

At the crossroads: EU LIFE funding for biodiversity

Priority recommendations for the final negotiations on the EU's LIFE Programme 2014-2020¹

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BirdLife Europe, CEEWeb, Conservation International, EEB and WWF welcome the progress that has been made in negotiations on the new LIFE Regulation. We are, however, highly concerned that recent compromise proposals regarding the total budget available and key elements of the LIFE Regulation would jeopardise the contribution of LIFE to biodiversity conservation and especially to the management of Natura 2000, the unique network set up by Member States on almost 20% of the EU's territory.

The modest (in our view already insufficient) European Commission proposal for the LIFE budget 2014-2020 was based on an optimistic assumption of successful biodiversity mainstreaming in other EU funding streams. Not only that it is becoming increasingly apparent that these attempts have largely failed, the proposed "MFF breakdown" as presented by the Commission would over and above imply a disproportionate **7% cut of LIFE funding for nature and biodiversity compared to the status quo (2007-2013)**. This compares to the total EU budget being cut by 3%, and funding for fisheries policy by 2% only. Despite initial calls, e.g. from the German government and the European Parliament, that 10% of Natura 2000 costs should be financed through LIFE, the proposed cuts would allow Member States to finance even less than the current 2.3 % of these costs through LIFE.²

Only through a significant **increase of the total LIFE budget** and **higher ring-fencing for nature projects** within the LIFE Regulation, the EU will at least partially be able to deliver on its internal and global biodiversity conservation obligations and commitments.

The success of LIFE is based on its effectiveness, cost-efficiency and bottom-up orientation. To ensure uptake at regional and local level in all Member States **co-financing rates have to be increased** as a response to the crisis of public budgets. In addition it has to be ensured that sufficient budget is available for traditional bottom-up biodiversity projects.

NGOs have no position on national allocations. However, as biodiversity is unevenly distributed across the Member States, some system is needed to **ensure that LIFE funding is targeted to where it is needed most**, particularly as funds in the field of biodiversity are extremely limited in many of the biodiversity rich regions of the EU as a result of austerity policies.

We call on Member States and the European Parliament to consider the following options to ensure LIFE can play its crucial role for financing nature and biodiversity in the next seven years:

- ➔ **Allocate an additional 2 billion EUR to the LIFE programme.** Corresponding to 0.7% of the budget currently allocated to direct farm subsidies no farmer would be harmed if this fraction was redirected to LIFE. Alternatively the required funding could easily be mobilized by reducing the margins under Heading 2 and other budget headings or by redirecting harmful fisheries subsidies.

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² Estimate by EU-Member States: 5.8 billion EUR/year, without taking into account inflation and Croatia as new Member State.

- ➔ **Increase ring-fencing for nature & biodiversity from 50% to 65%.** Environmental NGOs agree that biodiversity needs to be prioritized. It is one of the few areas where the “polluter pays” principle is not applied and payments from public funds are essential. For other environmental areas alternative funding is more easily accessible.
- ➔ **Limit the total budget available for Integrated Projects to 20% of action grants.** Thus the most successful tool of LIFE, traditional bottom-up projects, could be maintained or increased (depending on total budget). To ensure sufficient budget for testing Integrated Projects their thematic scope should be limited to the areas of Nature and Water.
- ➔ **Increase co-financing rate in the area of nature & biodiversity to 60% (for priority species/habitats maintain 75%).** NGOs and public bodies as main applicants of nature projects face severe difficulties to mobilise domestic funding. Especially in countries under austerity the uptake of LIFE is at risk if co-financing rates are not increased. The possibility of a mid-term readjustment of co-financing rates should also be introduced. The LIFE fund must remain accessible across all Member States.
- ➔ **Open LIFE to the OCTs and demonstrate the EU’s commitment to global biodiversity conservation.** The EU has made commitments in its Biodiversity Strategy and Overseas Association Decision to support biodiversity conservation in the EU’s Overseas Countries and Territories. A reference to OCTs in Art. 5 of the Regulation is imperative to ensure that this commitment can be implemented. No practical, legal, or financial barriers exist which cannot and have not previously been overcome by the European Commission. While we welcome DG Environment’s valiant efforts to find funding for human development projects in the OCTs, DG DEVCO can give no assurances on this funding before 2014, and this would not in any case fund the habitat and species conservation projects that LIFE is designed to support.

Table: Estimates on impacts of increased total budget, ring-fencing and limits for Integrated Projects³

<i>all absolute figures in million EUR</i>		2007-2013 (status quo)	Original EC MFF proposal	EC MFF breakdown proposal (with 50% biodiv. ring- fencing)	A: Effect of additional € 2 billion for total LIFE budget	B: Effect of 65% biodiversity ring-fencing	Combined effect of A and B
Total LIFE budget		2460	3200	3057	5057	3057	5057
LIFE budget available for nature & biodiversity action grants		960 (0%)	935 (-2.4%)	895 (-7%)	1500 (+54%)	1200 (+21%)	1900 (+100%)
Traditional Projects per Member State in MFF-period (average)	30% limit for Integrated Projects	24	16	15	25	19	32
	20% limit for IPs		18	17	28	22	37
% of Natura 2000 costs (without domestic co-financing)		2,3%	2,2%	2,1%	3,5%	2,8%	4,6%

³ Assumptions: share of LIFE Climate Action unchanged, share of action grants 78%, average EU funding for Traditional Projects 1.5 million EUR, 28 Member States in new MFF-period, all LIFE biodiversity funding benefits Natura 2000;