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COMMISSION STAFF WORKING PAPER

Mid-term review of the LIFE+ Regulation

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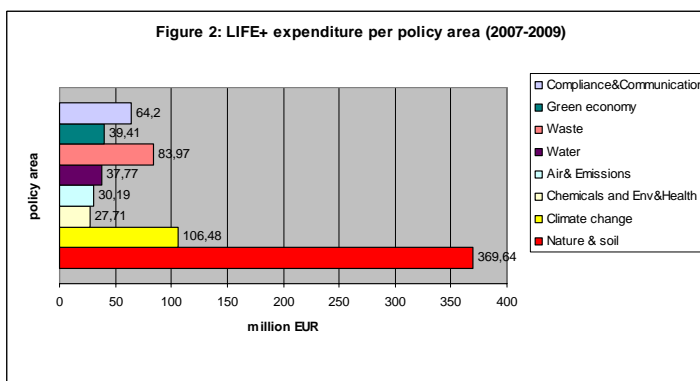
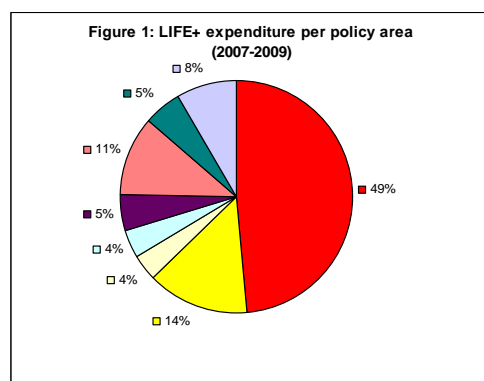
Commission Staff Working Paper

1. CONSOLIDATED EXPENDITURE

LIFE+ budget comprises two budget lines:

LIFE+ multiannual programming legal base	2007 voted	2008 voted	2009 voted
LIFE+ administrative line (BA) Commission	13,000	17,850	17,150
LIFE + Operational	226,620	248,094	300,000
<i>of which Commission</i>	39,620	40,594	50,000
<i>of which MS / projects (78 %)</i>	187,000	207,500	250,000
Total LIFE + programme	239,620	265,944	317,150
07 01 04 01 - administrative assistance	13,000	17,850	17,150
07 03 07 - LIFE + operational	226,620	248,094	300,000
BA / Total	5,43%	6,71%	5,41%
Commission share (incl BA) % (max 22) / total	21,96%	21,98%	21,17%
MS / Projects % (min 78) / total	78,04%	78,02%	78,83%

During the reporting period the budget has been allocated according to the priorities set out in the 6th Environmental Action Programme as specified in the Annual Management Plans. Figures 1 and 2 below show the distribution of LIFE+ expenditure per policy area. Data includes expenditure under both budget lines but excluding NGOs operating grants and technical assistance contracts, such as those to help managing LIFE+ action grants. Expenditure for each policy area includes service contracts and projects financed under the action grants intervention. Thematic communication activities have been included in the category "Compliance and Communication". This category also includes projects financed under the LIFE+ Information & Communication strand. Noise is included under the category Chemicals and Environment& Health.



Around 49% of the budget has been invested in nature conservation and biodiversity, including forest and soil protection. 19% has been devoted to improve resource efficiency and environmental quality, and greening the economy. 14% of the budget has been used to address climate change problems and 8% has been committed to ensure compliance with environmental legislation and to communication activities. The increased budget for communication compared to previous programming periods shows the Commission's conviction regarding the relevance of communication for a successful environmental policy.

As Table 1 below shows, the budget allocated per policy area during the reporting period has been relatively similar.

Table 1: LIFE+ budget allocation per policy area/per year (million€)

LIFE+ Budget	Policy area	Public procurement (budgeted)			Total	Action grants (actual)			Total
		2007	2008	2009		2007	2008	2009	
Nature & soil		4,53	4,38	4,84	13,75	112,1	112,71	131,08	355,89
	Nature& Bio	3,59	3,19	2,56	9,34	94,4	107,31	123,29	325
	Forest & soil	0,94	1,19	2,28	4,41	17,7	5,4	7,79	30,89
Climate change		6,9	6,48	8,06	21,44	23,1	25,88	36,06	85,04
Chemicals and Env&Health		2,23	3,33	3,6	9,16	3,18	6,82	8,55	18,55
Air& Emissions		2,17	2,62	3,18	7,97	3,19	4,78	14,25	22,22
Water		2,58	2,82	3,84	9,24	6,09	10,92	11,52	28,53
Waste		1,78	1,8	2,32	5,9	24,38	25,57	28,12	78,07
Green economy		4,15	2,16	4,21	10,52	4,15	10,9	13,84	28,89
Compliance&Communication		10,27	13,46	16,39	40,12	7,9	9,91	6,27	24,08
NGOs		8,35	8,65	8,9	25,9				
Others (e.g., LIFE TA)		8,35	9,34	10,07	27,76				
TOTAL (million EUR)		51,31	55,04	65,41	171,76	184,09	207,49	249,69	641,27

When comparing the distribution of LIFE+ expenditure per policy area for each intervention (i.e., public procurement and action grants), the actions grants intervention is by far the largest contributor to nature conservation (Figures 3 & 4 below). Expenditure on nature represents 12% of spending under the public procurement in the reporting period. However adding projects financed under LIFE+ Nature and Biodiversity and projects on soil and forest under LIFE+ Environment& Governance, LIFE+ spending on Nature conservation represents 49% of budget.

Figure 3: LIFE+ expenditure comparison including/excluding action grants

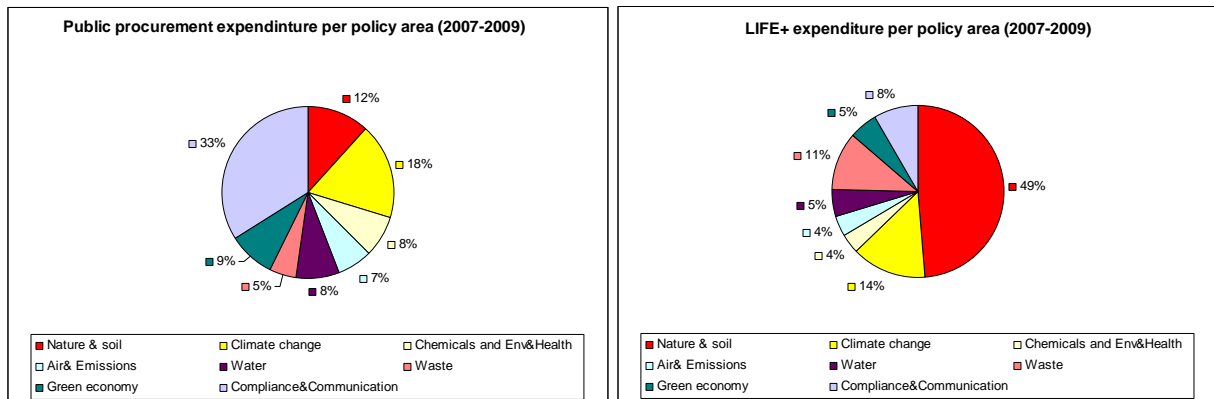
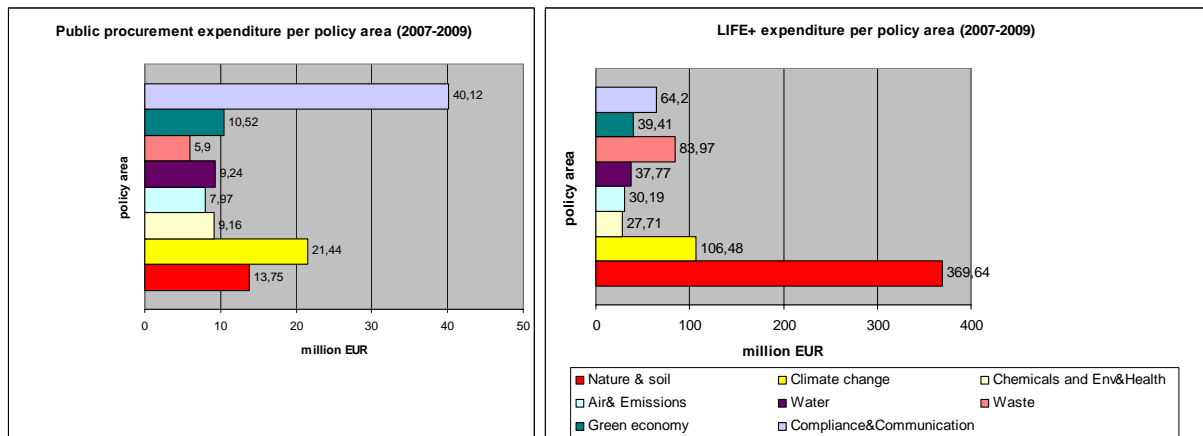
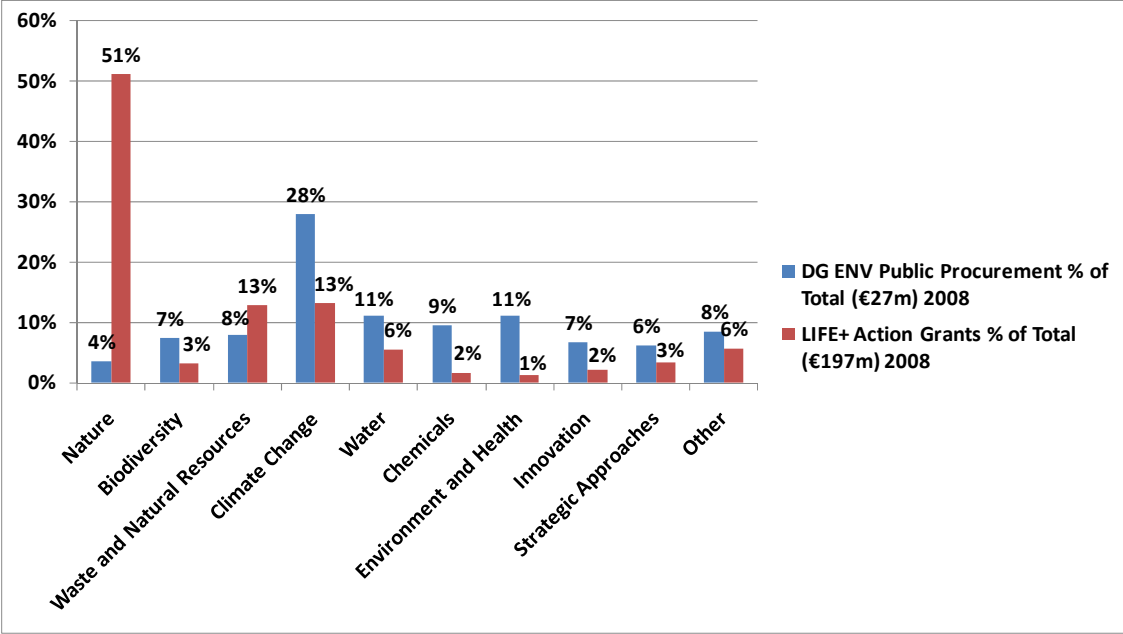


Figure 4: LIFE+ expenditure comparison including/excluding action grants



However, once LIFE+ projects on Nature and Biodiversity are excluded, the distribution of spending by public procurement and action grants per policy area is comparable (Figures 5 and 6). The exception is waste, where only 5% of procurement is spent on waste but 26% on the action grants.

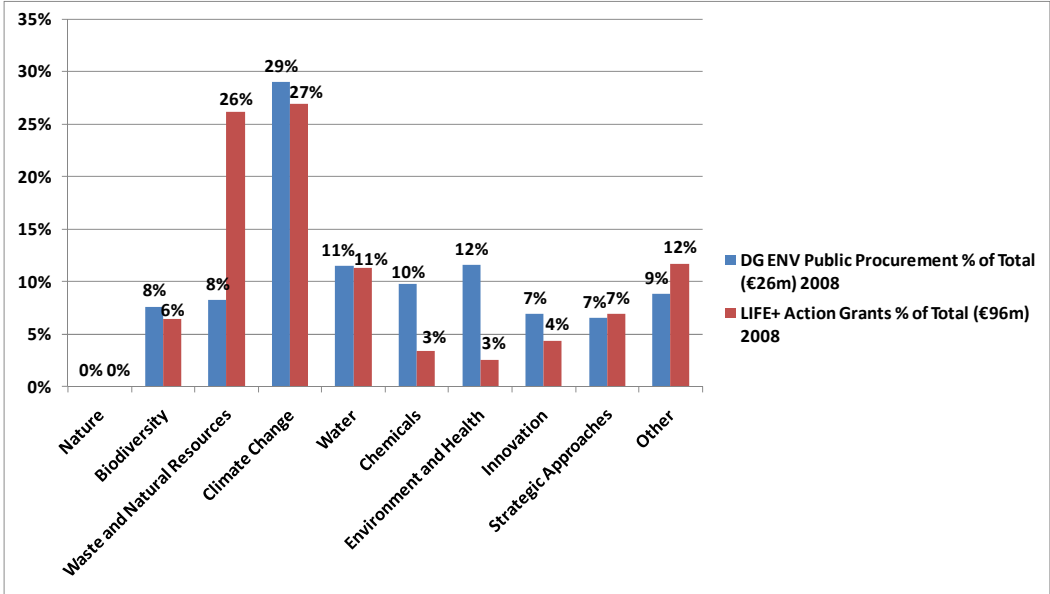
Figure 5: Comparison of Spending by Policy Area between Public Procurement and Action Grants, 2008



Source: Mid-Term Evaluation of the Implementation of the LIFE+ Regulation (Final Report)

GHK in association with Arcadis and VITO

Figure 6: Comparison of Spending by Policy Area between Public Procurement and Action Grants, 2008 (excluding Nature)



Source: Mid-Term Evaluation of the Implementation of the LIFE+ Regulation (Final Report)

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2. ACTION GRANTS

141 projects were funded in the 2007 call for proposals, 196 in 2008 and 210 in the 2009 call. The programme has provided co-finance of €642m under the first three calls. A total investment of €797m in environmental protection in 2007-2008 has been secured.¹

Figure 7: Comparative analysis of LIFE+ calls for proposals 2007-2009

	2007	2008	2009
Proposals received	707	613	615
LIFE+ EU co-financing available	187 Mio €	207.5 Mio €	250 Mio €
Rejected Admissibility & Eligibility (%)	17%	8%	4%
Rejected Financial Selection (%)	12%	5%	4%
Rejected Technical Selection (%)	16%	13%	6%
Rejected Award Phase (%)	67%	56%	54%
Number of projects in final short-list	143	195	210
Overall success rate (%)	20%	32%	34%
Compliance with National allocation	73,32%	76,84%	73,49%

In these three calls, projects under the nature and biodiversity component represented in average 51% of total action grants budget. The obligation to allocate at least 50% of the budgetary resources of action grants to supporting nature and biodiversity was thus met.

However, the financial crisis had an impact on the calls for proposals. Private beneficiaries and NGOs found it more difficult to obtain co-financing and in several cases private entities withdrew their support. This problem was also observed in public applicants due to budgetary restrictions derived from the measures adopted to overcome the crisis.

The problems identified raise concerns regarding the adequacy of the current co-financing rate. The evaluation data suggests that current co-financing rate is preventing some applicants from submitting good quality proposals with overreaching objectives especially in certain Member States and for Biodiversity and Information & Communication strands (see below for more details).

¹ At the time of preparing this report, final information on projects total budget was not available.

LIFE+ 2007: projects financed				
Programme	Policy area	n° of projects	Total budget	EC contribution
ENV	Air	1	2.720.033	1.344.966
ENV	Chemicals	1	1.645.154	822.577
ENV	Climate Change	21	48.070.968	23.060.412
ENV	Environment and Health	1	1.031.836	506.168
ENV	Forests	1	34.443.390	16.139.278
ENV	Innovation	3	4.610.076	2.102.896
ENV	Noise	1	4.209.587	1.848.468
ENV	Soil	2	3.237.731	1.574.808
ENV	Strategic Approaches	4	4.139.987	2.046.043
ENV	Urban Environment	2	3.728.865	1.858.906
ENV	Waste and Natural resources	27	59.026.591	24.383.116
ENV	Water	8	13.827.132	6.087.514
ENV Total		72	180.691.350	81.775.152
INF	Awareness raising campaigns for the prevention of forest fires and/or training for forest fire agents	0	0	0
INF	National or transnational communication or awareness raising campaigns related to nature protection or biodiversity matters	2	2.099.597	953.250
INF	National or transnational communication or awareness raising campaigns related to the implementation, updating and development of EU environmental policy and legislation, except nature protection and biodiversity matters	9	13.970.695	6.936.056
INF Total		11	16.070.292	7.889.306
NAT	LIFE + Biodiversity	4	6.669.210	3.232.910
NAT	LIFE + Nature	54	163.994.893	91.168.031
NAT total		58	170.664.103	94.400.941
TOTAL		141	367.425.745	184.065.399
LIFE+ 2008: projects financed				
Programme	Policy area	n° of projects	Total budget	EC contribution
ENV	Air	2	5.455.289	2.693.386
ENV	Chemicals	5	6.903.271	3.305.719
ENV	Climate Change	26	53.803.260	25.878.047
ENV	Environment and Health	2	5.187.585	2.500.033
ENV	Forests	3	4.178.657	2.067.469
ENV	Innovation	7	8.779.539	4.217.834
ENV	Noise	2	2.393.541	1.022.008
ENV	Soil	3	6.841.569	3.335.543
ENV	Strategic Approaches	6	13.798.073	6.680.491
ENV	Urban Environment	3	5.855.953	2.088.933
ENV	Waste and Natural resources	26	72.625.911	25.567.135
ENV	Water	14	23.787.075	10.916.409
ENV Total		99	209.609.723	90.273.007
INF	Awareness raising campaigns for the prevention of forest fires and/or training for forest fire agents	4	3.953.173	1.680.102
INF	National or transnational communication or awareness raising campaigns related to nature protection or biodiversity matters	8	9.052.641	4.484.937
INF	National or transnational communication or awareness raising campaigns related to the implementation, updating and development of EU environmental policy and legislation, except nature protection and biodiversity matters	5	7.589.831	3.748.795
INF Total		17	20.595.645	9.913.834
NAT	LIFE + Biodiversity	8	11.676.288	5.671.535
NAT	LIFE + Nature	72	188.788.667	101.641.722
NAT total		80	200.464.955	107.313.257
TOTAL		196	430.670.323	207.500.098
LIFE+ 2009: projects financed				
Programme	Policy area	n° of projects	Total budget	EC contribution
ENV	Air	6		6.724.337
ENV	Chemicals	3		2.302.214
ENV	Climate Change	30		36.063.802
ENV	Environment and Health	4		4.774.368
ENV	Forests	2		2.970.684
ENV	Innovation	8		6.136.835
ENV	Noise	3		1.478.681
ENV	Soil	3		4.815.072
ENV	Strategic Approaches	7		7.702.626
ENV	Urban Environment	9		7.532.716
ENV	Waste and Natural resources	29		28.124.077
ENV	Water	13		11.520.010
ENV Total		117	0	120.145.422
INF	Awareness raising campaigns for the prevention of forest fires and/or training for forest fire agents	1		750.188
INF	National or transnational communication or awareness raising campaigns related to nature protection or biodiversity matters	5		2.909.369
INF	National or transnational communication or awareness raising campaigns related to the implementation, updating and development of EU environmental policy and legislation, except nature protection and biodiversity matters	4		2.614.249
INF Total		10	0	6.273.806
NAT	LIFE + Biodiversity	12		14.869.045
NAT	LIFE + Nature	71		108.421.214
NAT total		83	0	123.290.259
TOTAL		210	516.337.507	249.709.487

Public authorities and development agencies were the most common group of beneficiaries for all three LIFE+ components (42% of lead beneficiaries). As for the remaining types of beneficiaries, universities and research institutions represent 22% of the lead beneficiaries closely followed by NGOs (19%) and by enterprises and professional organisations (17%). In Nature and Biodiversity, public authorities and NGOs led 84% of the projects financed (with public authorities representing 51% of lead beneficiaries and NGOs 33%). In Environment and Governance the distribution was more even between universities, enterprises and public authorities. NGOs were also very active in running Information projects.

Figure 8: Lead beneficiaries in LIFE+ projects per strand (2007-2008)

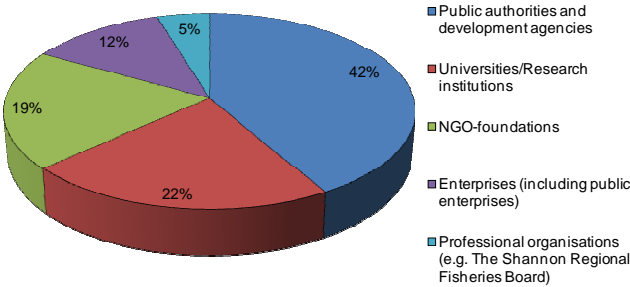
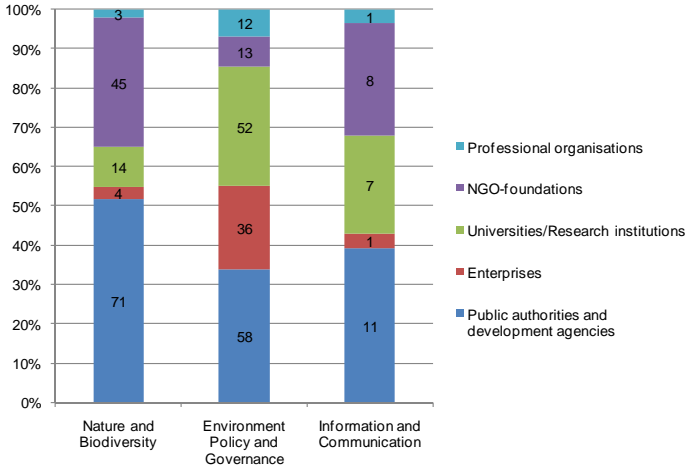


Figure 9: Lead beneficiaries in LIFE+ projects per strand (2007-2008)



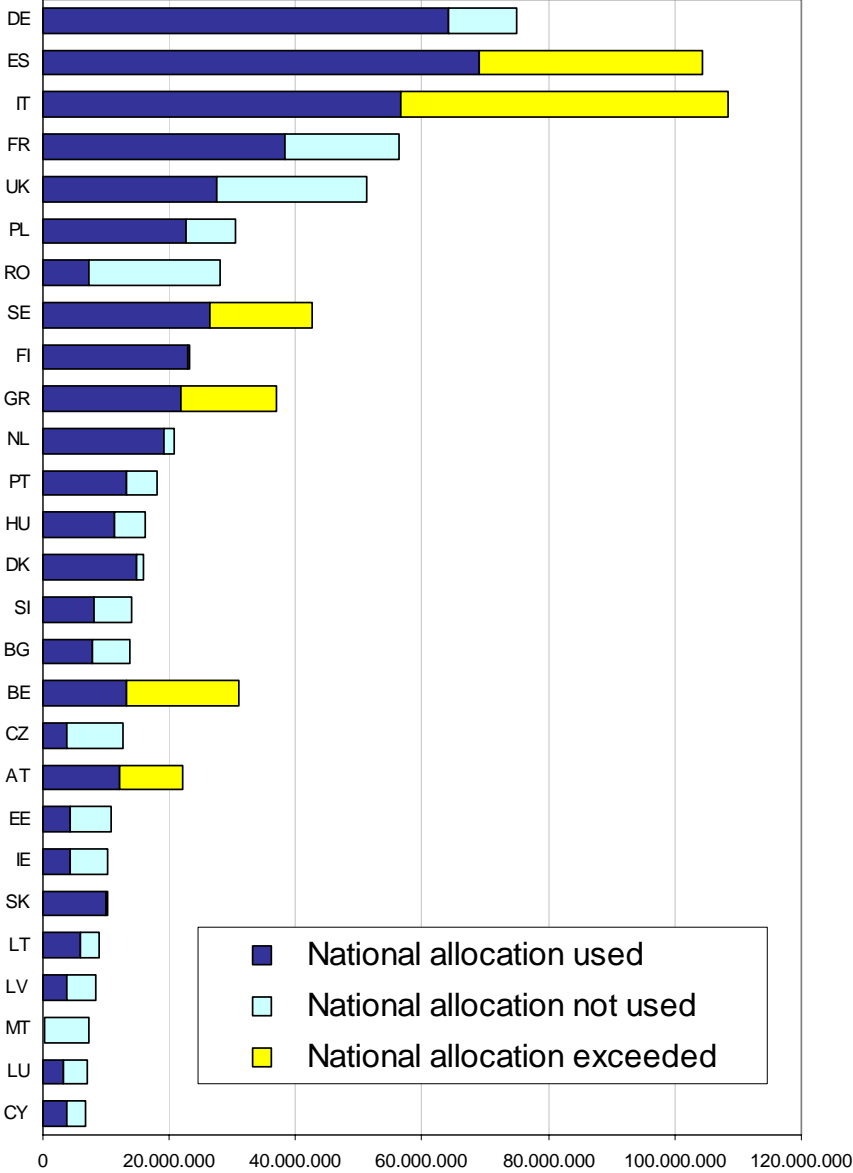
Source: Mid-Term Evaluation of the Implementation of the LIFE+ Regulation (Final Report)

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National allocations are a remnant of the first proposal submitted by the Commission. The aim was to ensure a proportionate distribution of projects throughout the EU in a decentralised management system. This aim is still valid in the current Regulation based on centralised management mode. In the reporting period the geographical distribution of projects has improved but not substantially. Italy, Spain and Germany remain the main countries receiving LIFE+ funding. The total amounts awarded to beneficiaries in these 3 Member States totalled €8 million in 2008, accounting for almost half of the total LIFE+ budgetary resources. Beneficiaries in new Member States have in general a lower rate of success. A study carried out by Arcadis consultants identified several underlying causes for differentiated rates of success: active support to applicants by national authorities or access to matching funds. In old Member States, low success rates are mainly related to the number of applications submitted. The higher the number of applications, the higher the probability that more quality proposals are submitted, and thus the higher the probability of being funded.

However, EU added value partially derives from the quality of the projects funded. Compliance with national allocations should not lead to finance projects of lower quality. For these reasons, the Commission is actively working to disseminate good practice to increase success rate in these Member States through improved communication efforts. These increased efforts include promoting better quality proposals in those Member States of lower programme uptake.

Figure 10: Use of National Allocations per Member States (2007-2009)



Source: LIFE+ Unit

In 2008, the actual amounts awarded to Member States appeared to match the indicative national financial allocations. Italy, Spain and Germany were found to receive the highest amounts of funding beyond the indicative national allocations. In fact, the amount awarded to beneficiaries in Italy (€36 million) was found to be twice as much as their corresponding indicative national allocation (€18 million). With Member States that received less funding than the indicative national allocations, the differences between the actual amounts and the

indicative allocations were more subtle, with the biggest gap being in the UK (approximately € million).

Figure 11: Use of national allocations per Member State (2007-2009)

	Natl. allocation 2007 - 2009 (€)	Total per country (€)	Use rate (%)
CY	6.800.000	3.778.521	56%
LU	7.048.826	3.349.860	48%
MT	7.408.583	229.106	3%
LV	8.250.000	3.860.958	47%
LT	8.877.508	5.889.332	66%
SK	9.852.778	10.121.593	103%
IE	10.152.657	4.206.014	41%
EE	10.684.546	4.180.265	39%
AT	12.104.329	22.226.271	184%
CZ	12.795.390	3.755.661	29%
BE	13.307.173	30.932.183	232%
BG	13.883.843	7.784.648	56%
SI	13.895.697	8.174.266	59%
DK	15.835.566	14.788.181	93%
HU	16.118.146	11.457.822	71%
PT	18.058.081	13.181.959	73%
NL	20.679.431	19.064.401	92%
GR	21.920.880	36.888.840	168%
FI	23.093.635	22.838.827	99%
SE	26.504.715	42.722.183	161%
RO	28.072.385	7.261.029	26%
PL	30.550.646	22.613.014	74%
UK	51.292.230	27.544.407	54%
FR	56.417.161	38.307.062	68%
IT	56.761.810	108.314.302	191%
ES	69.076.505	104.399.312	151%
DE	75.057.475	64.206.692	86%
	644.499.998	642.076.706	

Source: LIFE+ Unit

Expected outcomes and results per theme

LIFE+ introduced the obligation to develop Programme indicators. The Commission has already developed output indicators for projects selected, but result indicators are yet to be developed. This is so partly because of the difficulties to identify indicators for Environment and Information projects and partly because indicators are an additional and complex requirement for beneficiaries. In addition, results are often visible only years after the projects end. In any case, it is still early to measure the results of projects financed in the reporting period since they only started in 2009.

However, on the basis of provisional data provided by beneficiaries,² some information on expected outcomes is already available to assess the effectiveness of the Programme.

LIFE+ Nature and Biodiversity continues significantly contributing to the implementation of nature and biodiversity policies throughout the EU. Projects financed in the first two calls

² Beneficiaries submit outputs indicators at the time of the inception reports. The Commission is still validating those and thus data could not be aggregated for the purposes of this Communication

for proposals will invest around €1 million in concrete conservation activities and will produce around 190 plans (40% are management plans for Natura2000 sites). Projects financed under 2008 calls for proposals will acquire 5.600 ha of land that will be dedicated to nature conservation for €14 million. A further €2.5 million will be invested in removing alien species from 84.000 ha. 50 sites will be newly created or enlarged implying 1.720,5 ha more to be added to the Natura2000 network.

Table 2: Preparatory actions under LIFE+ Nature and Biodiversity projects (2008)

Types of preparatory actions	No. of preparatory actions (NAT)	No. of preparatory actions (BIO)
Plans of project measures	160	3
Action plans	96	7
Management plans	61	2
Guidelines	19	5
Inventories & Studies	140	10
<i>Ex ante</i> monitoring	86	3
<i>Ex post</i> monitoring	86	2

Applying the estimates from the ex-post evaluation of LIFE Programme, LIFE+ will target about 9% of the terrestrial Natura 2000 network. The marine environment increasingly occupies a prominent place in Nature projects with the possibility to finance the inventorying for new Natura 2000 marine sites. For example, a 2007 Spanish project is inventorying 10 new Natura 2000 sites; a further 2.5 million ha are thus covered by LIFE+ projects. So far 298 species are targeted by the projects financed. Important recipients continue to be large carnivores such as the wolf, the bear or the Iberian lynx, and priority birds such as the lesser spotted eagle and the red kite.

Table 3: Concrete conservation actions under LIFE+ Nature projects (2008)

Deliverable	No. of concrete actions	No. of N2000 sites involved	Surface involved (ha)	Budgeted cost (€)
Natura 2000 site creation	22	50	1720,5	2749317
Natura 2000 site restoration/improvement	468	274	494684,9	51857337
Reintroduction	31			
<i>Ex situ</i> conservation	16			
Removal of alien species	27		84226,56	2603548

As for the Biodiversity strand, only 24 projects have been selected for funding in 2007-2009 calls. However, the success rate of biodiversity projects has gone from 13% in 2007 call to 38% in 2009 call showing a significant positive trend, especially after the changes introduced to the Guide for applicants which provided more examples.

Table 4: Concrete conservation actions under LIFE+ Biodiversity projects (2008)

Deliverable	No. of concrete actions	Surface involved (ha)	Budgeted cost (€)
Enlargement of habitats			
Site restoration/improvement	6	136	802123
Conservation actions	6	16,8	478422
Reintroduction	1		
<i>Ex situ</i> conservation	7	51	69880
Removal of alien species	7	412	266809

The Biodiversity component has the potential to fund activities that cannot be funded under any other programme since it covers a larger spectrum of activities well beyond the network of areas covered by the two nature Directives. These needs must be taken into due consideration (e.g. green infrastructures not connecting Natura 2000 sites, ecosystems services outside Natura 2000, species not covered by the Nature directives, IAS, etc).

While the "market" for nature conservation is defined and steadily growing, the one for biodiversity is not only wider, but also less consolidated, indicating more a need for a catalyst financial instrument to support and guide its growth.

The requirements under the current Biodiversity strand are stricter than for the Nature strand which makes it more difficult for applicants to submit successful proposals. In addition, the current co-financing rate may not provide incentives to those who could submit applications under the component due to difficulties to find matching funds. This is the case for NGOs, Universities or even the private sector. As the evaluation shows, some applicants prefer to submit applications for the Nature strand because of the possibility to request, under certain conditions, a higher co-financing rate.

There is need to better identify and engage new applicants from the broader biodiversity community including the private sector and encourage them to submit applications.

LIFE+ supporting Nature and the wider Biodiversity

LIFE+ significantly contributes to the implementation of the Birds and Habitats Directive as well as to the preservation of the wider Biodiversity. The following projects are examples of how LIFE+ contributes to the protection of EU natural heritage.

Nature

LIFE07 NAT/E/00732- INDEMARES (budget €15.4 million; 50% EU co-financing rate): The main objective of this project is the protection and sustainable use of biodiversity in the Spanish seas through the implementation of the Natura 2000 network. The project will carry out the necessary studies are carried out to complete the identification of the most representative marine areas around Spain. It also proposes to add at least 10 sites to the marine Natura 2000 network. The results will support any future revision of the Birds and Habitats Directives' annexes and will contribute to the implementation and reinforcement of the marine international conventions applied in Spain – OSPAR and the Barcelona Convention. The project involves all relevant stakeholders, including the administrations concerned, NGOs, and fishermen.

LIFE07 NAT/AT/00012- Traisen (budget €12.8; EU co-financing 41.25%). This project coordinated by Verbund Austria Hydro Power AG aims at restoring the river dynamics and large-scale flooding areas, and creates free passage for fish and other water species by linking numerous floodplain waters to the new main river. The river was a heavily modified water body following the construction of the hydropower plant, Altenwörth, in 1976. This is one of the numerous projects financed by LIFE that have increased the ecological value of the Danube river and its neighbouring habitats and floodplains by restoring sections to their natural conditions and demonstrating how future management can proceed. LIFE projects have restored several hundred kilometres of floodplain maximising the ecosystems services provided by the river.

LIFE09 NAT/PL/00260- Biomass use for Aquatic Warbler (budget €3.7 million; EU co-financing 74.07%). The objective of the project is to link the production of biomass as a renewable energy source, with the large-scale mechanised management of aquatic warbler habitat. The aim is to demonstrate that conservation management of this habitat can also be economically viable. The project will be implemented in six project sites, all special protection areas (SPAs) according to the Birds Directive.

Biodiversity

LIFE07 NAT/IT/00450 CENT.OLIMED (budget €1.5; EU co-financing 48.39%) High Nature Value Farmland (HNVF) plays a crucial role in the protection of biodiversity. In the Mediterranean region, HNVF includes Ancient Olive Groves (AOGs). These are extensive crops – less than 50 trees per ha - that constitute one element in a mosaic of semi-natural and cultivated areas. The AOGs are typically intersected by small-scale structural elements or landscape features such as Mediterranean scrub, dry stone walls or woodland strips. The project ultimately aims to enhance biodiversity in Ancient Olive Groves (AOGs). It seeks to gain recognition of AOGs as HNVF and to implement actions to halt the loss of biodiversity in these habitats.

LIFE08 NAT/E/00064 CUBOMED (budget €1.7 million; EU co-financing 48.33%). Spanish marine habitats have been adversely affected by increased populations of the predatory jellyfish *Carybdea marsupialis*. The reasons behind unusual population growth patterns in *C. marsupialis* remain unknown, but these seem to follow a similar pattern of behaviour to other invasive species that can take advantage of environmental stresses caused

by human activity. The economic impacts in the tourism in Spain but also in other parts of the Mediterranean are obvious if this species expand. The main objective of this project is to gain sufficient understanding about *C. marsupialis* blooms to help develop measures capable of mitigating against negative impacts from the jellyfish on Mediterranean marine ecosystems in Europe.

LIFE09 NAT/FR/00584 BioDIVine (budget €1.8 million; EU co-financing 49.18%): Grape vines provide habitats with unlimited food supply and few natural enemies. This makes them an ideal breeding ground for pests. As restrictions on phytosanitary products increase, environmentally-sensitive biological pest control methods are growing in importance. The aim of this LIFE Biodiversity project focuses on demonstrating the benefits from strengthening landscape structures as a means to restore and conserve biodiversity in cultivated vineyards. This will be achieved by assessing biodiversity-friendly actions in different European biotopes. Complementary semi-natural spaces will be created in vineyards from seven test sites in three countries (Portugal, Spain and France) covering Atlantic, Mediterranean and Continental regions. The agronomic benefits of using arthropods and fungi biodiversity for viticulture will be tested. Results will inform the design of a landscape and ecological action plan intended to effectively combine wine production and biodiversity conservation actions.

For **LIFE+ Environment and Governance**, the themes waste & natural resources, climate change and water represent 71% of all funded projects under this strand. Climate change has attracted a significantly higher number of projects compared to LIFEIII. This reflects the focus given to climate change in the calls for proposals. The addition of new themes has not led to a substantially different distribution of projects per area compared to previous programmes. However, in the 2008 and 2009 calls a positive trend in number of applications and projects selected for those themes can be observed. For example, in 2007 no projects focused on chemicals were funded but in 2008, five projects were selected for funding. As in the case of biodiversity, there is a need to attract new applicants to the programme that may be unaware of LIFE funding opportunities in a particular area.

Table 5: Overview of Environment Projects Funded under LIFE II- LIFE III Extension (1996-2006) and Environment & Governance Funded under LIFE+ (2007-2008)

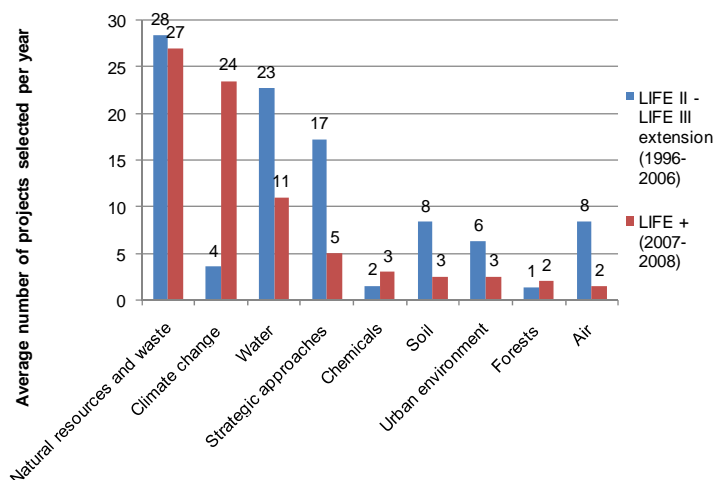
		LIFE II - LIFE III extension (1996-2006)		LIFE+ (2007-2008)	
		Number of Projects	Committed Amount (€m)	Number of Projects	Committed Amount (€m)
‘Pre-existing’ themes	Air	93	52	3	4
	Water	250	145	22	18
	Natural resources & waste	312	184	54	53
	Strategic approaches	189	103	10	9
	Urban environment	69	35	5	4
	Climate change	39	33	47	51
	Chemicals	17	10	6	4
	Soil	92	49	5	5
	Forests	15	6	4	18
New themes	Innovation			10	7
	Noise			3	3
	Environment and health			3	3
	Total	1076	616	172	180
	Average per year	98	56	86	90

Source: GHK analysis for previous periods based on COWI (2009) and on LIFE Unit data for the current programme. The ex-post evaluation classified projects funded by previous LIFE programmes (1996-2006) under 9 themes as defined in the LIFE+ Regulation. These themes were air, water, natural resources and waste, strategic approaches, urban environment, climate change, soil, forests and chemicals.

Note: The innovation theme should be distinguished from the innovative criterion used in project appraisal (note: all ENV projects in LIFE III were innovative and all Environment and Governance projects in LIFE+ have to be

either innovative or demonstrative). The innovation theme aims to assist implementation of the Environmental Technologies Action Plan (ETAP) (Regulation (EC) No 614/2007)

Figure 12: Average number of Environment projects funded under LIFE II- LIFE III extension (1996-2006) and Environment & Governance projects funded under LIFE+ (2007-2008)



Source: Mid-Term Evaluation of the Implementation of the LIFE+ Regulation (Final Report)

GHK in association with Arcadis and VITO

Environment projects represent a significant support for eco-innovation. Projects financed under LIFE+ are expected to develop new technologies, methodologies, approaches, tools, processes and products that will improve the effective implementation of EU policies. However, the multi-thematic composition implies that relatively few projects are financed under each theme making it difficult to validly assess results at thematic level.

In this context it should be also noted that the protocol agreed between **LIFE+ Environment and Governance** and **CIP eco-innovation** to manage submissions and steer the applicants to the most suitable instrument envisages that LIFE+ will tend to fund projects orientated to the public sector while CIP eco-innovation will concentrate more on market replication projects, presented by private undertakings and notably SMEs.

Some information is available for the main three themes mentioned above. 27 new technologies, 85 methodologies and approaches and 10 process and products will be developed in the next years. Waste concentrates on developing new technologies whereas climate change and water focus on new methodologies, approaches and tools. Waste is the most innovative theme in terms of creating and developing new products and process. The wider impact due to possible replication is difficult to assess at this stage although when evaluating EU added value during the selection process it was assessed medium or high.

Table 5: Expected outputs for 2007-2008 funded projects in terms of eco-innovation

Output	2007 call			Total	2008 call			Total
	Climate change	Waste	Water		Climate change	Waste	Water	
Technologies	4	8	0	12	5	8	2	15
Methodologies/approaches/tools	17	13	7	37	20	16	12	48
Processes/products	0	6	0	6	1	3	0	4
TOTAL	21	27	7	55	26	27	14	67

LIFE+ supporting Environmental policy implementation and development

LIFE+ Environment & Governance provides a positive stimulus for supporting the transition to more sustainable production bridging the gap between research and the development of large-scale commercial application. It is an effective tool to support key sectors to obtain a competitive advantage by adopting more resource efficient and greener production processes.

LIFE07 ENV/E/000787 Recyship (budget €3.4 million; EU co-financing 50%): a ship reaches the end of its working life after 20-30 years and is sold as scrap and dismantled to recover the steel. Almost 90% can be reused as high quality steel. The remaining 10% contains high quantities of dangerous waste. In the 1970s, ships were dismantled in European ports. Greater environmental regulation and higher security and health standards, increased the costs and the industry moved its operations to cheaper countries (e.g. Bangladesh, India, China, Turkey). The main objective of the project is to develop a technically and economically feasible, safe and environmentally sound methodology for the dismantling and decontamination of end-of-life vessels and develop a pilot test in a shipyard in the southwest of Europe, where the prototype will be validated. The project will assess EU and national legislation and will propose a regulation for end-of-life ships management.

LIFE07 ENV/FIN/07 VACCIA (budget 3.1; EU co-financing 48.98%): Climate change provides a major challenge for the sustainable management of key ecosystem goods and services, including biodiversity, forests, water and agricultural production. Despite increasing efforts to reduce the emission of greenhouse gases, results from global circulation models show that major changes in the current climate cannot be avoided. The VACCIA project aims to derive realistic climate change scenarios for specific sites to enable impact and vulnerability assessments and suggest the most appropriate adaptation measures.

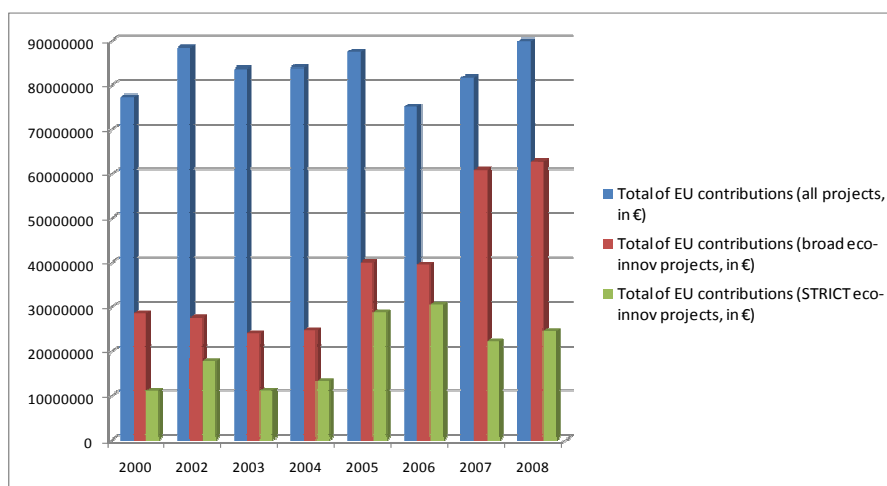
LIFE08 ENV/IT/000435 ANTARES (budget €1.1; EU co-financing 50%): REACH has introduced stricter European legislation on the handling, use and disposal of new chemicals. This aims to address the problem of chemical compounds ending up in the environment, but it also increases the cost to producers, who must demonstrate that a chemical is safe for the environment and human health. It has been estimated that at least 30 000 new chemicals will be introduced in the coming years in Europe. This project aims to show which non-testing methods (NTM) can be used to demonstrate compliance with REACH legislation and under what conditions. It seeks to bridge the gap of knowledge on which methods can be used in practice to avoid animal testing. The project will carry out a preparatory survey of all current methods for assessing compliance with the REACH legislation. This will help identify the exact criteria that the NTMs must meet. It will also evaluate the available experimental data for the eco-toxicological, toxicological and environmental endpoints for REACH.

LIFE09 ENV/BE/00410 DEMOCOPHESII (budget 3.4; EU co-financing 49.87%): Human Biological Monitoring (HBM) has long been used in the medical surveillance of workers. Currently it is increasingly used as a tool in environmental research and in health policy development. The European Environment and Health Strategy, launched in June 2003 by the European Commission as the SCALE initiative, paid particular attention to the potential of HBM. The main objective of this project is to demonstrate the feasibility of a harmonised approach to HBM in the EU by implementing a pilot study in 16 Member States and sharing the expertise with five additional countries, which will be adhoc members of this project. The work will be guided by the external team, COPHES (CONsortium to Perform Human biomonitoring on a European Scale), which will prepare guidelines and protocols for all tasks, train beneficiaries, deliver preparatory materials and evaluate the process within the framework of an FP7 Concerted Action that started in December 2009.

LIFE09 ENV/E/000441 AGROCLIMATICA (budget €1.6; EU co-financing 50%): The Intergovernmental Panel on Climate Change has estimated that agriculture is directly responsible for 20% of global greenhouse gas (GHG) emissions. In Europe, this figure is around 9% of total GHG emissions. Key sources of GHG emissions in agriculture are fertiliser production and machinery. The ACCIÓN AGROCLIMÁTICA project aims to develop a tool for carrying out energy and GHG audits on farms, and for identifying the most suitable crops and best practices for mitigation and adaptation to climate change. It seeks to provide a methodology that will be widely accepted by the EU-27 farming sector and applicable to most of the different agricultural systems.

The growing significance of eco-innovation is evident with an increasing percentage of projects dealing with innovative management or business methods introduced both by public entities and the private sector. Around two thirds of projects funded under LIFE+ Environment and Governance are eco-innovation projects.

Figure 13: Total project funding under LIFE III and LIFE+ for Environment & Governance and Eco-innovation ('broad' and 'strict')

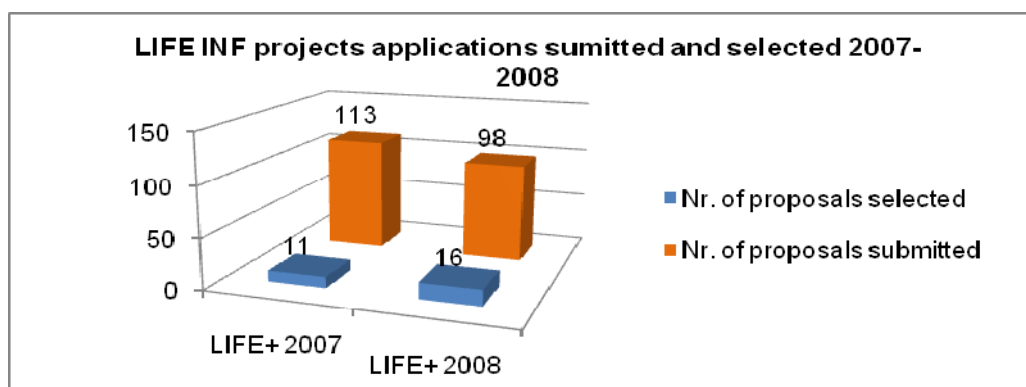


Source: GHK analysis. Mid-Term Evaluation (Final Report)

In these two calls, some projects will also significantly contribute to develop environmental legislation in the area of waste by testing methods to manage new waste streams such as ship dismantling, fiber glass or biowaste.

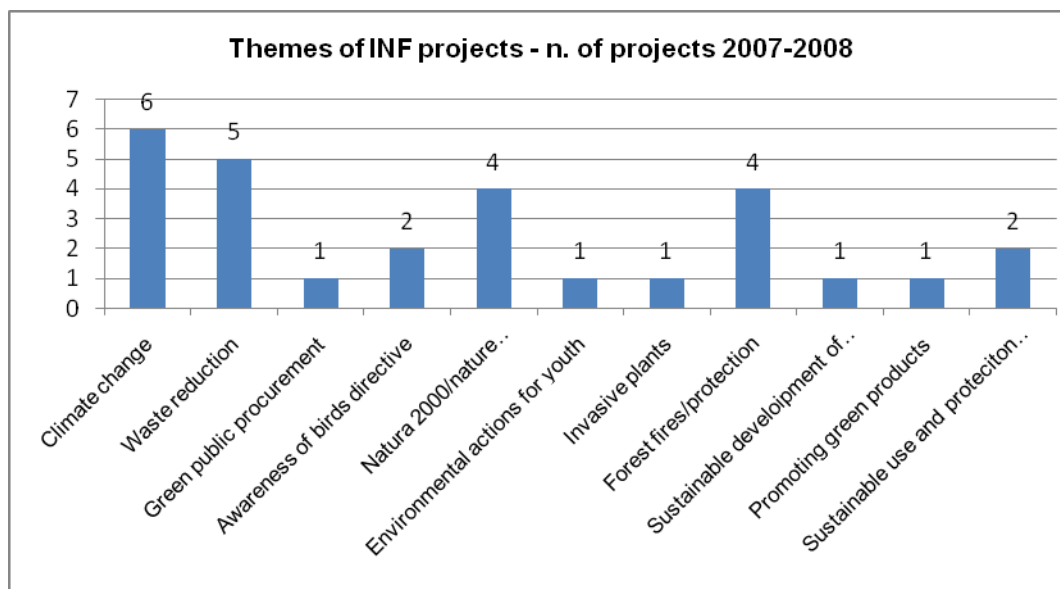
38 projects have been financed under **LIFE+ Information** in the reporting period. A significant number of projects were rejected in the 2007 call for not being sufficiently ambitious or without clear environmental goals.

Figure 14: INF projects submitted and selected 2007 and 2008



The Guide for applicants was modified to provide more examples of types of projects to be financed under this component. As a consequence overall quality of projects improved but results remain low as compared to the other LIFE+ components. The evaluation shows that the co-financing rate may not provide enough incentives to submit applications under the strand. It seems that finding matching funds is difficult for communication campaigns and projects had to downscale project objectives to meet co-funding requirements thus focusing more on local or regional campaigns with some exceptions.

Figure 15: INF Themes 2007 and 2008



Source: monitoring files LIFE ENV projects – GHK calculations

The projects financed cover a wide range of themes, from climate change or sustainable olive oil production. They also target very diverse audiences, from the general public to professional stakeholders or public authorities. Most projects focus on local or regional problems. However, some projects e.g. French project on the *European Waste Week* will have more significant impacts at EU level. More efforts are needed to better define this component. The evaluation also recommends increasing the co-financing rate.

LIFE+ supporting awareness and communication campaigns

LIFE+ Information & Communication the strand offers a unique opportunity to overcome this barrier and widely promote environmental themes. The introduction of the strand is perceived both at EU and national level as one of the elements that added the greatest contribution to EU added value in the new Regulation. The strand has the potential of financing EU-wide communication campaigns that will contribute to reducing environmental problems in the EU.

LIFE07 INF/FR/000185 European Week for Waste Reduction (budget €2.1 million; co-financing 50%): On 21 December 2005, the European Commission, in applying the Sixth Community Environment Action Programme (2002 – 2012), presented the following:

- A communication to the European Council, the European Parliament, the European Economic and Social Committee and the Committee of Regions entitled “Taking sustainable use of resources forward: a thematic strategy on the prevention and recycling of waste”;
- A proposal for a European Parliament and EU Council Directive on waste, which became Directive 2006/12/EC of the European Parliament and the Council on waste.

The main objective of the European Week of Waste Reduction (EWWR) project is to reduce the amount of municipal waste generated in Europe by involving all the players concerned in awareness programmes. The project will be an awareness campaign to mobilize European society on the problems of waste. It will build on the experience of French waste reduction campaigns (which were launched in 2004 within the framework of a national plan for prevention of waste production) and aims to sensitise and mobilise Europeans on the need to reduce the amount of waste that everyone produces daily. The project, managed by ADEME, Agence de l'Environnement et de la Maîtrise de l'Energie, includes as partners main waste management authorities in partners in Belgium, Spain and Portugal.

Table 6: INF project target audiences

INF project target audiences																		
Broader public						Professional stakeholders									Policy makers /authorities/other			
General public	children/schools	Youth	Parents and families	teachers	Visitors of natural park	rural residents	professionals	trappers	Land/forest owners	Farmers	local producers	businesses	Professional org	Natura 2000 site managers	Law enforcement authorities	regional authorities /decision makers	national authorities	NGOs
15	6	2	2	3	1	1	1	1	2	2	3	3	2	1	1	7	3	1
54 %	21 %	7%	7%	11 %	4%	4%	4%	4%	7%	7%	11 %	11 %	7%	4%	4%	25 %	11 %	4%

Source: monitoring files LIFE ENV projects – GHK calculations

Complementarity

LIFE+ should not finance activities that could be financed by other EU funds (Art.9 of the Regulation). This strict obligation would require a clear separation line between LIFE+ and other funds. The evaluation recognises the efforts to ensure complementarity. The application forms require information on actions included in the proposal that could be financed by other support programmes. Applicants must explain why they consider that those actions do not fall within the main scope of alternative EU instruments and must declare that actions listed in the proposal do not and will not receive aid from any other EU instruments.

The Commission coordinates to identify projects that may be financed by other EU funds. A protocol to manage submissions under the Competitiveness & Innovation Framework Programme (CIP) and LIFE+ Environment & Governance was developed to identify the most suitable instrument for a given activity. Other measures include an agreement that Member States will provide additional guidance to potential applicants.

The evaluation shows that complementarity is improved where:

1. LIFE+ projects build on FP7 activity.
2. A broad base of activity in LIFE+ is retained from which to support further policy value.
3. The policy benefits to environment (and 6EAP) are fed into other Programmes. For example, in many cases agri-environmental measures are tested in LIFE projects and afterwards they are incorporated into the rural development programmes.
4. Ensure that the policy needs of CIP, SF, EAFRD, etc are reflected where possible in calls and appraisal criteria.
5. Ensure beneficiaries are aware of joint funding in larger projects, where different elements might be funded as discrete projects with different funding sources.
6. There is a step change in levels of communication between actors in the various policy fields at EC, MS, regional / local and beneficiary levels.

The Commission focuses on avoiding double-funding but has tried a more positive attitude towards complementarity by granting additional points to projects demonstrating synergies with other funds or showing an integrated approach in the use of different funds. However, building and enhancing synergies with other programmes is a more challenging task when those are decentralised or in shared management with national, regional or local authorities. Also, applicants tend to select the fund they are more familiar with.

More efforts are needed to improve synergies between 7th Research Framework Programme, LIFE+ Environment, CIP, EAFRD, Structural and Cohesion Funds to accompany innovative ideas from creation, testing & demonstration to commercialisation and wide diffusion.

The evaluation recommends combining the Eco-innovation component of CIP and LIFE+ Environment & Governance for the next programming period to create a single eco-innovation funding mechanism. Protocols and guidelines to better link the different funds are also recommended.

3. NGOs OPERATING GRANTS

30 NGOs were selected in 2007, 33 in 2008 and 32 in 2009.

Output indicators were introduced during the evaluation period. However, the results of NGO activities are difficult to measure in a quantitative way since they relate mainly to policy contribution, by nature qualitative. Quantitative output indicators can only provide limited information for monitoring the outcome. Nevertheless, across all beneficiaries activities in policy development and implementation, including awareness raising and organisational development were reported. Commonly reported activities include for instance publication of press releases, organisation of and participation in conferences, and written submissions to EU institutions. NGOs also reported on awareness raising activities, including education on EU policy implementation and development.

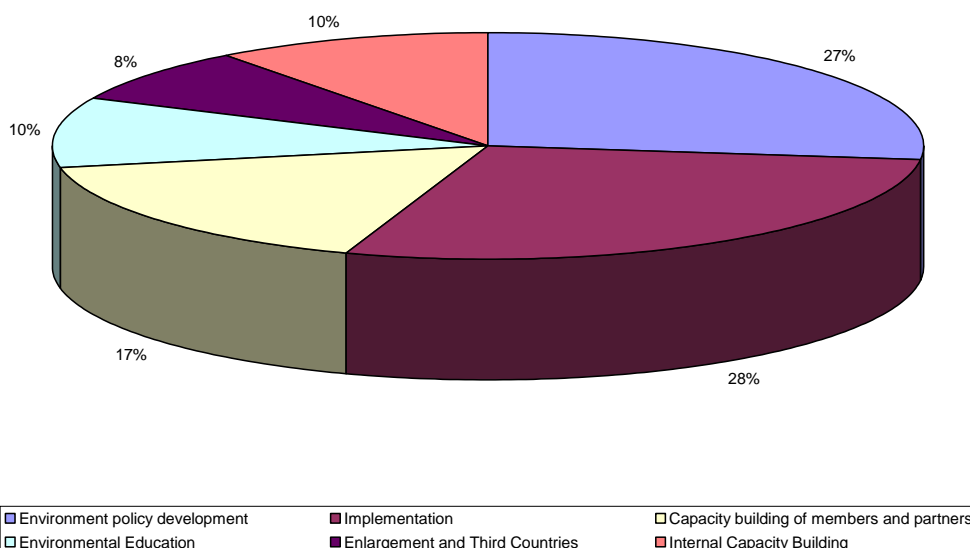
During the evaluation, beneficiaries were also asked to estimate the distribution of activities and funds across main activity areas. The results show that most resources are devoted to policy development and implementation followed by capacity building of members.

Table 7: NGOs expenditure per area of intervention

Environment policy development	4.519.729 euro	27,1%
Implementation	4.704.192 euro	28,2%
Capacity building of members and partners	2.810.383 euro	16,8%
Environmental Education	1.639.228 euro	9,8%
Enlargement and Third Countries	1.319.172 euro	7,9%
Internal Capacity Building	1.703.103 euro	10,2%

Figure 16: NGOs expenditure per area of intervention

operational funding in 2007-2008



Source: Arcadis calculations (Mid-term evaluation- Final Report)

All topics of the 6EAP are covered with a good balance between policy development, policy implementation and internal and external capacity building.

Topic	operational fund 2007-2008 (€)	%
Agriculture	1.011.094,68	6,06
wood, forestry	651.167,93	3,90
Fishery	290.285,15	1,74
Tourism	961.389,46	5,76
nature and biodiversity	3.107.961,24	18,62
energy and climate	2.295.281,04	13,75
Water	1.335.164,69	8,00
industrial pollution	475.643,17	2,85
Waste	726.178,57	4,35
Transport	491.624,00	2,94
Chemicals	1.090.290,72	6,53
sustainable economy	2.331.413,01	13,96
sustainable development		

Topic	operational fund 2007-2008 (€)	%
Soil	174.372,70	1,04
GMO	174.204,22	1,04
Air	599.236,26	3,59
Health	450.156,17	2,70
Standardisation	180.000,00	1,08
legal issues	350.344,00	2,10

Source: Arcadis calculations (Mid-term evaluation- Final Report)

Figure 17: NGOs expenditure per policy area

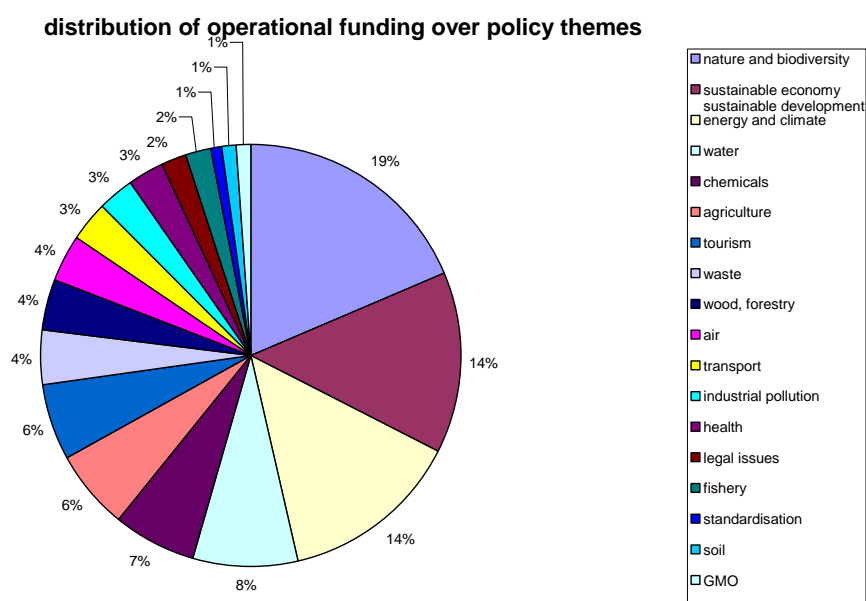
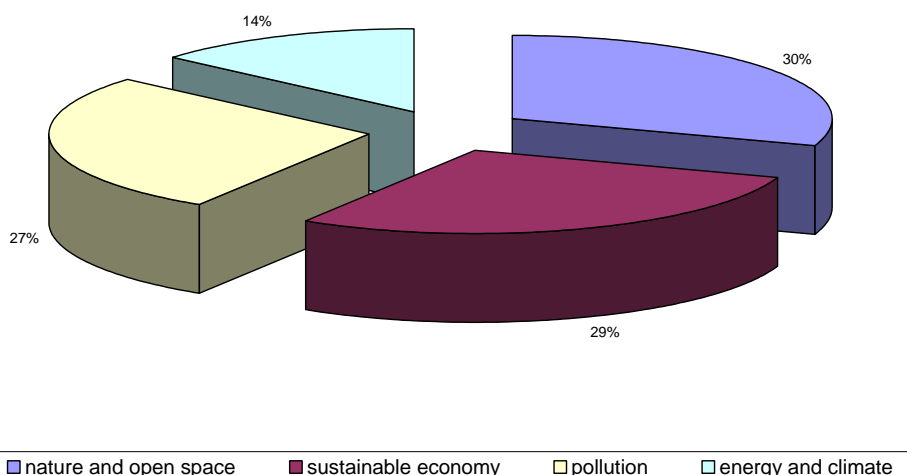


Figure 18: NGOs expenditure per policy area

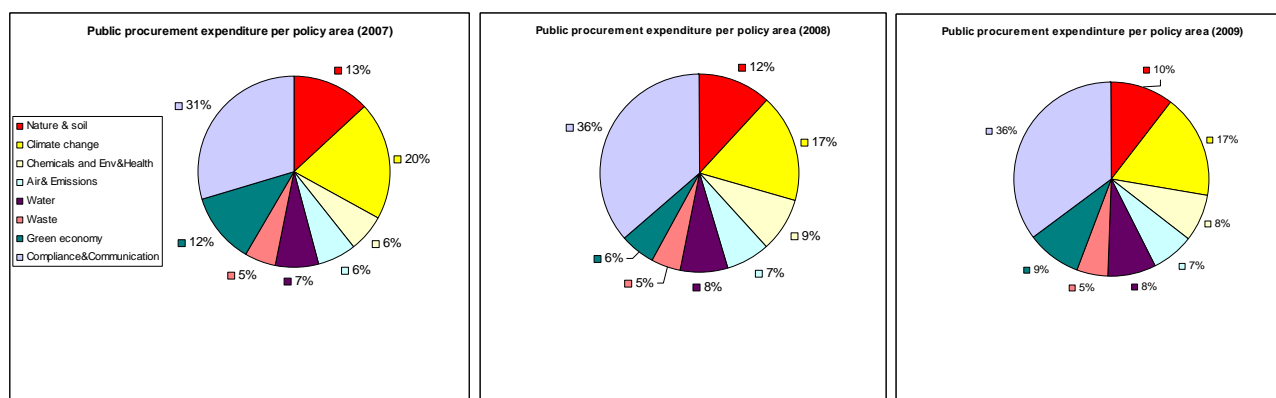
distribution of operational funding over policy themes (2)



4. SUPPORT FOR POLICY DEVELOPMENT AND IMPLEMENTATION

In 2007-2009, DG Environment concluded around 200 contracts/year to help implementing the priorities laid down in the 6EAP. The budget allocation per policy area in this reporting period was very similar for each year (Figure 19).

Figure 19: Public procurement expenditure per policy area/per year



NB:

Compliance & communication includes contracts to support the Commission in ensuring compliance and enforcement of environmental policy as well as communication activities contracted by the specialised communication units and by thematic units (e.g., EMAS brochures, climate change);

Nature & soil includes contracts to support policy implementation and development in the area of soil, forests, nature and biodiversity. It also includes specific contracts on international affairs focused on nature conservation issues (e.g., wild trade).

Chemicals and Env& health includes contracts to support implementation and development of REACH, biocides, pesticides, GMOs, environment and health, and noise;

Air & emissions includes contracts to support policy implementation and development in the areas of transport, air quality and industrial emissions (e.g., IPPC);

Technical assistance for LIFE+ units (around 8-10 million) has not been included.

LIFE+ Budget	(budgeted)	Public procurement			Total
		2007	2008	2009	
Policy area					
<i>Nature & soil</i>		4,53	4,38	4,84	13,75
	<i>Nature& Bio</i>	3,59	3,19	2,56	9,34
	<i>Forest & soil</i>	0,94	1,19	2,28	4,41
<i>Climate change</i>		6,9	6,48	8,06	21,44
<i>Chemicals and Env&Health</i>		2,23	3,33	3,6	9,16
<i>Air& Emissions</i>		2,17	2,62	3,18	7,97
<i>Water</i>		2,58	2,82	3,84	9,24
<i>Waste</i>		1,78	1,8	2,32	5,9
<i>Green economy</i>		4,15	2,16	4,21	10,52
<i>Compliance&Communication</i>		10,27	13,46	16,39	40,12
NGOs		8,35	8,65	8,9	25,9
Others (e.g., LIFE TA)		8,35	9,34	10,07	27,76
TOTAL (million EUR)		51,31	55,04	65,41	171,76

NB: LIFE+ budget includes both budget lines.

33% of resources were dedicated to compliance and communication activities. The specific policy area with the largest share of public procurement expenditure (average 18%) is climate change. The remainder of public procurement is fairly spread across the other policy fields.