



EUROCITIES statement on the Commission proposal for a regulation on LIFE (2014-2020)

Efficient funding for environmental needs

As EUROCITIES, the network of major European cities, we welcome the proposal for a new regulation on LIFE beyond 2013 (COM(2011) 874 final). Local authorities are at the forefront of implementing, developing and communicating EU environmental policies. LIFE provides an important funding source for them to fulfil this task. To ensure efficient use of LIFE funds in the future, we suggest some modifications to the Commission proposal.

Priority areas

We believe that the proposed priority areas for LIFE as set out in Articles 9-16 are sensible overall. In particular, we welcome additional funding for climate action and the focus on resource efficiency. However, the new regulation should

- provide equal amounts of funding to the priorities biodiversity, environment and resource efficiency, environmental governance and information. As projects under the latter two can sometimes have a greater impact on protecting nature than 'direct' protection, we feel that reserving 50% of the funding for biodiversity as proposed in Article 9.2 is not an efficient use of resources;
- include reference to noise in the specific objectives for the priority environment and resource efficiency (Article 10).

Multiannual work programmes

We support multiannual, preferably biennial, work programmes for LIFE.

While the programmes should allow for some flexibility to react to unforeseen concerns, they can help set priorities and plan ahead. To ensure that these priorities match environmental needs on the ground, we insist that local authorities must be genuinely involved in the development of the work programmes. Member states should have a clear legal obligation to do so.

Co-financing rates and eligibility of costs

Costs for permanent staff working on a LIFE project must remain eligible for funding, even if they have not been specifically recruited for it. Limiting or excluding funding for these costs¹ would effectively rule out local authorities from engaging with the programme, despite their frontline role in environmental protection and enhancement.

Firstly, seconding existing staff to projects can be an important means for cities to provide their co-funding share. Existing permanent staff are also often best suited to work on a project, owing to their expertise and the in-depth knowledge of their city administration. Excluding the

¹ as suggested in the explanatory memorandum, page 7 of the Commission proposal

related staff costs from funding could effectively mean excluding the best skills available from a project. Secondly, due to severe public sector budget cuts, it is unlikely that additional recruitment for projects will be an option for many cities, at least at the start of the new LIFE programme in 2014

We believe VAT (non-recoverable VAT) should be an eligible cost (Article 20.2). Otherwise there may be a risk of unequal treatment of LIFE beneficiaries in different countries, depending on the national rules on recoverability of VAT. We trust that the proposal for a financial regulation will clarify the eligibility of VAT for EU funding under all programmes.

Use of financial instruments and potential beneficiaries

We welcome the possibility to use LIFE funding to contribute to new financial instruments. Since LIFE as it is proposed remains a small programme compared to the environmental challenges in Europe, it is important to make the best use of financial resources and to leverage financing from other EU, national, regional or private sector programmes. We also support the proposal to involve partners in certain non-EU countries in LIFE projects to address cross-border environmental issues as outlined in Article 5s.

Management

We support continued central management of LIFE and a possible transfer of the programme management to an EU executive agency. We would welcome faster procedures for the approval of projects, their negotiation and later amendments to them.

The overall application procedure should also be revised to make it easier to apply for LIFE funding. We would suggest a two-phase approach. A less detailed proposal or declaration of interest by the applicant would first be reviewed swiftly by the managing authority. In case of a positive review, the applicant would then submit a more detailed proposal, including for instance more specifications on the different work packages.

Conclusions

The continuation of the LIFE programme is important for delivering on EU environmental policy goals. Enlarging the scope of LIFE to climate change mitigation, adaptation and information is a step in the right direction. With some adjustments and full use of synergies with other funding programmes, the Commission proposal on LIFE has the potential to deliver, and as cities we are ready to contribute to making it a success.