



COMMISSION OF THE EUROPEAN COMMUNITIES

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**REPORT FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT AND THE COUNCIL**

**Updating the mid-term review of Regulation (EC) No 1655/2000
LIFE**

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1. EXECUTIVE SUMMARY

The Financial Instrument for the Environment (LIFE) III programme has been extended by two years, until 31 December 2006, by the provisions of Article 1 (5) a of Regulation (EC) No 1682/2004 amending Regulation (EC) No 1655/2000. The extension was made in order to avoid a gap between the close of LIFE III at the end of 2004 and new Community financial perspectives from 2007.

Article 12 (1) a of Regulation (EC) No 1655/2000, as amended, stipulates that the Commission must submit a report updating the mid-term review submitted in November 2003, evaluating the implementation of this Regulation, its contribution to the development of Community environmental policy and the use made of the appropriations.

This update covers the period from mid 2003 when the mid-term review was prepared, resulting in the report of 5 November 2003 (COM(2003) 668 final), until Spring 2005.

Between 1992 and 2004, the LIFE programme has co-funded almost 2500 projects covering 40 countries and territories and made commitments of € 1.3 billion towards the total estimated cost of the projects of € 3.6 billion.

The programme has supported a wide range of projects, tackling problems and developing solutions across a number of sectors and has addressed most key environmental issues, in line with EU environmental policy priorities.

2. DESCRIPTION OF THE LIFE-PROGRAMME

The general objective of LIFE is to contribute to the implementation, development and enhancement of Community environmental policy and legislation. LIFE should also favour the integration of the environment into other EU policies and lead to new solutions for EU environmental problems under examination.

LIFE has co-financed environmental projects in the Member States, Acceding Countries, Candidate Countries, certain countries within the stabilisation and association process and third countries.

LIFE consists of three thematic components: “LIFE-Nature”, “LIFE-Environment” and “LIFE-Third countries”.

The specific objective of **LIFE-Nature** is to contribute to the implementation of Community nature protection legislation. In particular, it supports the establishment of the “Natura 2000” network.

The aim of **LIFE-Environment** is to contribute to the development of innovative and integrated techniques and to the further development of Community environment policy. ‘LIFE-Environment demonstration projects’ focus on the development of innovation whilst

‘LIFE-Environment Preparatory Actions’ focus on updating existing policy or the development of new policy.

Both LIFE-Nature and LIFE-Environment have co-financed projects in the Member States and in Acceding Countries, providing they have agreed to participate in LIFE.

LIFE-Third countries has operated in the framework of Association Agreements concluded between the European Union and third countries bordering on the Mediterranean and the Baltic Seas, certain candidate countries and a number of countries within the stabilisation and association process. Its objective is to contribute to the establishment of capacities and administrative structures needed in the environmental sector and in the development of environmental policy and action programmes.

3. IMPLEMENTATION OF THE LIFE-III PROGRAMME

This section gives global results: details can be found in two publications on the LIFE web site, <http://europa.eu.int/comm/environment/life/home.htm> ‘LIFE for Natura 2000’ for Nature and ‘Life Environment 1992-2004: demonstrating excellence in environmental innovation’.

3.1. LIFE-Nature

Funding is only available to projects that meet the objectives of EC nature conservation legislation, namely the “Birds” and “Habitats” Directives. In practical terms, projects should assist the establishment of the Natura 2000 network of protected areas and ensure “the maintenance or, where appropriate, the re-establishment of a favourable state of conservation of types of natural habitat and habitats of species concerned.”

3.1.1. Actions financed under LIFE III

The average total budget for LIFE III nature projects for the period 2000-2004 is about € 1.75 million and the average EC co-funding rate is 53.4 %. This represents an increase compared to the previous LIFE II period 1996-1999, where the average total budget was € 1.3 million.

| Year | Number of proposals received | Number of projects funded | Total EC commitment (€) | Average commitment per project (€) |
|--------------|------------------------------|---------------------------|-------------------------|------------------------------------|
| 2000 - 2001 | 310 | 94 | 79,483,006 | 845,564 |
| 2002 | 188 | 70 | 71,718,204 | 1,024,546 |
| 2003 | 182 | 77 | 70,944,574 | 921,358 |
| 2004 | 250 | 77 | 75,934,754 | 986,166 |
| Total | 930 | 318 | 298,080,538 | 937,360 |

3.1.2. *Type of projects/geographical distribution*

LIFE-Nature projects target either primarily birds on SPA (Special Protection Area) Natura 2000 sites, species/habitats within pSCI/SAC (proposed Sites of Community Interest/Special Areas of Conservation) Natura 2000 sites, or in duly justified cases species outside Natura 2000 sites.

National and regional authorities are the main beneficiaries (73%). Non-governmental organisations (NGOs) account for another 25% of the beneficiaries and, together with scientific institutions, are frequently partners to projects.

LIFE III-Nature projects generally include most or all of the following actions:

- Preparation or implementation of site management plans or species action plans;
- Involvement of different stakeholders concerned with the site(s) or species;
- Restoration of degraded sites and in exceptional cases creation of new sites;
- Safeguarding existing and restored sites (including purchase and long term leases);
- Awareness raising amongst administrations, experts and the general public;
- Scientific monitoring of habitats and species.

Projects in northern Member States tend to be larger than those in southern Member States, but there are more projects in southern Member States. With the exception of Lithuania and Malta, all 25 EU member states were participating in the LIFE-Nature programme by the end of 2004.

Factsheets with detailed statistics on LIFE Nature will be available on the LIFE website from 30 September 2005.

Natura 2000 sites

To date at least 10% of the 22 600 proposed Natura 2000 sites have been the subject of a LIFE-Nature project. Only 2.5% of sites have been the subject of more than one project. This is in line with the “pump-priming” function of LIFE. Projects proposed are selected as far as possible to cover new areas of Natura 2000 and continuation projects are given lower priority for funding.

Habitats and species

Detailed analysis of projects over a four-year period shows that 87% of habitat types of Community interest were targeted at least once by a LIFE-Nature project.

A majority of projects targeted, at least partially, wetlands and in this way LIFE also contributed to the objectives of the 1971 International Convention on Wet Areas (Ramsar Convention) and the 1995 Commission communication on wetlands.

Almost 28% of the *species* in the "Habitats" and "Birds" Directives have been directly targeted by one or more LIFE-Nature projects.

Several LIFE-Nature projects have concerned emergency actions covering the entire world population of species in imminent danger of extinction.

Coverage by LIFE projects has been relatively large and sufficiently significant to contribute to stemming the decline in biodiversity throughout the European Union.

3.2. LIFE-Environment

The main characteristic of LIFE-Environment projects is their potential to demonstrate new innovative methods, techniques and schemes paving the way for the implementation of existing EU policies in different environmental fields, or for the future development of policy.

3.2.1. *Actions financed under LIFE III*

LIFE III Environment actions consist of demonstration projects covering the topics set out in the Regulation.

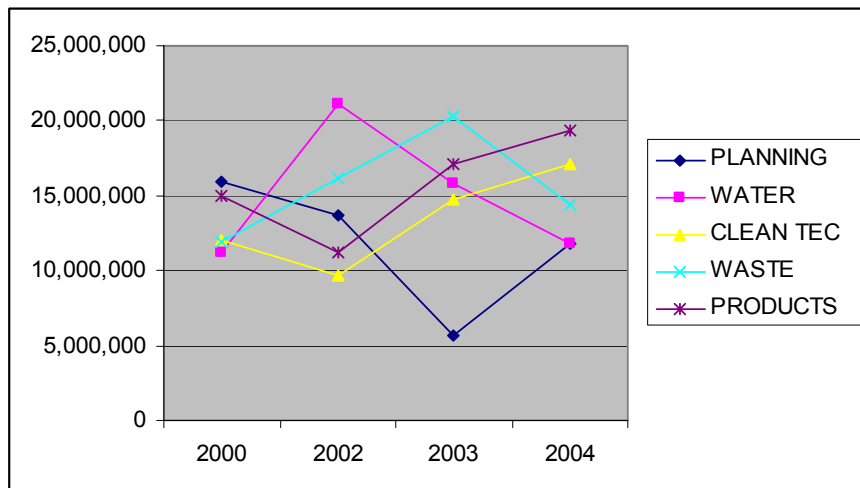
Although there are fluctuations in the number of proposals received, the average funding per project has gradually increased from one year to the next.

| Year | Number of proposals received | Number of projects funded | Total EC commitment (€) | Average commitment per project (€) |
|--------------------|-------------------------------------|----------------------------------|--------------------------------|---|
| 2000 - 2001 | 898 | 103 | 63,411,036 | 615,641 |
| 2002 | 479 | 114 | 71,766,257 | 629,529 |
| 2003 | 532 | 104 | 69,470,808 | 667,989 |
| 2004 | 679 | 109 | 76,670,530 | 703,399 |
| Total | 2,588 | 430 | 281,318,631 | 654,229 |

3.2.2. *Type of projects / geographical distribution*

Projects in northern Member States tend to be larger than those in southern Member States. Spain and Italy continue to be the countries with the highest number of projects funded. Italy continues to be the main beneficiary, both in terms of number of projects as well as regards the EC contribution.

The breakdown by theme of the projects financed under LIFE-Environment between 2000 and 2004 reveals a rather uniform allocation of resources amongst the broad project themes 'urban and planning', 'water', 'clean technologies', 'waste' and 'products'. The two themes which received the highest share of funding were waste and products (accounting for 23% and 22% of the expenditure respectively). Clean technologies, waste and products have shown growth over the period, while planning has declined in terms of share of projects and funding.



3.3. LIFE-Third Countries

The objective of LIFE Third Countries (TCY) is to contribute towards creating administrative capacities and structures and developing policies and action programmes in some neighbouring countries of the European Union and certain countries bordering on the Baltic and Mediterranean Seas. Cyprus and Malta ceased to be eligible to present new proposals under LIFE TCY upon membership of the EU in 2004.

3.3.1. Actions financed under LIFE III

| Year | Number of proposals received | Number of projects funded | Total EC commitment (€) | Average commitment per project (€) |
|--------------|------------------------------|---------------------------|-------------------------|------------------------------------|
| 2000 - 2001 | 92 | 28 | 9,013,840 | 321,923 |
| 2002 | 74 | 16 | 6,522,300 | 407,644 |
| 2003 | 70 | 17 | 6,567,232 | 386,307 |
| 2004 | 70 | 20 | 7,828,320 | 391,416 |
| Total | 306 | 81 | 29,931,692 | 369,527 |

3.3.2. Type of projects / geographical distribution

There are currently 14 LIFE TCY countries/territories, 8 of which are around the Baltic Sea (Russian regions of St Petersburg and Kaliningrad), and six around the Mediterranean (from Croatia to Morocco). Within the broad framework of “capacity building”, most LIFE-TCY projects consist of a set of diverse measures, according to the local or national needs. All LIFE TCY projects address one or more of the following types of measures:

- development or adaptation of **legislation**;
- training of staff;
- creation or reinforcement of environmental **management structures**;
- creation or reinforcement of **structures for data collection**, inventory, storage, monitoring or dissemination;

- definition of **planning processes** including policies, strategies or action plans;
- drawing-up of standards or regulations;
- awareness raising; and/or
- development of **technical tools**, including technical guidelines, the transfer of know-how and the identification of best practice.

4. **EVALUATION AND SELECTION OF LIFE PROJECTS**

An annual call for project proposals is made and proposals are evaluated in a 3 phase process comprising eligibility, selection and award. The process is now administered on-line using the Evaluation Selection Award Programme (ESAP). Extensive effort is put into ensuring the process is both fair and transparent. Evaluations of various technical criteria are undertaken both by external evaluators and Commission staff. A common synthesis evaluation is agreed during panel meetings at which all evaluators are present.

The thematic Units of the Directorate General as well as other Directorate Generals assist the LIFE Unit in the evaluation of the proposals. The output of this process is a ranked shortlist in order of merit which is presented to the LIFE Committee in advance of the Commission Decision. The evaluation results are communicated to all applicants for funding.

The number of projects which can be financed in each of the three thematic strands in a particular year is dependent on the available budget and the cumulative total of co-funding requested in the ranked shortlist of individual proposals receiving the highest scores. The annual success rate of proposals submitted in each of the three strands following an open call for proposals varies, therefore, in function of the number of proposals received that year, their respective individual qualities and the available budget.

5. **MANAGEMENT OF LIFE PROJECTS BY THE COMMISSION**

5.1. **Technical management**

Simplification of management.

The harmonisation of management and procedures applicable to the three strands of LIFE has been completed with success and harmonized tools and standards are now fully operational.

From 2005, standard grants agreements have replaced individual financing decisions; this procedure is intended to simplify and speed up the financing procedure.

Efficiency and transparency of procedures

The selection criteria and rules are prepared and made available on the Internet before the selection procedure. Presentations of the LIFE programme are organised in the majority of Member States.

New Standard Administrative Provisions

The standard administrative provisions have been adapted to comply with the Court of Auditors' requirements in order to: reduce the risk of double funding from other European programmes, better define land purchase acquisition, limit the risk of co-funding the salaries of public servants already funded from national taxes and impose new accounting obligations on beneficiaries.

Monitoring and evaluation of actions

The single project management database has been improved and now includes new tools allowing a better follow-up of projects. The precise situation of each project can be reviewed at all times and statistical data on the projects can be collected in order to make analyses of their impact by sector.

The standard format for presenting accounting data is more widely used since 2003. This computer tool allows project managers to fill in their statements of expenditure in a standardised manner.

5.2. Financial management

The LIFE programme is managed using a fully decentralised financial structure with the Unit D1 being in charge of all operations connected with the implementation of the LIFE budget.

Commitments

Since the start of LIFE III a positive evolution can be seen as regards used commitment appropriations: in 2000 83.18%, in 2002 99.73%, in 2003 99.95%, in 2004 99%.

Payments

The execution of payment appropriations has been stable since 2002, at between 80% and 95%.

Payment delays

Payment delays have systematically decreased since 2000 and in 2004 90% of the payments were made within 90 days (64% in 2000 and 82% in 2002).

Outstanding commitments where project finished/final payment made

In March 2001 there were 187 outstanding commitments. The number has decreased steadily over time and there are currently no such commitments.

6. LIFE III COMMUNICATION AND DISSEMINATION OF RESULTS

The LIFE III Regulation strongly emphasises the importance of communication as a means for the dissemination of information concerning LIFE projects to other similar projects programmes or Community legislation in the environmental area. The years 2003 and 2004 were devoted to the implementation of the LIFE-Communication Strategy, launched in March 2002, with a wide-ranging set of communication actions having been carried out.

The LIFE web-site was completely revised in June 2002 and has been continually updated and improved. It remains the most visited web-site of the Directorate General, with an average of 120,000 visitors per month at the beginning of 2005, compared to 65,000 per month in 2002. The project database has been completed and a detailed search engine installed allowing easy access to the results of the projects per field.

Eight thematic brochures giving details of LIFE projects and their policy contributions in particular themes have been published and all of these are available on the web. Compilations of newly selected LIFE Nature and LIFE Environment projects in 2004, and the related press releases, were also published.

The electronic monthly Newsletter is now sent directly to almost 9000 subscribers and indirectly diffused to 45000 potential readers. A media library with video, CDs and photos from LIFE projects has been created.

Several new dissemination initiatives are being developed and it is planned to review and update the Communication Strategy in 2006.

7. CONCLUSION

LIFE has been an effective instrument for the implementation, development and enhancement of Community environmental policy. For this reason the Commission has decided to propose the LIFE + programme for 2007/2013 to take forward the relevant lessons learned from LIFE III in the broader context of the 6th Environmental Action Programme.