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FORUM OF LOCAL AND REGIONAL AUTHORITIES

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Background paper 3 for discussion under Agenda Item 9: EU Programmes 2021-2027 of high interest for the EEA EFTA states and the participation of the local and regional level in the EEA EFTA States.

INTRODUCTION

In 2021, the European Union will enter a new programming period. Every seven years the Union evaluates its funding mechanisms and introduces changes to the administration as well as to the priorities the funds are dedicated for. The Commission proposes a more coherent, focused and transparent framework and to reduce the number of programmes by more than a third. Funding will be increased in the priority areas: Research, innovation and digital; Youth; LIFE, environment and climate action; Migration and border security, while it will be decreased in fields such as the Common agricultural programme and Cohesion. The proposed changes in funding priorities will lead to more cost for Iceland and Norway as a higher percentage of the funds will be allocated to EEA relevant programmes in the next period.

The EU programmes 2021-2027 of high interest to the EEA EFTA States are the following:

- Horizon Europe
- Creative Europe
- ERASMUS+
- Digital Europe (incl. Cyber Security)
- Connecting Europe Facility
- European Space Programme
- European Social Fund
- Rights & Values (Justice, Rights & Values Fund)
- European Defence Fund
- Union Civil Protection Mechanism
- Invest EU
- LIFE Programme for Environment and Climate Action
- European Solidarity Corps

The EEA Agreement allows local and regional authorities to participate in some European programmes and use them as a strategic tool in implementing their own regional and local development plans. Future local and regional development and efficient services will increasingly require access to international expertise and sharing of best practices through co-
operation on European level. The EU has also established several networks and platforms to complement the programmes.

In the current period, the EEA EFTA States participated in most EEA relevant programmes, except the LIFE+ programme for the environment and the Europe for Citizens programme. Discussions on EEA EFTA State participation in the programmes are ongoing. **Local and regional authorities are currently looking into whether participation in the LIFE programme and Rights & Values programme should be sought in the next period.**

THE LIFE PROGRAMME

The LIFE programme, launched in 1992, is the only EU fund entirely dedicated to environmental and climate objectives. To date, it has co-financed over 4500 projects with total EU contribution amounting to about €5.9 billion. Enterprises, mainly SMEs, public bodies, and private non-commercial organisations are beneficiaries of these projects.

The European Commission proposed a new LIFE programme for 2021-2027 aiming to:

- Contribute to the shift towards a clean, circular, energy-efficient, low-carbon and climate-resilient economy, including the transition to clean energy;
- Protect and improve the quality of the environment;
- Halt and reverse biodiversity loss, thereby contributing to sustainable development.

Furthermore, LIFE 2021-2027 should contribute to the Union commitments under the Paris Agreement, the UN 2030 Agenda on Sustainable Development, and the Convention on Biological Diversity. To these ends, the Commission proposes €5.45 billion (0.43% of total EU spending) to be earmarked to the new programme which is 60% increase compared to the current programme period. Funding would be shared between two main fields of action, Environment and Climate Action, covering four sub-programmes:

- Nature and Biodiversity
- Circular Economy and Quality of Life
- Climate Change Mitigation and Adaptation
- Clean Energy Transition

Expanding investments in climate action through LIFE funding follows the EU approach to integrate climate objectives in all instruments of the next EU budget. According to the Commission, 25% of the EU budget expenditure and 61% of the financial envelope of the new LIFE programme are expected to be climate related.

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1 These do not provide funding but allow for exchange of information and benchmarking and facilitate the identification of potential future project ideas and partners. Some of these platforms are of interest for municipalities and regions, such as: Towards an age-friendly Europe, and Smart cities and Smart specialisation.

2 Currently the Europe for Citizens and Rights, Equality and Citizenship programmes
The conservation of nature and biodiversity, including marine ecosystems, remains an important area for LIFE but ‘strategic nature projects’, are also introduced. They should support projects for the mainstreaming of nature and biodiversity policy objectives into other EU policies, such as agriculture and rural development, ensuring that relevant funds are leveraged to implement these objectives.

Finally, the programme would continue to support projects related to the implementation of air and water quality plans and legislation at local, regional, national and trans-national level. In these areas the new ‘strategic integrated projects’ should be an appropriate tool to mobilise other Union, national or private funding sources. Synergies with other programmes are also envisaged as funds from LIFE can be used to implement innovation and research results from the Horizon Europe programme and other programmes such as the Connecting Europe Facility and Invest EU.

Local and regional authorities and the LIFE programme

Local and regional authorities have obligations in areas as diverse as spatial planning, transport planning, waste management, water management and climate change. They have an important role to play in their citizen’s quality of life (air quality, noise reduction, green infrastructure and biodiversity) and can also bring their support to developing the circular economy.

A Norwegian report, published in 2018, concludes that it is a paradox that Norwegian actors cannot benefit from the LIFE programme, which has become a central financing mechanism to implement legislation and policy in the field of climate and environment. This also applies in Iceland.

The report finds that participation in LIFE projects could increase competencies in climate-work and improve coordination in this field between different actors and different administrative levels. The new ‘strategic integrated projects’ underline the programme’s focus on improved environmental management, coordination and cooperation between all actors and these provide funding in a manner that is currently not available in Iceland or Norway.

One challenge is that LIFE includes non-EEA-related EU policies and legislation, which may affect dividends and results for Icelandic and Norwegian actors. While most EU legislation on the environment has been incorporated into the EEA Agreement and implemented in Iceland and Norway there are some exceptions, such as Habitats and Birds Directives. Two other key EU directives for the environment that also affect nature management are on the other hand included in the EEA Agreement. It is the Water Framework Directive that establishes a framework for a more comprehensive management of the aquatic environment, and the Environmental Liability Directive, which governs the responsibility for environmental damage based on the polluter pays principle. Both these directives concern nature management.
THE JUSTICE, RIGHTS AND VALUES FUND

The Commission is proposing a new Justice, Rights and Values fund, simplifying the existing programmes in this field. The fund comprises the Rights and Values, and Justice programmes. The fund has a proposed budget allocation of 947 million EUR over the seven years, 642 million EUR for the Rights and Values programme and 305 million EUR for the Justice programme. The Fund will support the activities of NGOs, equality bodies, public administrations, judicial networks, universities and other actors active in the field.

The Rights and Values programme aims at protecting and promoting rights and values as enshrined in the EU Treaties. This includes support to civil society organisations, to help sustain open, democratic and inclusive societies. The programme has three specific objectives:

- **To promote equality and rights** (equality and rights strand): focus on preventing and combating inequalities and discrimination, supporting comprehensive policies to promote and mainstream gender equality and anti-discrimination, as well as policies to combat racism and all forms of intolerance, protecting and promoting the rights of the child, the rights of people with disabilities, Union citizenship rights and the right to the protection of personal data;
- **To promote citizens engagement and participation in the democratic life of the Union** (citizens’ engagement and participation strand): focus on increasing citizens’ understanding of the Union, its history, cultural heritage and diversity, and promoting exchange and cooperation between citizens of different countries;
- **To fight violence** (Daphne strand): focus on preventing and combating all forms of violence against children, young people, women and other groups at risk, and supporting and protecting victims of such violence.

Rights and Values Programme 2021-2027 will give funding to several types of activities, for example awareness raising, mutual learning, analytical and monitoring activities and town-twinning.

Local and regional authorities and the Citizens’ engagement and participation strand

In the current period, Iceland, Norway and Switzerland do not participate in the citizens engagement and participation strand (currently Europe for Citizens programme), while Iceland participates in the Daphne and the Equality and Rights programmes. Participation in the citizens’ strand has been discussed. A recent report, commissioned by the Norwegian Association of Local and Regional Authorities, suggests that as local democracy is a foundation of local and regional authorities, the programme could be a useful tool. Although democratic participation and remembrance falls outside the EEA-Agreement, the agreement addresses core municipal tasks such as social policy, education and youth which are strongly interlinked with democratic participation of the inhabitants. Furthermore, it can be expected that the objectives and results of the Rights and Values programme touch upon a broad number of municipal and regional sectors, including health and social affairs, culture and planning, allowing for an integrated approach between sectors in one project.
On the one hand, Iceland, Norway and Switzerland are not EU Members and participation in programmes and projects to promote the European Union and to strengthen the knowledge and support of the Union may therefore be controversial. Also, several of the topics may be covered through participation in other programmes such as Erasmus (e.g. Active youth), Interreg and the European Urban Initiative. On the other hand, Iceland, Norway and Switzerland share the fundamental values of the EU as well as many of the challenges the programme is targeting, such as aging societies, migration and solidarity in a diverse society.

**DISCUSSIONS ON PROGRAMME PARTICIPATION IN ICELAND, NORWAY AND SWITZERLAND.**

The fragmented organisation and information adds to the challenges that municipalities and regions face when applying for project funds under the EU programmes. It is thus important that the coordination within each country is proactive and in good cooperation with the local and regional level.

**Norway** has carried out several studies to inform discussions on participation in the EU programmes in the next period. In the current period, Norway participates in most EEA relevant programmes except the programme for Competitiveness of Enterprises and Small- and Medium-sized Enterprises, the Rights, Equality and Citizens Programme, the Justice Programme, the Europe for Citizens Programme and the Life+ programme for the environment.

Norway is currently mapping the possibilities for participation in relevant EU-programmes in the next programme period.

**Iceland**, the Icelandic Centre for Research (Rannis) coordinates and promotes Icelandic participation in European programmes, such as Horizon 2020, Erasmus+ and Creative Europe. This will also be the case in the next funding period. Iceland has not carried out a detailed analysis on the participation of Icelandic municipalities in European programmes, but it seems that the bulk of projects in the past have been carried out by kindergartens and primary schools under Erasmus+. The City of Reykjavík has participated in Horizon 2020 projects and some municipalities have also participated in youth and culture programmes. Icelandic municipalities have not been fully able to use the opportunities provided by the EU programmes due to their size and limited resources, especially human resources. Those municipalities that have participated are generally pleased with the outcome. Cooperation can widen the horizon and enable municipalities to learn from each other, build capacity and promote cooperation with new actors, both public and private. However, participation calls for substantial resources and know-how that is not necessarily in place in municipalities.

Iceland is currently looking into a broad participation in the EEA relevant EU programmes in 2021-2027, which might possibly include participation in LIFE and Rights & Values programmes.

**Switzerland** participates in selected EU programmes based on bilateral agreements. In the current period this participation covers Horizon 2020, Erasmus+, Galileo, Interreg, Euratom
and, until 2014, MEDIA. A report published in September provides an assessment of Swiss participation in FP8 (Horizon 2020, 2014 – 2020). The main findings indicate that Swiss participations in the FPs have declined for the first time since the launch of Horizon 2020. The clearest indicators for this are the relative reduction in Swiss participations compared to other countries, the marked reduction in Switzerland’s role as project coordinator and reductions in EU funding to Swiss research institutions as a share of all funding for projects under Horizon 2020. At the same time, Swiss project applications are still very successful compared to those of other European states.

Switzerland is currently looking into participation in the EEA relevant EU programmes in 2021-2027, which might possibly include participation in Horizon Europe, Erasmus+, Creative Europe and Interreg.

Finally, the EEA Agreement does not cover regional policy. As a result, Icelandic and Norwegian authorities are not eligible for support from the European structural funds. However, some regional policy instruments are open to countries neighbouring the EU, and Iceland and Norway have paid to participate in various Interreg programmes. Interreg is an initiative that aims to stimulate cooperation between regions in the EU. The Interreg initiative is designed to strengthen economic and social cohesion throughout the EU, by fostering the balanced development of the continent through cross-border, transnational and interregional cooperation. Special emphasis has been placed on integrating remote regions with those that share external borders with the candidate countries. Iceland participates in one programme falling under Interreg IV, the Northern Periphery Programme (NPP) and participation in this programme is envisaged in the next period. The Norwegian government is currently evaluating the programme and Norway’s future participation.