

# EUROPEAN PARLIAMENT

2004



2009

---

*Committee on Budgets*

**2004/0218(COD)**

22.4.2005

## **OPINION**

of the Committee on Budgets

for the Committee on the Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council concerning the Financial Instrument for the Environment (LIFE +)  
(COM(2004)0621 – C6-0127/2004 – 2004/0218(COD))

Draftsman: Anders Samuelsen

PA\_Leg

## SHORT JUSTIFICATION

### **BACKGROUND**

Under the New Financial Perspectives, the strategic approach taken by the Commission is to mainstream environmental policy by making it an integral part of other priority policy areas so the bulk of environmental expenditure will fall under the new Heading 1 "Sustainable Growth". Some environmental expenditure is also integrated into CAP expenditure, particularly expenditure on rural development, which falls under the new Heading 2 "Preservation and Management of Natural Resources". Finally, also under Heading 2, a separate instrument is set up to support actions of a uniquely environmental nature. This instrument is LIFE + and accounts for most of the environmental expenditure in this Heading (the rest being the amount spent on the European Environment Agency). It is to be noted that all environmental spending outside the European Union is included in the new Heading 4 "Europe as a global partner".

### **COMMISSION'S PROPOSAL**

LIFE + is aimed at simplifying the administration of the existing multiannual programmes by merging them into a single instrument. Its general objective is to contribute to the development, implementation, monitoring, evaluation and communication of Community environment policy and legislation with a view to promoting sustainable development in the EU.

LIFE + is divided into two strands, LIFE Implementation and Governance and LIFE Information and Communication.

The total financial framework for the period 1 January 2007 to 31 December 2013 proposed by the Commission is €2, 190 Mio. The schedule of commitments/payments proposed (the exact amounts are of course to be decided on each year during the annual budget procedure) is as follows:

	2007	2008	2009	2010	2011	2012	2013	2014 >	Tot
Commitments	231	252	275	294	314	336	359		2061
Payments	90	220	240	250	270	296	320	375	2061

The indicative breakdown of expenditure between the two strands of LIFE + is 75-80 % and 20-25% respectively

### **REMARKS**

The Commission's proposal for LIFE + can be welcomed in as far as having a single instrument for financing environmental actions increases the visibility of those actions and simplifies their administration, leading to a reduction in administrative overheads and a greater degree of coherency of procedures.

The multi annual global programming of actions with detailed annual programmes is also a positive feature of this proposal which should ensure greater effectiveness of measures since long term planning is coupled with a degree of flexibility to adapt actions if appropriate.

The Commission's proposal nonetheless raises a number of concerns:

Firstly, it should be pointed out that the amount for the financial framework mentioned in Article 9 can only be considered indicative at this stage where there is as yet no decision on the Financial Perspectives. **An amendment is thus proposed to Article 9 deleting the figures.**

There is furthermore a definite lack of more detailed information on the actual use of funds. The proposal contains only the global figures with an indicative breakdown between the two strands of LIFE. By its own admission, the Commission is unable to provide an accurate estimate of the number of projects envisaged for each year or the average cost of each measure. This begs the question as to how reliable the estimates forecast can therefore be considered to be?

The indicative basis on which the forecast for the indicative breakdown between the two components of LIFE + has been made is unclear and the difficulty of clearly delimiting the two components is furthermore evidenced by the fact that the indicative breakdown of the 80 % foreseen for LIFE Implementation and Governance for 2007 also includes 60 % for ((capacity building and) information. In these circumstances, the usefulness of Annex 2 is highly questionable and **your Rapporteur suggests that the Annex be deleted.**

As far as the actual management of LIFE + is concerned, the Commission proposes a high degree of decentralisation to the Member States. This is of course commendable in many ways and should at least speed up implementation of measures but it is questionable whether, if the Member States have too much freedom to decide on the types of projects to be managed, this will not be detrimental to the effectiveness of the EU's environment policy. At best, such a high level of decentralisation risks compromising the guarantee of EU added value, at worst it risks leading to national interests overriding European-level interests. It is therefore essential that the Commission's strategic programming explicitly stipulates the need to ensure EU added value. When evaluating the programme, compliance with the obligation to ensure EU added-value must be an evaluation criterion. **An amendment is proposed to Article 4 to this effect.**

Furthermore, it is essential that the evaluation is frequent and thorough enough to be effective in ensuring change of policy where that turns out to be necessary. A mid term and final review cannot be truly effective hence **an amendment is proposed to Article 13 stating that a bi-annual evaluation shall be carried out.**

## AMENDMENTS

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

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

Amendments by Parliament

### Amendment 1 Article 4, paragraph 1

Funding will be provided in support of multi-annual strategic programmes drawn up by the Commission. These programmes shall define the principal objectives, priority areas of action, type of actions and expected results for Community funding in relation to the objectives set out in Article 1 and would, as far as possible, include indicative financial estimates

Funding will be provided in support of multi-annual strategic programmes drawn up by the Commission. These programmes shall define the principal objectives, ***emphasizing in particular the need to ensure added value***, priority areas of action, type of actions and expected results for Community funding in relation to the objectives set out in Article 1 and would, as far as possible, include indicative financial estimates

### *Justification*

*Environmental Policy is an area where the potential for added value when carried out at EU level is undeniable, but the greater the level of decentralization/localization the higher the risk that EU funds are used to replace, rather than complement local funding. In order to ensure that the implementation of the EU funds in the environmental field yields genuine value-for-money, the Commission's strategic programme must clearly insist on the need to provide added value and this must also be an evaluation criteria.*

### Amendment 2 Article 9, paragraph 1, subparagraph 2

The financial framework for the implementation of this instrument is set at

The financial framework for the implementation of this instrument is set at

---

<sup>1</sup> OJ C , ... , p. .

EUR **2,190** million for the period from 1 January 2007 to 31 December 2013 (seven years)

EUR XXX million for the period from 1 January 2007 to 31 December 2013 (seven years)

*Justification*

*The reference amount for the financial framework cannot be set until such time as a decision has been reached the Financial Perspectives for the period 2007-2013. Once a decision is reached, the Commission shall present a legislative proposal to set the reference amount with the respect to the appropriate ceiling of the financial framework concerned.*

Amendment 3  
Article 13

The multi-annual programmes will be monitored regularly in order to follow the implementation of activities carried out under each strand.

LIFE+ will be subject to **a mid-term and final** evaluation in order assess its contribution to the development of Community environmental policy and the use made of the appropriations. The final evaluation will be carried out not later than one year before the programme ends and shall be submitted to the EP and the Council.

The multi-annual programmes will be monitored regularly in order to follow the implementation of activities carried out under each strand **and to assess their impact..**

LIFE+ will be subject to **a bi-annual** evaluation in order assess its contribution to the development of Community environmental policy and the use made of the appropriations. The final evaluation will be carried out not later than one year before the programme ends and shall be submitted to the EP and the Council.

*Justification*

*Whilst recognising the inherent problem of carrying out evaluations early into the operating period of multi annual programmes, limiting evaluation to a mid term and final evaluation is too infrequent to permit the timely correction of any inappropriate or less than optimum use of funds. In the interests of sound financial management and in recognition of the evaluation obligations imposed by the Financial Regulation, the budgetary authority should insist on the submission of a bi-annual report which should include not only an assessment of the implementation of activities but also of their impact.*

Amendment 4  
Annex 2

**ANNEX 2**  
**Indicative Financial Breakdown**  
**(percentage of total)**

*deleted*

*The amounts allocated to each of the two components of LIFE are indicatively the following:*

*LIFE + Implementation and governance:  
75-80%*

*LIFE + Information and communication:  
20-25%*

*Justification*

*The basis on which the forecast for this indicative breakdown has been made is not clear and the proportion of funding foreseen for LIFE + Information and Communication is seen by many as having been overestimated. Furthermore, the usefulness of this indicative breakdown is not immediately apparent. Should an indicative breakdown of expenditure be considered essential, consideration should be given to other more appropriate types of breakdown, eg. by priority policy area.*

## PROCEDURE

<b>Title</b>	Financial Instrument for the Environment (LIFE +)
<b>References</b>	COM(2004)0621 – C6-0127/2004 – 2004/0218(COD)
<b>Committee responsible</b>	ENVI
<b>Committee asked for its opinion</b> Date announced in plenary	BUDG 25.10.2004
<b>Enhanced cooperation</b>	
<b>Draftsman</b> Date appointed	Anders Samuelsen 31.1.2005
<b>Discussed in committee</b>	21.4.2005
<b>Date amendments adopted</b>	21.4.2005
<b>Result of final vote</b>	for: 18 against: 0 abstentions: 0
<b>Members present for the final vote</b>	Simon Busuttil, Paulo Casaca, Gérard Deprez, Hynek Fajmon, Ingeborg Gräßle, Louis Grech, Catherine Guy-Quint, Ville Itälä, Anne Elisabet Jensen, Wiesław Stefan Kuc, Vladimír Maňka, Anders Samuelsen, Nina Škottová, László Surján, Yannick Vaugrenard, Kyösti Tapio Virrankoski
<b>Substitutes present for the final vote</b>	Jacek Emil Saryusz-Wolski, José Albino Silva Peneda
<b>Substitutes under Rule 178(2) present for the final vote</b>	