procedure applicable for management measures. The advisory procedure gives the Commission greater autonomy in managing EC funds. This means that the Commission can take full responsibility for the management of the programme. It is then up to the Parliament to scrutinize the way in which this task is achieved. See also amendment 8.*

Amendment 4  
ARTICLE 1, PARAGRAPH 1, POINT (A A) (new)  
Article 3 (3), point (b a) (new)

***In paragraph 3, the following point is added :***

***"(b a) Only the salaries of public employees specifically recruited to work on LIFE projects or staff recruited to replace public employees working on such projects and the salaries of public employees working exclusively on LIFE projects shall be considered eligible for co-financing".***

*Justification*

*This amendment addresses the concern voiced by the Court of Auditors with regard to the financing of the salaries of civil servants. It ensures that Community money has a real added value by encouraging public administrations to devote additional resources, including staff, on LIFE projects (see also amendment 5).*

Amendment 5  
ARTICLE 1, PARAGRAPH 2, POINT (A A) (new)  
Article 4 (3), new subparagraph

***At the end of paragraph 3, the following subparagraph is added:***

***"Only the salaries of public employees specifically recruited to work on LIFE projects or staff recruited to replace public employees working on such projects and the salaries of public employees working exclusively on LIFE projects shall be considered eligible for co-financing".***

*Justification*

*See amendment 4*

Amendment 6

ARTICLE 1, PARAGRAPH 3 A (new)

Article 7, title and paragraph 1

Consistency between financial instruments

1. Without prejudice to the conditions for accession candidate countries set out in Article 6, projects receiving aid provided for under the Structural Funds or other Community budget instruments shall not be eligible for financial assistance under this Regulation.

Consistency *and complementarity* between financial instruments

1. Without prejudice to the conditions for accession candidate countries set out in Article 6, projects receiving aid provided for under the Structural Funds or other Community budget instruments shall not be eligible for financial assistance under this Regulation. ***The Commission shall ensure that applicants' attention is drawn to the fact that they cannot cumulate subsidies from different Community funds. It shall also set up internal control mechanisms to avoid risks of double funding.***

*Justification*

*See amendment 2.*

Amendment 7

ARTICLE 1, PARAGRAPH 4, POINT (A)

Article 8 (1), new subparagraph

The third phase is extended by two years until 31 December 2006. The financial framework for the implementation of the extended phase in the period 2005/2006 is hereby set at EUR 317.2 million. ***In the case LIFE were to be discontinued after this phase and*** in order to ensure the monitoring and auditing of projects still active at the end of 2006, appropriations ***for projects and*** for accompanying measures ***shall continue until*** 31 December 2010.

The third phase is extended by two years until 31 December 2006. The financial framework for the implementation of the extended phase in the period 2005/2006 is hereby set at EUR 317.2 million. ***The budgetary authority shall authorise annual appropriations in the context of the annual budgetary procedure and within the limits of the applicable financial perspective. In addition,*** in order to ensure the monitoring and auditing of projects still active at the end of 2006, ***the budgetary authority shall authorise annual appropriations for accompanying measures for the period from 1 January 2007 to 31 December 2010 within the limits of the financial perspective in force for that period.***

### *Justification*

*The Commission insists that appropriations should be made available beyond the official expiry of the programme in 2006 to ensure that the Commission can continue to monitor and evaluate projects. This might be the case since, under the new Financial Regulation, administrative and technical assistance is to be considered non-differentiated, i.e. commitments cannot be paid over several years. However, the availability of CA after 2006 should be subject to the outcome of the negotiations for the next FP and to the decision taken by the budgetary authority every financial year and should under no circumstances be used to finance projects.*

#### Amendment 8 ARTICLE 1, PARAGRAPH 5 Article 11 (2)

2. Where reference is made to this paragraph, **Articles 4** and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

***The period referred to in Article 4(3) of Decision 1999/468/EC shall be set at three months.***

2. Where reference is made to this paragraph, **Articles 3** and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

### *Justification*

*See amendment 3.*

#### Amendment 9 ARTICLE 1, PARAGRAPH 6 Article 12

Not later than **30 September 2006**, the Commission shall submit to the European Parliament and the Council a report **on** the implementation of this Regulation, its contribution to the development of Community environmental policy, and the use made of the appropriations.

Not later than **30 September 2005**, the Commission shall submit to the European Parliament and the Council a report **updating the mid-term review submitted in November 2003 and evaluating** the implementation of this Regulation, its contribution to the development of Community environmental policy, and the use made of the appropriations **together, if appropriate, with a proposal concerning a fourth phase of LIFE, or alternative**

***arrangements for a financial instrument  
in the environmental field, to apply from  
2007 onwards.***

*Justification*

*Parliament needs to be informed about a possible extension of the programme in the context of the negotiations for the new Financial Perspective. The date foreseen by the Commission for a full-blown evaluation report is therefore too late. The Commission must therefore give a signal about its intentions in the context of the 2006 budgetary procedure.*