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Subject: Position of the Council at first reading with a view to the adoption of a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Programme for the Environment and Climate Action (LIFE), and repealing Regulation (EU) No 1293/2013
- Adopted by the Council on 16 March 2021

REGULATION (EU) 2021/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

**establishing a Programme for the Environment and Climate Action (LIFE),
and repealing Regulation (EU) No 1293/2013**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 62, 15.2.2019, p. 226.

² OJ C 461, 21.12.2018, p. 156.

³ Position of the European Parliament of 17 April 2019 [(OJ ...)/(not yet published in the Official Journal)] and position of the Council at first reading of 16 March 2021 [(OJ ...)/(not yet published in the Official Journal)]. Position of the European Parliament of ... [(OJ ...)/(not yet published in the Official Journal)].

Whereas:

- (1) Environmental, climate and relevant energy legislation and policy of the Union have delivered substantial improvements to the state of the environment. However, major environmental and climate challenges remain, which, if left unaddressed, will have significant negative consequences for the Union and the well-being of its citizens.
- (2) The Programme for the Environment and Climate Action (LIFE), established by Regulation (EU) No 1293/2013 of the European Parliament and of the Council¹, for the period 2014 to 2020, is the latest in a series of Union programmes since 1992 which support the implementation of environmental and climate legislation and policy priorities. LIFE was assessed positively in a recent mid-term evaluation as being on track to be effective, efficient and relevant. The 2014-2020 LIFE Programme should, therefore, be continued with certain modifications identified in the mid-term evaluation and subsequent assessments. Accordingly, the Programme for the Environment and Climate Action (LIFE) (the 'LIFE Programme') should be established for a period of seven years to align its duration with that of the multiannual financial framework laid down in Council Regulation (EU, Euratom) 2020/2093².

¹ Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007 (OJ L 347, 20.12.2013, p. 185).

² Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

- (3) In pursuing the achievement of the objectives and targets set by environmental, climate and relevant energy legislation, policy and plans, in particular the objectives set out in the communication of the Commission of 11 December 2019 on the European Green Deal (the 'European Green Deal'), and international commitments of the Union, the LIFE Programme should contribute to a just transition towards a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and -resilient economy, to the protection, restoration and improvement of the quality of the environment, including the air, water and soil, and of health, and to halting and reversing biodiversity loss, including by supporting the implementation and management of the Natura 2000 network and tackling the degradation of ecosystems, either through direct interventions or by supporting the integration of those objectives in other policies. The LIFE Programme should also support the implementation of the general action programmes adopted in accordance with Article 192(3) Treaty on the Functioning of the European Union (TFEU), such as the 7th Environment Action Programme¹ and any subsequent Union environment action programme.

¹ Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020 'Living well, within the limits of our planet' (OJ L 354 28.12.2013, p. 171).

- (4) The Union is committed to developing a comprehensive response to the Sustainable Development Goals of the United Nations 2030 Agenda for Sustainable Development, which highlight the intrinsic connection between the management of natural resources to ensure their long-term availability and ecosystem services, and the link of both to human health and sustainable and socially inclusive economic growth. In this spirit, the LIFE Programme should reflect the principles of solidarity, while making a material contribution to both economic development and social cohesion.
- (5) With a view to promoting sustainable development, environmental and climate protection requirements should be integrated into the definition and implementation of all Union policies and activities. Synergies and complementarity with other Union funding programmes should, therefore, be promoted, including by facilitating the funding of activities that complement strategic integrated projects and strategic nature projects and support the uptake and replication of solutions developed under the LIFE Programme. Coordination is required to prevent double funding. The Commission and Member States should take steps to prevent administrative overlap and an administrative burden on project beneficiaries, arising from reporting obligations from different financial instruments.

- (6) The LIFE Programme should contribute to sustainable development and to the achievement of the objectives and targets of the environmental, climate and relevant energy legislation, strategies, plans and international commitments of the Union, in particular as regards the United Nations 2030 Agenda for Sustainable Development, the Convention on Biological Diversity¹ and the Paris Agreement adopted under the United Nations Framework Convention on Climate Change² (the 'Paris Agreement on Climate Change'), and, inter alia, the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, public participation in decision-making and access to justice in environmental matters³ (the 'Aarhus Convention'), the UNECE Convention on Long-Range Transboundary Air Pollution, the UN Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the UN Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, and the UN Stockholm Convention on Persistent Organic Pollutants.
- (7) The Union attaches great importance to the long-term sustainability of the results of projects funded by the LIFE Programme, and to the capacity to secure and maintain those results after project implementation, inter alia by project continuation or by replication or transfer of results.

¹ Council Decision 93/626/EEC of 25 October 1993 concerning the conclusion of the Convention on Biological Diversity (OJ L 309, 13.12.1993, p. 1).

² OJ L 282, 19.10.2016, p. 4.

³ OJ L 124, 17.5.2005, p. 4.

- (8) Complying with the Union's commitments under the Paris Agreement on Climate Change requires the transformation of the Union into a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and -resilient society. Such transformation in turn requires action, with a special focus on sectors that contribute most to the current levels of greenhouse gas emissions and pollution, promoting energy efficiency and renewable energy, as well as contributing to the implementation of the 2030 energy and climate policy framework and the Member States' Integrated National Energy and Climate Plans and to the implementation of the Union's long-term climate and energy strategy, in line with the long-term objectives of the Paris Agreement on Climate Change. The LIFE Programme should also include measures that contribute to the implementation of the Union's climate adaptation policy for decreasing vulnerability to the adverse effects of climate change.

- (9) Projects under the new 'Clean Energy Transition' subprogramme of the LIFE Programme should focus on the creation of capacity building and diffusion of knowledge, skills, innovative techniques, methods and solutions for reaching the objectives of Union legislation and policy on the transition to renewable energy and to increased energy efficiency. Such capacity building and diffusion are typically coordination and support actions of high added-value at Union level that are aimed at breaking market barriers that hamper the socio-economic transition to sustainable energy, and mainly involve small and medium-sized entities as well as multiple actors, including local and regional public authorities and non-profit organisations. Such actions bring multiple co-benefits, such as tackling energy poverty, improved indoor air quality, reducing local pollutants thanks to energy efficiency improvements and increased distributed renewable energies, and contributing to positive local economic effects and more socially inclusive growth.

- (10) In order to contribute to the mitigation of climate change and to the Union's international commitments as regards decarbonisation, the transformation of the energy sector needs to be accelerated. Actions for capacity-building that support energy efficiency and renewable energy, funded until 2020 under Horizon 2020¹, should be integrated into the new 'Clean Energy Transition' subprogramme of the LIFE Programme, since their objective is not to fund excellence and generate innovation, but to facilitate the uptake of already available technology for renewable energy and energy efficiency, which will contribute to climate mitigation. The LIFE Programme should involve all stakeholders and sectors involved in clean energy transition. The inclusion of such capacity-building actions in the LIFE Programme offers potential for synergies between the subprogrammes and increases the overall coherence of Union funding. Data should, therefore, be collected and disseminated on the uptake of existing research and innovation solutions in the projects of the LIFE Programme, including from the Horizon Europe programme established under Regulation (EU) 2021/... of the European Parliament and of the Council²⁺ (the 'Horizon Europe') and its predecessors.

¹ Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decisions 2006/971/EC, 2006/972/EC, 2006/973/EC, 2006/974/EC and 2006/975/EC (OJ L 347, 20.12.2013, p. 965).

² Regulation (EU) 2021/... of the European Parliament and of the Council of ... (OJ L ...).

⁺ OJ: please insert in the text the number of the Regulation contained in file ST 7064/20 (2018/0224(COD)), and insert the number, date, authors, name and OJ reference of that Regulation in the footnote.

- (11) The impact assessment accompanying the Commission proposal for Directive (EU) 2018/2002 of the European Parliament and of the Council¹, which amended Directive 2012/27/EU of the European Parliament and of the Council², estimates that meeting the Union's 2030 energy targets will require additional investment of EUR 177 billion annually in the period 2021 to 2030. The biggest gaps relate to investment in the decarbonisation of buildings to increase energy efficiency and the use of small-scale renewable energy sources, where capital needs to be channelled towards projects of a highly distributed nature. One of the objectives of the 'Clean Energy Transition' sub-programme, which covers energy efficiency and rapid deployment of renewable energy, is to build capacity for the development and aggregation of such projects, thereby also helping to absorb funds from the European Structural and Investment Funds and act as a catalyst for investments in renewable energy and energy efficiency, also using the financial instruments provided under Regulation (EU) 2021/... of the European Parliament and of the Council³⁺.
- (12) The LIFE programme is the only programme dedicated specifically to the environment and climate action, and therefore plays a crucial role in supporting the implementation of Union legislation and policies in those areas.

¹ Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency (OJ L 328, 21.12.2018, p. 210).

² Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1)

³ Regulation (EU) 2021/... of the European Parliament and of the Council of ... (OJ L ...).

⁺ OJ: please insert in the text the number of the Regulation contained in file PE-CONS 74/20 (2020/0108 (COD)), and insert the number, date, authors, name and OJ reference of that Regulation in the footnote.

- (13) Synergies with Horizon Europe should facilitate identifying and establishing research and innovation needs as regards tackling environmental, climate and energy challenges within the Union during Horizon Europe's strategic research and innovation planning process. The LIFE Programme should continue to act as a catalyst for implementing environmental, climate and relevant energy legislation and policy of the Union, including by taking up and applying research and innovation results from Horizon Europe and helping to deploy them on a larger scale if this can help address environmental, climate or energy transition issues. Horizon Europe's European Innovation Council can provide support to scale up and commercialise new breakthrough ideas that could result from the implementation of LIFE projects. Similarly, synergies with the Innovation Fund under the Emission Trading System, established under Directive 2003/87/EC of the European Parliament and of the Council¹, should also be taken into account.
- (14) An action that has received a contribution from the LIFE Programme should also be able to receive a contribution from other Union programmes, provided that such contributions do not cover the same costs. Actions that receive cumulative financing from different Union programmes should be audited only once and in a manner that covers all Union programmes involved and their respective applicable rules.

¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

- (15) The communication of the Commission of 3 February 2017 on the EU Environmental Implementation Review: Common challenges and how to combine efforts to deliver better results (EIR) indicates that significant progress is required to accelerate the implementation of the Union environment acquis and to enhance the integration and mainstreaming of environmental and climate objectives into other policies. The LIFE Programme should, therefore, act as a catalyst for the tackling of horizontal, systemic challenges, as well as the root causes of implementation deficiencies identified in the EIR, and for achieving the requisite progress by developing, testing and replicating new approaches; supporting policy development, monitoring and review; improving governance on environmental, climate change and related energy transition matters, including by enhancing stakeholder involvement at all levels, capacity-building, communication and awareness; mobilising investments from Union investment programmes or other financial sources, and by supporting actions to overcome the various obstacles to the effective implementation of key plans required by environmental legislation.

- (16) Halting and reversing biodiversity loss and the degradation of ecosystems, including in marine ecosystems, requires support for the development, implementation, enforcement and assessment of relevant Union legislation and policy, including communication of the Commission of 20 May 2020 on the EU Biodiversity Strategy for 2030 – Bringing nature back into our lives, Council Directive 92/43/EEC¹, Directive 2009/147/EC of the European Parliament and of the Council² and Regulation (EU) No 1143/2014 of the European Parliament and of the Council³, in particular by developing the knowledge base for policy development and implementation and by developing, testing, demonstrating and applying best practice and solutions, such as effective management, on a small scale or tailored to specific local, regional or national contexts, including integrated approaches for the implementation of the prioritized action frameworks adopted pursuant to Directive 92/43/EEC. This Regulation should contribute to mainstreaming biodiversity action in the Union's policies and to the achievement of the overall ambition of providing 7,5 % of annual spending under the multiannual financial framework to biodiversity objectives in 2024 and 10 % of annual spending under the multiannual financial framework to biodiversity objectives in 2026 and in 2027, while considering the existing overlaps between climate and biodiversity goals.

¹ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

² Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

³ Regulation (EU) No 1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species (OJ L 317, 4.11.2014, p. 35).

The Union and Member States should track their biodiversity-related expenditure to fulfil their reporting obligations under the Convention on Biological Diversity. Requirements for tracking provided for in other relevant Union legislation should also be met.

Biodiversity-related Union expenditure should be tracked in accordance with an effective, transparent and comprehensive methodology to be set out by the Commission, in cooperation with the European Parliament and the Council, as referred to in the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources¹

- (17) Recent evaluations and assessments, including the mid-term review of the EU Biodiversity Strategy to 2020 and the Fitness Check of Nature legislation, indicate that one of the main underlying causes for insufficient implementation of Union legislation on nature and of the biodiversity strategy is the lack of adequate financing.

¹ OJ L 433I, 22.12.2020, p. 28.

The main Union funding instruments, including the European Regional Development Fund established under Regulation (EU) No 1301/2013 of the European Parliament and of the Council¹ (the 'European Regional Development Fund') and the Cohesion Fund established under Regulation (EU) No 1300/2013 of the European Parliament and of the Council² (the 'Cohesion Fund'), the European Agricultural Fund for Rural Development established under Regulation (EU) No 1305/2013 of the European Parliament and of the Council³ (the 'European Agricultural Fund for Rural Development') and the European Maritime, Fisheries and Aquaculture Fund established under a Regulation of the European Parliament and of the Council on the European Maritime, Fisheries and Aquaculture Fund and repealing Regulation (EU) No 508/2014 (the 'European Maritime, Fisheries and Aquaculture Fund'), could make a significant contribution towards meeting those needs, on a complementary basis. The LIFE Programme could further improve the efficiency of such mainstreaming through strategic nature projects dedicated to acting as a catalyst for the implementation of Union nature and biodiversity legislation and policy, including the actions set out in the prioritized action frameworks adopted pursuant to Directive 92/43/EEC. The strategic nature projects should support programmes of actions in Member States aimed at the mainstreaming of relevant nature and biodiversity objectives into other policies and funding programmes, thus ensuring that appropriate funds are mobilised for implementing those policies.

¹ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (OJ L 347, 20.12.2013, p. 289).

² Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006 (OJ L 347, 20.12.2013, p. 281).

³ Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

Member States should be allowed to decide, within their Strategic Plan for the Common Agricultural Policy, to use a certain share of the European Agricultural Fund for Rural Development allocation in order to leverage support for actions that complement strategic nature projects as defined under this Regulation.

- (18) Promoting the circular economy and resource efficiency requires a shift in the manner materials and products, including plastics, are designed, produced, consumed, repaired, reused, recycled and disposed of and a focus on the whole lifecycle of products. The LIFE Programme should contribute to the transition to a circular economy model through financial support that targets a variety of actors such as businesses, public authorities and consumers, in particular by applying, developing, and replicating best technology, practice and solutions tailored to specific local, regional or national contexts, including through integrated approaches for the application of the waste hierarchy and the implementation of waste management and prevention plans. By supporting the implementation of the communication of the Commission of 16 January 2018 on a European Strategy for Plastics in a Circular Economy, action could be taken to address the problem of marine litter in particular.

- (19) A high level of environmental protection is of fundamental importance for the health and well-being of Union citizens. The LIFE Programme should support the Union's objectives as regards producing and using chemicals in ways that lead to the minimisation of significant adverse effects on human health and the environment, with a view to reaching the objective of a non-toxic environment in the Union. The LIFE Programme should also support activities to facilitate the implementation of Directive 2002/49/EC of the Parliament and of the Council¹ in order to achieve noise levels that do not give rise to significant negative impacts on and risks to human health.
- (20) The Union's long-term objective as regards air policy is to achieve levels of air quality that do not cause significant negative impacts on and risks to human health and the environment, while reinforcing the synergies between air quality improvements and greenhouse gas emissions reduction. Public awareness about air pollution is high and citizens expect authorities to act, in particular in areas where the population and ecosystems are exposed to high levels of air pollutants. Directive (EU) 2016/2284 of the European Parliament and of the Council² stresses the role Union funding can play in achieving clean air objectives. The LIFE Programme should, therefore, support projects, including strategic integrated projects, which have the potential to leverage public and private funds, to showcase best practice, and to act as a catalyst for the implementation of air quality plans and legislation at local, regional, multi-regional, national and trans-national level.

¹ Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise (OJ L 189, 18.7.2002, p. 12).

² Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1).

- (21) Directive 2000/60/EC of the European Parliament and of the Council¹ established a framework for the protection of the Union's surface waters, coastal waters, transitional waters and groundwater. The objectives of that Directive would be supported by better implementation and integration of water policy objectives into other policy areas. The LIFE Programme should, therefore, support projects that contribute to the effective implementation of Directive 2000/60/EC and of other relevant Union water legislation that contributes to the achievement of good status of the Union's water bodies by applying, developing and replicating best practice, as well as by mobilising complementary actions under other Union programmes or financial sources.

¹ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

(22) The protection and restoration of the marine environment is one of the overall aims of the Union's environment policy. The LIFE Programme should support the following: the management, conservation, restoration and monitoring of biodiversity and marine ecosystems, in particular in Natura 2000 marine sites, and the protection of species in accordance with the prioritized action frameworks adopted pursuant to Directive 92/43/EEC; the achievement of Good Environmental Status in line with Directive 2008/56/EC of the European Parliament and of the Council¹; the promotion of clean and healthy seas; the implementation of the communication of the Commission of 16 January 2018 on a European Strategy for Plastics in a Circular Economy, addressing in particular the problem of lost fishing gear and marine litter; and the promotion of the Union's involvement in international ocean governance, which is essential for achieving the goals of the United Nations 2030 Agenda for Sustainable Development and to guarantee healthy oceans for future generations. The LIFE Programme's strategic integrated projects and strategic nature projects should include relevant actions aimed at the protection of the marine environment.

¹ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19).

- (23) The improvement of governance on environmental, climate change and related energy transition matters requires the involvement of civil society by raising public awareness, including through a communication strategy that takes into account new media and social networks, consumer engagement, and the broadening of stakeholder involvement, including non-governmental organisations (NGOs), in consultations on and implementation of related policies at all levels. It is, therefore, appropriate that the LIFE Programme support a broad range of NGOs as well as networks of non-profit-making entities that pursue an aim which is of general Union interest, and that are primarily active in the area of the environment or climate action, by awarding, in a competitive and transparent manner, operating grants, in order to help such NGOs, networks and entities, to make effective contributions to Union policy, and to build and strengthen their capacity to become more efficient partners.
- (24) Whilst improving governance at all levels should be a cross-cutting objective for all subprogrammes of the LIFE Programme, the LIFE Programme should support the development, implementation and enforcement of, and compliance with, the environment and climate acquis, in particular the horizontal legislation on environmental governance, including the legislation implementing the Aarhus Convention.

- (25) The LIFE Programme should prepare market players for, and support them in, the shift towards a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and -resilient economy by testing new business opportunities, upgrading professional skills, facilitating consumers' access to sustainable products and services, engaging and empowering influencers, and testing novel methods of adapting existing processes and the business landscape. To support a broader market uptake of sustainable solutions, general public acceptance and consumer engagement should be promoted.
- (26) The LIFE Programme is designed to support the demonstration of techniques, approaches and best practices that can be replicated and upscaled. Innovative solutions would contribute to the improvement of environmental performance and sustainability, in particular for the development of sustainable farming practices in the areas active in the fields of climate, water, soil, biodiversity and waste. Synergies with other programmes and policies, such as the European Innovation Partnership for Agricultural Productivity and Sustainability and the EU Eco-Management and Audit Scheme, should be emphasised in this regard.

- (27) At Union level, large investments in environment and climate actions are primarily funded by major Union funding programmes. It is therefore imperative to step up mainstreaming efforts to ensure sustainability, biodiversity proofing and climate proofing of activities under other Union funding programmes and the integration of sustainability safeguards in all Union instruments. In the context of their role as a catalyst, strategic integrated projects and strategic nature projects to be developed under the LIFE Programme should leverage financing opportunities under those funding programmes and other sources of funding, such as national funds, and create synergies.
- (28) The success of strategic nature projects and strategic integrated projects depends on close cooperation between national, regional and local authorities and the non-State actors affected by the objectives of the LIFE Programme. The principles of transparency and disclosure regarding decisions on the development, implementation, assessment and monitoring of projects should, therefore, be applied, in particular in the case of mainstreaming or when multiple funding sources are involved.

- (29) Reflecting the importance of tackling climate change in a coordinated and ambitious manner, in line with the Union's commitments to implement the Paris Agreement on Climate Change and the United Nations Sustainable Development Goals, the LIFE Programme will contribute to mainstreaming climate actions and to the achievement of an overall target of at least 30 % of the EU budget expenditure supporting climate objectives. Actions under the LIFE Programme are expected to contribute 61 % of the overall financial envelope of the LIFE Programme to climate objectives. Relevant actions will be identified during the LIFE Programme's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes. In line with the European Green Deal, actions under the LIFE programme should respect the 'do no harm' principle.
- (30) In the implementation of the LIFE Programme, due consideration should be given to the strategy for outermost regions, contained in the communication of the Commission of 24 October 2017 on a stronger and renewed strategic partnership with the EU's outermost regions, in view of Article 349 TFEU and the specific needs and vulnerabilities of those regions. Union policies other than environmental, climate and relevant energy policies should also be taken into account.

- (31) In support of the implementation of the LIFE Programme, the Commission should collaborate with the LIFE Programme's National Contact Points network to stimulate cooperation aimed at improving and making National Contact Point services across the Union more effective, in order to increase the overall quality of submitted proposals, organise seminars and workshops, publish lists of projects funded under the LIFE Programme or undertake other activities, such as media campaigns, so as to better disseminate project results and to facilitate exchange of experience, knowledge and best practice and the replication of project results across the Union, thus promoting cooperation and communication. Such activities should in particular target Member States in which there is a low uptake of funds and should facilitate communication and cooperation between beneficiaries, applicants and stakeholders of completed or ongoing projects in the same field. It is essential that such communication and cooperation activities be addressed to regional and local authorities and to stakeholders.

- (32) Quality should be the criterion governing the project evaluation and award process in the LIFE Programme. In order to facilitate the implementation of the objectives of the LIFE Programme across the Union and to promote high quality in project proposals, funding for technical assistance projects that are aimed at effective participation in the LIFE Programme should be made available. The Commission should pursue effective, quality-based geographical coverage across the Union, including by supporting Member States to increase the quality of projects through capacity building. Low effective participation, eligible activities and award criteria of the LIFE Programme should be specified in the Multiannual Work Programme guided by the participation and success rate of applicants from the relevant Member States, taking into account, inter alia, population and population density, the total area of Natura 2000 sites for each Member State expressed as a proportion of the total area of Natura 2000, and the proportion of a Member State's territory covered by Natura 2000 sites. Eligible activities should be of a nature such that they are aimed at improving the quality of project applications.

(33) In accordance with the communication of the Commission of 18 January 2018 on EU actions to improve environmental compliance and governance, the European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL), the European Network of Prosecutors for the Environment (ENPE), and the European Union Forum of Judges for the Environment (EUFJE) have been created to facilitate collaboration between Member States and to play a unique role in the enforcement of Union environmental legislation. They provide a substantial contribution to reinforcing consistency in the implementation and enforcement of Union environmental legislation across the Union, to avoiding distortions of competition and to improving the quality of the environmental inspection and the law enforcement mechanisms through a networking system at both, Union and Member State level, and provide for the exchange of information and experience at different administrative levels, through training and in-depth discussions on environmental issues and enforcement aspects, including monitoring and permitting processes. In view of their contribution to the objectives of the LIFE Programme, it is appropriate to authorise the award of grants to IMPEL, ENPE and EUFJE without a call for proposals so as to continue to provide support to the activities of those bodies. In addition, in other cases, a call might not be required pursuant to the general requirements of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹ (the 'Financial Regulation'), for example for bodies designated by Member States and operating under their responsibility, where those Member States are identified as beneficiaries of a grant by a legislative act of the Union.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (34) It is appropriate to lay down a financial envelope for the LIFE Programme which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources, for the European Parliament and the Council during the annual budgetary procedure.
- (35) The maximum co-financing rates of grants financed under the LIFE Programme should be set at levels such as are necessary to maintain the effective level of support provided by the LIFE Programme. In order to take into account the necessary adaptability that is needed to respond to the existing range of actions and entities, specific co-financing rates should facilitate certainty, while maintaining a degree of flexibility commensurate to specific needs or requirements. The specific co-financing rates should always be subject to the established relevant maximum co-financing rates.
- (36) The Financial Regulation adopted by the European Parliament and the Council on the basis of Article 322 TFEU applies to this Regulation. The Financial Regulation lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts, and provides for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.

(37) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹, Council Regulations (EC, Euratom) No 2988/95², (Euratom, EC) No 2185/96³ and (EU) 2017/1939⁴, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union.

¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁴ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute offences against the Union's financial interests as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors, and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

- (38) The types of financing and the methods of implementation of the budget of the LIFE Programme should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. For grants, the use of lump sums, flat rates and scales of unit costs should be considered. The Commission should ensure that implementation is easy to understand, and should promote genuine simplification for project developers.

¹ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (39) Where appropriate, the policy objectives of the LIFE Programme should be addressed through financial instruments and budgetary guarantees under Regulation (EU) 2021/...⁺, including through the allocated amount from the LIFE Programme, as specified in the multiannual work programmes under that Programme.
- (40) Pursuant to Article 94 of Council Decision 2013/755/EU¹, entities established in overseas countries and territories are eligible for funding subject to the rules and objectives of the LIFE Programme and to possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked. The participation of such entities in the LIFE Programme should focus primarily on projects that fall under the sub-programme 'Nature and Biodiversity'.

⁺ OJ: please insert in the text the number of the Regulation contained in file PE-CONS 74/20 (2020/0108 (COD)).

¹ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') (OJ L 344, 19.12.2013, p. 1).

- (41) The voluntary scheme for Biodiversity and Ecosystem Services in Territories of European Overseas (BEST) promotes the conservation of biodiversity, including marine biodiversity, and sustainable use of ecosystem services, including ecosystem-based approaches to climate change adaptation and mitigation, in the Union's Outermost Regions and Overseas Countries and Territories. Through the BEST preparatory action adopted in 2011 and the subsequent BEST 2.0 Programme and BEST RUP project, BEST has helped to raise awareness of the ecological importance of the Outermost Regions and Overseas Countries and Territories and their key role in conserving global biodiversity. The Commission estimates that the need for financial support for projects on the ground in those territories is EUR 8 million per year. In their Ministerial Declarations in 2017 and 2018, Overseas Countries and Territories expressed their appreciation for this small-grant scheme for biodiversity. It is therefore appropriate for the LIFE Programme to finance small grants for biodiversity, including capacity building and actions that have a catalytic effect, in both the Outermost Regions and the Overseas Countries and Territories.
- (42) The LIFE Programme should be open to third countries in accordance with the agreements between the Union and those countries establishing the specific conditions for their participation.

- (43) Third countries which are members of the European Economic Area (EEA) may participate in Union programmes in the framework of the cooperation established under Agreement on the European Economic Area¹, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement. Third countries may also participate on the basis of other legal instruments. A specific provision should be introduced in this Regulation requiring third countries to grant the necessary rights for and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences.
- (44) Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement of 13 April 2016 on Better Law-Making², the LIFE Programme should be evaluated on the basis of information collected through specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the LIFE Programme on the ground. The full impact of the LIFE Programme accrues through indirect, long-term and difficult-to-measure contributions towards achieving the full range of Union environment and climate objectives. For monitoring of the LIFE Programme, direct output indicators and tracking requirements set out in this Regulation should be complemented by aggregation of specific project level indicators to be described in multiannual work programmes or calls for proposals, inter alia regarding Natura 2000 and emissions of certain atmospheric pollutants.

¹ OJ L 1, 3.1.1994, p. 3.

² OJ L 123, 12.5.2016, p. 1.

- (45) In order to ensure uniform conditions for the implementation of this Regulation relating to the adoption of the multiannual work programmes, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.
- (46) In order to ensure that support from and implementation of the LIFE Programme is consistent with the policies and priorities of the Union, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission, in order to amend this Regulation by reviewing or complementing the indicators or to supplement this Regulation by defining specific indicators for each sub-programme and type of project and by establishing a monitoring and evaluation framework. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (47) Since the objectives of this Regulation, namely to contribute to a high level of environmental protection and ambitious climate action, to sustainable development and to the achievement of the objectives and targets of environmental, biodiversity, climate, circular economy, relevant renewable energy and energy efficiency legislation, strategies, plans and international commitments of the Union, through good governance and a multi-stakeholder approach, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of this Regulation, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (48) Regulation (EU) No 1293/2013 should therefore be repealed.
- (49) It is appropriate to ensure a smooth transition without interruption between the previous Programme for the Environment and Climate Action (LIFE) and the LIFE Programme, and to align the start of the LIFE Programme with that of the multiannual financial framework as laid down in Regulation (EU, Euratom) 2020/2093. Therefore, this Regulation should enter into force as a matter of urgency and should apply with retroactive effect from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

Chapter I

General provisions

Article 1

Subject matter

This Regulation establishes a Programme for the Environment and Climate Action (LIFE) (the 'LIFE Programme') for the period of the multiannual financial framework 2021 to 2027. The duration of the LIFE Programme is aligned with the duration of the multiannual financial framework.

This Regulation also lays down the objectives of the LIFE Programme, its budget for the period 2021-2027, the forms of Union funding and the rules for providing such funding.

Article 2
Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'strategic nature projects' means projects that support the achievement of Union nature and biodiversity objectives by implementing coherent programmes of action in Member States in order to mainstream those objectives and priorities into other policies and financing instruments, including through coordinated implementation of the prioritized action frameworks adopted pursuant to Directive 92/43/EEC;
- (2) 'strategic integrated projects' means projects that implement, on a regional, multi-regional, national or transnational scale, environmental or climate strategies or action plans developed by Member States' authorities and required by specific environmental, climate or relevant energy legislation or policy of the Union, while ensuring that stakeholders are involved and promoting coordination with and mobilisation of at least one other Union, national or private funding source;

- (3) 'technical assistance projects' means projects that support the development of capacity for participation in standard action projects, the preparation of strategic nature projects and strategic integrated projects, the preparation for accessing other Union financial instruments, or other measures necessary for preparing the upscaling or replication of results from other projects funded by the LIFE Programme, its predecessor programmes or other Union programmes, with a view to pursuing the LIFE Programme objectives set out in Article 3; such projects can also include capacity building related to the activities of Member States' authorities for effective participation in the LIFE Programme;
- (4) 'standard action projects' means projects, other than strategic integrated projects, strategic nature projects or technical assistance projects, that pursue the specific objectives of the LIFE Programme;
- (5) 'blending operations' means actions supported by the Union budget, including within blending facilities pursuant to point (6) of Article 2 of the Financial Regulation, that combine non-repayable forms of support, financial instruments, or both, from the Union budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;
- (6) 'legal entity' means any natural person or any legal person created and recognised as such under national law, Union law or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or any entity without a legal personality in accordance with point (c) of Article 197(2) of the Financial Regulation.

Article 3
Objectives

1. The general objective of the LIFE Programme shall be to contribute to the shift towards a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and -resilient economy, in order to protect, restore and improve the quality of the environment, including the air, water and soil, and to halt and reverse biodiversity loss and to tackle the degradation of ecosystems, including by supporting the implementation and management of the Natura 2000 network, thereby contributing to sustainable development. The LIFE Programme shall also support the implementation of general action programmes adopted in accordance with Article 192(3) TFEU.
2. The LIFE Programme shall have the following specific objectives:
 - (a) to develop, demonstrate and promote innovative techniques, methods and approaches for reaching the objectives of Union legislation and policy on the environment, including nature and biodiversity, and on climate action, including the transition to renewable energy and increased energy efficiency, and to contribute to the knowledge base and to the application of best practice, in particular in relation to nature and biodiversity, including through the support of the Natura 2000 network;

- (b) to support the development, implementation, monitoring and enforcement of relevant Union legislation and policy on the environment, including nature and biodiversity, and on climate action and the transition to renewable energy or increased energy efficiency, including by improving governance at all levels, in particular by enhancing the capacities of public and private actors and the involvement of civil society;
- (c) to act as a catalyst for the large-scale deployment of successful technical and policy-related solutions for implementing relevant Union legislation and policy on the environment, including nature and biodiversity, and on climate action and the transition to renewable energy or increased energy efficiency, by replicating results, by integrating related objectives into other policies and into public and private sector practices, by mobilising investment and by improving access to finance.

Article 4

Structure

The LIFE Programme shall be structured as follows:

- (1) the field 'Environment', which includes:
 - (a) the subprogramme 'Nature and Biodiversity';
 - (b) the subprogramme 'Circular Economy and Quality of Life';

- (2) the field 'Climate Action', which includes:
 - (a) the subprogramme 'Climate Change Mitigation and Adaptation';
 - (b) the subprogramme 'Clean Energy Transition'.

Article 5

Budget

1. The financial envelope for the implementation of the LIFE Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 5 432 000 000 in current prices.
2. The indicative distribution of the amount referred to in paragraph 1 shall be:
 - (a) EUR 3 488 000 000 for the field 'Environment', of which
 - (i) EUR 2 143 000 000 for the subprogramme 'Nature and Biodiversity', and
 - (ii) EUR 1 345 000 000 for the subprogramme 'Circular Economy and Quality of Life';
 - (b) EUR 1 944 000 000 for the field 'Climate Action', of which
 - (i) EUR 947 000 000 for the subprogramme 'Climate Change Mitigation and Adaptation', and
 - (ii) EUR 997 000 000 for the subprogramme 'Clean Energy Transition'.

3. The amounts referred to in paragraphs 1 and 2 shall be without prejudice to provisions on flexibility set out in Regulation (EU, Euratom) 2020/2093 and in the Financial Regulation.
4. Notwithstanding paragraph 2, at least 60 % of the budgetary resources allocated to projects supported by way of action grants under the field 'Environment' referred to in point (a) of paragraph 2 shall be dedicated to grants for projects supporting the subprogramme 'Nature and Biodiversity' referred to in point (a)(i) of paragraph 2.
5. The LIFE Programme may finance technical and administrative assistance activities by the Commission for its implementation, such as preparatory, monitoring, control, audit and evaluation activities, including on corporate information technology systems, and network activities supporting the LIFE Programme's National Contact Points, including training, mutual learning activities and events to share experience.
6. The LIFE Programme may finance activities implemented by the Commission in support of the preparation, implementation and mainstreaming of environmental, climate or relevant energy legislation and policies of the Union for the purpose of achieving the objectives set out in Article 3. Such activities may include:
 - (a) information and communication, including awareness-raising campaigns, and corporate communication regarding the political priorities of the Union, as well as regarding the implementation and transposition status of environmental, climate or relevant energy legislation of the Union;

- (b) studies, surveys, modelling and scenario-building;
- (c) preparation, implementation, monitoring, checking and evaluation of legislation, policies and programmes, as well as assessment and analysis of projects not funded by the LIFE Programme, if they serve the objectives set out in Article 3;
- (d) workshops, conferences and meetings;
- (e) networking, and best-practice platforms;
- (f) other activities, such as awarding prizes.

Article 6

Third countries associated with the LIFE Programme

1. The LIFE Programme shall be open to the participation of the following third countries:
 - (a) members of the European Free Trade Association which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the Agreement on the European Economic Area;

- (b) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (c) European Neighbourhood Policy countries, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (d) other third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the third country in any Union programme, provided that the agreement:
 - (i) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (ii) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes, and their administrative costs;

- (iii) does not confer on the third country a decision-making power in respect of the Union programme;
- (iv) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

The contributions referred to in point (d)(ii) of the first subparagraph shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation.

2. Where a third country participates in the LIFE Programme by means of a decision adopted pursuant to an international agreement or on the basis of any other legal instrument, the third country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, provided for in Regulation (EU, Euratom) No 883/2013.

Article 7

International cooperation

In the course of implementing the LIFE Programme, cooperation with relevant international organisations, and with their institutions and bodies, shall be possible where needed for the purpose of achieving the objectives set out in Article 3.

Article 8

Synergies with other Union programmes

The Commission shall facilitate the consistent implementation of the LIFE Programme. The Commission and Member States shall facilitate coordination and the attainment of coherence with the European Regional Development Fund, the European Social Fund+ established under a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+) ('European Social Fund+'), the Cohesion Fund, the European Agricultural Fund for Rural Development, and the European Maritime, Fisheries and Aquaculture Fund, Horizon Europe, the Connecting Europe Facility established under Regulation (EU) No 1316/2013 of the European Parliament and of the Council¹ and the InvestEU Programme established under Regulation (EU) 2021/...⁺, in order to create synergies, particularly as regards strategic nature projects and strategic integrated projects, and to support the uptake and replication of solutions developed under the LIFE Programme. The Commission and Member States shall pursue complementarity at all levels.

¹ Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129).

⁺ OJ: please insert in the text the number of the Regulation contained in file PE-CONS 74/20 (2020/0108 (COD)).

Article 9

Implementation and forms of Union funding

1. The Commission shall implement the LIFE Programme in direct management, or in indirect management with bodies referred to in point (c) of Article 62(1) of the Financial Regulation.
2. The LIFE Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes and procurement. It may also provide financing in the form of financial instruments within blending operations.
3. At least 85 % of the budget for the LIFE Programme shall be allocated:
 - (a) to grants as referred to in Article 11(2) and (6);
 - (b) to projects financed through other forms of funding to the extent specified in the multiannual work programme referred to in Article 18; or
 - (c) where appropriate and to the extent specified in the multiannual work programme referred to in Article 18, to financing in the form of financial instruments within blending operations as referred to in paragraph 2 of this Article.

The Commission shall ensure that the projects financed by other forms of funding are fully in line with the objectives set out in Article 3.

The maximum amount allocated to grants as referred to in Article 11(4) shall be EUR 15 million .

4. The maximum co-financing rates for the eligible actions referred to in points (a) to (d) of Article 11(2) of this Regulation shall be up to 60 % of eligible costs and up to 75 % in the case of projects funded under the subprogramme 'Nature and Biodiversity', in particular those that concern priority habitats or species, as part of the implementation of Directive 92/43/EEC, or that concern the species of birds considered as a priority for funding by the Committee for Adaptation to Technical and Scientific Progress set up pursuant to Article 16 of Directive 2009/147/EC when necessary to achieve the conservation objective. For the actions referred to in Article 11(6) of this Regulation, the maximum co-financing rate shall be 70 % of the eligible costs. Without prejudice to the relevant and pre-determined maximum co-financing rates, specific rates shall be further specified in the multiannual work programme referred to in Article 18 of this Regulation. The specific rates may be adapted in accordance with the requirements of each subprogramme, project type or type of grant.

For the projects referred to in Article 11(4), the maximum co-financing rates shall not exceed 95 % of eligible costs during the period of the first multiannual work programme; for the second multiannual work programme and subject to confirmation in that work programme, the co-financing rate shall be 75 % of eligible costs.

5. Quality shall be the criterion governing the project evaluation and award process in the LIFE Programme. The Commission shall pursue effective, quality-based geographical coverage across the Union, including by supporting Member States to increase the quality of the projects through capacity building.

Chapter II

Eligibility

Article 10

Grants

Grants under the LIFE Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.

Article 11

Eligible actions

1. Only actions implementing the objectives set out in Article 3 shall be eligible for funding.

2. Grants may finance the following types of action:
- (a) strategic nature projects under the subprogramme referred to in point (1)(a) of Article 4;
 - (b) strategic integrated projects under the subprogrammes referred to in points (1)(b), (2)(a) and 2(b) of Article 4;
 - (c) technical assistance projects;
 - (d) standard action projects;
 - (e) other actions needed for the purpose of achieving the general objective set out in Article 3(1), including coordination and support actions aimed at capacity building, at dissemination of information and of knowledge, and at awareness-raising to support the transition to renewable energy and increased energy efficiency.
3. Projects under the subprogramme 'Nature and Biodiversity' that concern the management, restoration and monitoring of Natura 2000 sites in accordance with Directives 92/43/EEC and 2009/147/EC shall take account of priorities set out in national and regional plans, strategies and policies on nature and biodiversity conservation, including in prioritised action frameworks adopted pursuant to Directive 92/43/EEC.

4. Technical assistance projects for capacity building related to the activities of Member States' authorities to improve the effective participation in the LIFE programme shall support activities of those Member States with low effective participation, with a view to improving the National Contact Points' services across the Union and to increasing the overall quality of submitted proposals.
5. Grants may finance activities outside a Member State or an overseas country or territory linked to it, provided that the project pursues Union environmental and climate objectives and those activities are necessary to ensure the effectiveness of interventions carried out in a Member State or in an overseas country or territory linked to it, or to support international agreements to which the Union is party by providing a contribution to the organisation of multilateral conferences. The maximum contribution provided to international agreements for the organisation of multilateral conferences shall be EUR 3,5 million for the duration of the LIFE programme indicated in Article 1, and such grants shall not count towards meeting the threshold referred to in the first subparagraph of Article 9 (3).
6. Operating grants shall support the functioning of non-profit making entities which are involved in the development, implementation and enforcement of Union legislation and policy, and which are primarily active in the area of the environment or climate action, including energy transition, in line with the objectives of the LIFE Programme set out in Article 3.

Article 12

Eligible entities

1. The eligibility criteria set out in paragraphs 2 and 3 of this Article shall apply to entities in addition to the criteria set out in Article 197 of the Financial Regulation.
2. The following entities shall be eligible:
 - (a) legal entities established in any of the following countries or territories:
 - (i) a Member State or an overseas country or territory linked to it;
 - (ii) a third country associated with the LIFE Programme;
 - (iii) other third countries listed in the multiannual work programme referred to in Article 18, under the conditions specified in paragraphs 4 and 5 of this Article;
 - (b) any legal entity created under Union law or any international organisation.
3. Natural persons shall not be eligible.
4. Legal entities established in a third country which is not associated with the LIFE Programme shall be exceptionally eligible to participate where this is necessary for the achievement of the objectives of a given action to ensure the effectiveness of interventions carried out in the Union.

5. Legal entities established in a third country which is not associated with the LIFE Programme shall in principle bear the cost of their participation.

Article 13

Direct award

Without prejudice to Article 188 of the Financial Regulation, grants may be awarded, without a call for proposals, to the bodies listed in Annex I to this Regulation.

Article 14

Specification of award criteria

The Commission shall set out award criteria in the multiannual work programme referred to in Article 18 and calls for proposals, taking into account the following principles:

- (a) projects financed by the LIFE Programme are to be of Union interest by making a significant contribution to the achievement of the general and specific objectives of the LIFE Programme set out in Article 3, are not to undermine those objectives and, whenever possible, are to promote the use of green public procurement;
- (b) projects are to ensure a cost-effective approach, and be technically and financially coherent;

- (c) projects with the highest potential for contributing to the achievement of the objectives set out in Article 3 are to be given priority;
- (d) projects that provide co-benefits and promote synergies between the subprogrammes referred to in Article 4 are to benefit from a bonus in their evaluation;
- (e) projects with the highest potential for being replicated and taken-up by the public or private sector or for mobilising the largest investments or financial resources (potential to act as a catalyst) are to benefit from a bonus in their evaluation;
- (f) the replicability of standard action project results is to be ensured;
- (g) projects that build on or upscale the results of other projects funded by the LIFE Programme, its predecessor programmes or by other Union funds, are to benefit from a bonus in their evaluation;
- (h) where appropriate, special attention is to be given to projects in geographical areas with specific needs or vulnerabilities, such as areas with specific environmental challenges or natural constraints, trans-border areas, areas of high natural value and outermost regions.

Article 15

Eligible costs related to purchase of land

In addition to the criteria set out in Article 186 of the Financial Regulation, costs relating to the purchase of land shall be considered eligible provided that the following conditions are fulfilled:

- (a) the purchase contributes to improving, maintaining and restoring the integrity of the Natura 2000 network set up pursuant to Article 3 of Directive 92/43/EEC, including by improving connectivity through the creation of corridors, stepping stones, or other elements of green infrastructure;
- (b) land purchase is the only or most cost-effective way of achieving the conservation outcome sought;
- (c) the land purchased is reserved on a long-term basis for uses consistent with the specific objectives of the LIFE Programme; and
- (d) the Member State concerned ensures, by way of transfer or otherwise, the long-term assignment of such land to nature conservation purposes.

Article 16

Cumulative and alternative financing

1. An action that has received a contribution from another Union programme may also receive a contribution under the LIFE Programme, provided that the contributions do not cover the same costs and that the action pursues the environmental or climate objectives set out in Article 3, and does not undermine any of them. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The cumulative financing shall not exceed the total eligible costs of the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

2. Support from the European Regional Development Fund, the European Social Fund+ or the European Agricultural Fund for Rural Development, in accordance with the relevant provisions of a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the instrument for financial support for border management and visa and the relevant provisions of a Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council , may be granted to actions awarded a 'Seal of Excellence' certification under the LIFE Programme by complying with the following cumulative conditions:
- (a) they have been assessed in a call for proposals under the LIFE Programme;
 - (b) they comply with the minimum quality requirements of that call for proposals;
 - (c) they cannot be financed under that call for proposals due to budgetary constraints.

Chapter III

Blending operations

Article 17

Blending operations

Blending operations under the LIFE Programme shall be implemented in accordance with Regulation (EU) 2021/...⁺ and Title X of the Financial Regulation, with due regard being had to sustainability and transparency requirements.

Chapter IV

Programming, monitoring, reporting and evaluation

Article 18

Multiannual work programme

1. The Commission shall, by means of implementing acts, adopt multiannual work programmes for the LIFE Programme. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

⁺ OJ: please insert in the text the number of the Regulation contained in file PE-CONS 74/20 (2020/0108 (COD)).

2. Each multiannual work programme shall specify, in line with the objectives set out in Article 3, the following:
- (a) the amounts to be allocated between needs under each sub-programme and between different types of funding, as well as the maximum total amount to be allocated to grants as referred to in points (a) and (b) of Article 11(2);
 - (b) the maximum total amount for financing in the form of financial instruments within blending operations under the LIFE Programme, where applicable;
 - (c) the maximum total amount for grants to be awarded to the bodies listed in Annex I in accordance with Article 13;
 - (d) the project topics or specific needs for which there is pre-allocation of funding for the projects referred to in points (c) and (d) of Article 11(2);
 - (e) the strategies and plans targeted by strategic integrated projects for which funding may be requested for projects as referred to in point (b) of Article 11(2);
 - (f) the maximum eligibility period for the implementation of the projects;
 - (g) indicative timetables for the calls for proposals for the period covered by the multiannual work programme;

- (h) the technical methodology for the project submission and selection procedure, and the award criteria in accordance with the elements referred to in Article 14;
 - (i) the co-financing rates referred to in Article 9(4);
 - (j) the maximum co-financing rates for the eligible actions referred to in point (e) of Article 11(2);
 - (k) where relevant, detailed rules concerning the application of cumulative and alternative financing;
 - (l) low effective participation and eligible activities and award criteria for technical assistance projects for the capacity building related to the activities of Member States' authorities for effective participation in the LIFE programme.
3. The duration of the first multiannual work programme shall be four years and the duration of the second multiannual work programme shall be three years.
 4. In the framework of the multiannual work programmes, the Commission shall publish calls for proposals for the period covered. The Commission shall ensure that unused funds in a given call for proposals are reallocated between the different types of actions referred to in Article 11(2) within the same field.
 5. The Commission shall ensure that stakeholders are consulted in the development of the multiannual work programmes.

Article 19

Monitoring and reporting

1. The Commission shall report on progress of the LIFE Programme towards the achievement of the objectives set out in Article 3, based on the indicators set out in Annex II.
2. To ensure the effective assessment of the LIFE Programme's progress towards the achievement of its objectives, the Commission is empowered to adopt delegated acts, in accordance with Article 23, to amend Annex II to review or complement the indicators where considered necessary, including with a view to their alignment with indicators set out for other Union programmes, and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 23 to supplement this Regulation by defining, on the basis of Annex II, specific indicators for each subprogramme and type of project.

4. The Commission shall ensure that data for monitoring programme implementation and results are collected efficiently, effectively, and in a timely manner. To that end, and in accordance with relevant methodologies, proportionate reporting requirements shall be imposed on recipients of Union funds to enable the collection of aggregable project-level output and impact indicators for all relevant specific environment and climate policy objectives, including in relation to Natura 2000 and the emissions of certain atmospheric air pollutants, including CO₂.
5. The Commission shall regularly monitor and report on mainstreaming of climate and biodiversity objectives, including the amount of expenditure. While taking into account the demand-driven nature of the LIFE programme, 61 % of the overall amount of the LIFE Programme as defined in Article 5 is expected to contribute to the budget-wide target of at least 30 % of expenditure contributing to climate objectives. This contribution shall be tracked through the Union climate marker system. This Regulation shall contribute to mainstreaming biodiversity action in the Union's policies and to the achievement of the overall ambition of providing 7,5 % of annual spending under the multiannual financial framework to biodiversity objectives in 2024 and 10 % of annual spending under the multiannual financial framework to biodiversity objectives in 2026 and in 2027, while considering the existing overlaps between climate and biodiversity goals.

Biodiversity-related spending shall be tracked using an effective, transparent and comprehensive methodology to be set out by the Commission, in cooperation with the European Parliament and with the Council, as referred to in the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources. Those tracking methods shall be used to quantify the commitment appropriations expected to contribute respectively to climate and to biodiversity objectives over the Multiannual Financial Framework for 2021-2027 at the appropriate level of disaggregation. The spending shall be presented annually in the Programme Statement. The contribution of the LIFE Programme to Union climate and biodiversity objectives shall be reported regularly in the context of evaluations and the annual report.

6. The Commission shall assess synergies between the LIFE Programme and other complementary Union programmes and those between its subprogrammes.

Article 20
Evaluation

1. The Commission shall carry out evaluations provided for under this Regulation in a timely manner to feed into the decision-making process with due regard for coherence, synergies, Union added-value and long-term sustainability, taking account of the Union's climate and environment priorities.

2. The Commission shall perform the mid-term evaluation of the LIFE Programme once there is sufficient information available about its implementation , but no later than 42 months after the start of the implementation of the LIFE Programme , making use of the indicators as set out in accordance with Annex II.

The evaluation shall cover at least the following:

- (a) qualitative and quantitative aspects of the implementation of the LIFE Programme;
- (b) efficiency of the use of resources;
- (c) the degree to which the objectives of all the measures have been achieved, specifying where possible, results and impacts;

- (d) the actual or expected success of projects in leveraging other Union funds, taking into account, in particular, the benefits of increased coherence with other Union financial instruments;
- (e) the extent to which synergies between the objectives have been reached and the complementarity of the LIFE Programme with other relevant Union programmes;
- (f) the Union added value and long-term impact of the LIFE Programme, with a view to taking a decision on the renewal, modification or suspension of measures;
- (g) the extent to which stakeholders have been involved;
- (h) a quantitative and qualitative analysis of the contribution of the LIFE Programme to the conservation status of habitats and species listed in Directives 92/43/EEC and 2009/147/EC;
- (i) an analysis of the geographical coverage across the Union, as referred to in Article 9(5), and, if no such coverage is reached, an analysis of the underlying reasons for such lack of coverage.

3. At the end of the implementation of the LIFE Programme, but no later than four years after the end of the period specified in the second paragraph of Article 1, the Commission shall carry out a final evaluation of the LIFE Programme.

4. The Commission shall communicate the conclusions of the evaluations accompanied by its observations to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions. The Commission shall make the results of the evaluations publicly available.

Chapter V

Transitional and final provisions

Article 21

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the projects and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public. For this purpose, the recipients shall use the LIFE Programme logo, which is depicted in Annex III. All durable goods acquired in the framework of the LIFE Programme shall bear the LIFE Programme logo except in cases specified by the Commission. Where the use of the LIFE Programme logo is not feasible, the LIFE Programme shall be mentioned in all communication activities, including on notice boards at strategic places visible to the public.

2. The Commission shall implement information and communication actions relating to the LIFE Programme, to actions taken pursuant to the LIFE Programme and to the results obtained. Financial resources allocated to the LIFE Programme shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 3.

Article 22

Committee procedure

1. The Commission shall be assisted by the Committee for the LIFE Programme. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. Where the Committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.
4. The Commission shall report annually to the Committee on the overall progress of the implementation of the LIFE Programme's subprogrammes and on particular actions under the LIFE Programme, inter alia on blending operations implemented through budgetary resources allocated from the LIFE Programme.

Article 23
Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 19(2) and (3) shall be conferred on the Commission until 31 December 2028.
3. The delegation of power referred to in Article 19(2) and (3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 19(2) and (3) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 24

Repeal

Regulation (EU) No 1293/2013 is hereby repealed with effect from 1 January 2021.

Article 25

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions initiated pursuant to Regulation (EC) No 614/2007 of the European Parliament and of the Council¹ and to Regulation (EU) No 1293/2013, which shall continue to apply to the projects concerned until their closure.

¹ Regulation (EC) No 614/2007 of the European Parliament and of the Council of 23 May 2007 concerning the Financial Instrument for the Environment (LIFE+) (OJ L 149, 9.6.2007, p. 1).

2. The financial envelope for the LIFE Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the LIFE Programme and the measures adopted under Regulations (EC) No 614/2007 and (EU) No 1293/2013.
3. If necessary, appropriations may be entered in the Union budget beyond 2027 to cover the expenses provided for in Article 5(5), to enable the management of projects not completed by 31 December 2027.
4. Reflows from financial instruments established under Regulation (EU) No 1293/2013 may be invested in the financial instruments established under Regulation (EU) 2021/...⁺.
5. The appropriations corresponding to assigned revenue arising from the repayment of amounts wrongly paid pursuant to Regulation (EC) No 614/2007 or (EU) No 1293/2013 shall be used, in accordance with Article 21 of the Financial Regulation, to finance the LIFE Programme.

⁺ OJ: please insert in the text the number of the Regulation contained in file PE-CONS 74/20 (2020/0108 (COD)).

Article 26
Entry into force and application

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

This Regulation shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

BODIES TO WHICH GRANTS MAY BE AWARDED WITHOUT A CALL FOR PROPOSALS

1. The European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL);
 2. The European Network of Prosecutors for the Environment (ENPE);
 3. The European Union Forum of Judges for the Environment (EUFJE).
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ANNEX II

INDICATORS

1. Output indicators
 - 1.1. Number of projects developing, demonstrating and promoting innovative techniques and approaches;
 - 1.2. Number of projects applying best practice in relation to nature and biodiversity;
 - 1.3. Number of projects for the development, implementation, monitoring or enforcement of relevant Union legislation and policy;
 - 1.4. Number of projects improving governance by enhancing the capacities of public and private actors and the involvement of civil society;
 - 1.5. Number of projects, including strategic integrated and strategic nature projects, implementing
 - key plans or strategies;
 - programmes of action for mainstreaming 'Nature and Biodiversity'.

2. Result indicators

2.1. Net change to the environment and climate, based on the aggregation of project level indicators to be specified in the calls for proposals under the subprogrammes:

- 'Nature and Biodiversity';
- 'Circular Economy and Quality of Life' covering at least the following:
 - air quality
 - soil
 - water
 - waste
 - chemicals
 - noise
 - resource use and efficiency;
- 'Climate Change Mitigation and Adaptation';
- 'Clean Energy Transition'.

2.2. Cumulative investments triggered by the projects or finance accessed (million EUR);

2.3. Number of organisations involved in projects or receiving operating grants;

2.4. Share of projects having had the effect of a catalyst after the end date of the project.

ANNEX III

LIFE PROGRAMME LOGO

