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

**Mid-term review of Regulation (EC) No 1655/2000  
LIFE**

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**1. EXECUTIVE SUMMARY**

Article 12 of the LIFE III Regulation stipulates that the Commission will examine the operation and results of LIFE III in September 2003 and publish a report together with proposals, if appropriate, on the future of the instrument.

The Commission carried out this examination based on information on the LIFE projects and on its experience. However, in the interests of transparency and objectivity, it considered it appropriate to engage the services of an external consultant, selected on the basis of a tendering process, in order to supplement its own evaluation.

The first year of implementation of the LIFE III programme (2000) was disrupted by the late adoption of the Regulation in July 2000. The selection of new projects could only begin in 2001.

A major reorganisation of the Directorate-General for the Environment took place at the beginning of 2001. A single unit was created for managing the LIFE instrument, which had previously been managed on a thematic basis by five different units.

2001 and 2002 were dedicated to improving the management of LIFE by establishing mechanisms and adopting working methods which reduced a significant burden from the past (reduced the number of projects which were finished but not closed and the amount of outstanding commitments) and helped improve the implementation of ongoing projects. The financial implementation of the instrument was improved at the same time.

At the end of 2002, after the reorganisation, management capacities were freed up to strengthen the policy on communicating and using the results as it was first necessary to ensure the best possible management procedure for selecting and implementing projects.

The LIFE III programme is now well underway. According to the results of the external evaluation, it is a useful programme for implementing Community environment policy. It would be desirable to continue with a specific instrument for the environment, but several adjustments should be made in order to:

- simplify its management;
- improve its focus on the priorities of the sixth environment action programme;  
and
- improve the use and dissemination of the results.

## **2. INTRODUCTION**

The LIFE III Regulation came into effect in 2000 and will apply until the end of 2004. It is therefore appropriate to evaluate performance in the middle of 2003, as provided for in Article 12 of the Regulation.

This evaluation relates to the administrative operation of the instrument and its contribution to Community environment policy. It is based on the Commission's presentation of the statistical information available and on the concrete results of ongoing projects. This evaluation is backed up by an evaluation carried out by an external consultant in July 2003.

In addition to ensuring that public funds are being properly used, the main aim of this evaluation is to contribute to improving Community environment policy by drawing lessons from the past in order to help make choices in the future. Examining the programme's results in relation to the objectives of Community environment policy is essential for deciding whether it is going to be continued or not and, if so, what adjustments could usefully be made.

### **2.1. The context**

When it was set up in 1992, "L'Instrument Financier pour L'Environnement" (LIFE) took over the ACNAT, MEDSPA and NORSPA programmes, which financed projects in the fields of nature conservation, the Mediterranean environment and the environment of the Atlantic and North Sea coast respectively. LIFE provided a coherent, stable and better funded framework for these environmental activities.

The current phase of the Financial Instrument for the Environment (LIFE III) was established by Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000. This Regulation repeals Regulation (EEC) No 1973/92 (LIFE I), which first established the LIFE financial instrument and was subsequently replaced by Council Regulation EC No 1404/96 of 15 July 1996 (LIFE II).

### **2.2. Description of the LIFE-Programme**

In the framework of sustainable development and in accordance with Decision No 2179/98/CE of the European Parliament, 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 co-finances environmental initiatives in the Member States, Acceding States, Candidate Countries and a number of specific third countries. The instrument is based on a practical approach, that works towards the implementation of Community policy defined initially by the Fifth Action Programme for the Environment.

LIFE has been implemented in three phases:

- 400 million euros were allocated for the first phase (1992-1995),
- 450 million euros were allocated for the second phase (1996-1999),

- 640 million euros for the current phase, “LIFE III” (2000-2004).

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 (the “Birds” Directive 79/409/EEC and the “Habitats” Directive 92/43/EEC). 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. This should be done through the financial support to demonstration projects, the launching of preparatory projects aiming at the development of new Community environmental actions and instruments and the operation of accompanying measures.

LIFE-Nature and LIFE-Environment co-finance projects in the European Union. In the framework of the Agreements between the European Union and the Acceding States and Candidate Countries, they provide the support for their participation in environmental and nature conservation projects, as a pre-accession exercise.

**LIFE-Third countries** operates in the framework of the Association Agreements concluded between the European Union and the third countries bordering on the Mediterranean and the Baltic Sea, other than central and east European Acceding States and Candidate Countries. 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.

An annual call for proposals is published in the Official Journal (OJEC) and the Member States and third countries send the Commission their project proposals. The Commission publishes the closing date in the Official Journal and evaluates the proposals. The Commission is responsible for the financial control and monitoring of the implementation of LIFE projects as well as for the overall exploitation and dissemination of results.

Open to all “natural and legal persons”, projects co-financed by LIFE must meet the following general criteria:

- they must correspond to the priorities established at Community level and contribute to the above-mentioned objectives and to the specific objectives described hereafter,
- they must be submitted by technically and financially sound participants,
- they must be feasible in terms of technical content, timetable and budget and offer good value for money.

A total of 1992 LIFE projects were given financial support between 1992 and 2002:

- 665 LIFE-Nature projects, plus 79 in 2003.
- 1166 LIFE-Environment projects, plus 104 in 2003.

- 161 LIFE-Third Country projects plus 17 in 2003.

### **2.3. Purpose of the evaluation**

The evaluation complies with the Regulation. It was carried out by both the Commission and an external consultant at the same time.

#### *2.3.1. Purpose of the evaluation and Commission response*

Article 12 of the LIFE Regulation provides that the evaluation of LIFE III will focus on:

- "The implementation of the Regulation and the use made of the appropriations".

To this end, the Commission presents in this report the technical and financial data relating to the implementation of the Regulation and the use made of the appropriations (section 3). It stresses the aspects highlighted in the Regulation's recitals, namely: reinforcing LIFE as a specific financial instrument; improving the efficiency and transparency of procedures; ensuring the effective monitoring of actions; simplifying management; and improving the dissemination of information and the transfer of results.

- "The contribution to the development of Community environment policy".

In order to evaluate the contribution of LIFE to the development of Community environment policy, the Commission engaged the services of an external consultant. The consultant's terms of reference and main conclusions are summarised in section 4.

- "Where appropriate, proposals for any adjustments to be made with a view to continuing the action beyond the third phase".

The Commission then draws conclusions (section 5) based on the previous evaluations as to whether it is appropriate to continue the action and, if so, in what form.

Due to the similarity between LIFE II and LIFE III, due to the short amount of time which has elapsed since the LIFE III Regulation was implemented, and due to the fact that the projects co-financed under LIFE III have not yet finished, the analysis of the results and their impact on Community environment policy is largely based on the projects financed under LIFE II which are similar to the current projects.

#### *2.3.2. External evaluation*

In addition to its own evaluation, in 2003 the Commission launched a call for tenders regarding the external mid-term evaluation of the LIFE-III programme. In the interests of transparency and objectivity, the evaluation was entrusted to an external consultant. A coordination group monitored the consultant's work in order to ensure the neutrality of the evaluation of the consultant's work.

The objective of the evaluation was to assess to what extent the LIFE Programme has contributed to the implementation, updating and development of environmental policy and legislation and as such, has met its objectives.

The evaluator was asked to provide the Commission with an objective review of the strengths and weaknesses of the current programme including recommendations for continuing improvement. The key evaluation objectives were the: scope, efficiency, effectiveness, utility and sustainability.

This evaluation concerns the LIFE III Programme and does not focus on the evaluation of projects. However, as it is an interim evaluation, and as few LIFE III projects are completed, the evaluator considered outcomes from LIFE II projects, given that the objectives of LIFE II and LIFE III are very similar.

The evaluation is based on interviews of different stakeholders in the Commission and in the Member states.

### **3. IMPLEMENTATION OF THE LIFE-III PROGRAMME**

Due to the late approval of the LIFE Regulation in 2000, the call for tender for 2000 was not possible and there was a single selection for 2000 and 2001.

#### **3.1. LIFE-Nature**

##### Introduction

Since it began in 1992, LIFE-Nature has had a very specific role in EU nature conservation policy. Funding is only available to projects that meet the objectives of 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 safeguard listed species which occur both inside and outside these areas. The key goal of LIFE-Nature intervention is to be found in Article 3 of the Habitats Directive, “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. Nature conservation projects financed by LIFE*

The LIFE-Nature instrument - although relatively small in financial terms (about 0.07% of the European budget) - has been the only EU financial instrument that has been directed specifically at nature conservation and has integrated all aspects of Nature protection in single projects.

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

- Implication of different stakeholders concerned with the site(s) or species;
- Restoration of degraded sites, and in exceptional cases site creation;
- Preparation and execution of site management plans or species actions plans;
- Safeguard of 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.

New conditions were included in LIFE III coincidental with the progress in site designation. In order to receive funding, the major part of a LIFE III-Nature project *must* comprise concrete actions, such as site restoration or improvement. All projects must include awareness-raising activities.

With the gradual implementation of EU nature conservation, LIFE-Nature has also evolved. Whilst *a priori* site designation was not a condition for funding under LIFE I, this has been strictly adhered to in the subsequent phases. Purely theoretical projects, for instance the preparation of management plans without implementation, are no longer eligible under LIFE III.<sup>1</sup>

In the three LIFE III selection rounds to date a total of 680 applications have been received, of which 243 (36%) were selected for co-financing.

<b>LIFE III-nature. Proposals received and co-financed</b>					
	Number of proposals received	Number of proposals co-financed	Total EC funding - all projects (€ mill.)	Total budget all projects - (€ mill.)	Average co-financing per project (€ mill.)
2001	310	94	79.4	152.7	0.844
2002	188	70	72	130	1.028
2003	182	77	70.9	132.8	0.92

Details and comparisons with earlier phases of LIFE are given in Table A in the Annex.

Under LIFE III around 80 projects with an average value of €1.8 million are awarded funding each year. The average co-funding for LIFE III-Nature to date is 54%.

In view of the traditional actors in nature conservation, public and especially the regional authorities are the main beneficiaries (73%). Non-governmental organisations (NGOs) cover 25% but together with scientific institutions are frequently partners to projects (see Table C in the Annex).

In order to assess the achievement of LIFE-Nature in terms of its goals it is necessary to examine where projects have been carried out and what actions have been undertaken.

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<sup>1</sup> Exception is made for associate candidate countries and new member states in 2004.

### 3.1.2. *Type of projects and coverage (since the beginning of LIFE)*

LIFE-Nature projects target either primarily birds on Natura 2000 sites (18%), or primarily habitats within Natura 2000 sites (74%) or species outside Natura 2000 sites (8%)<sup>2</sup>.

#### **Natura 2000 sites**

By the end of 2001, ten per cent of the almost 18 000 proposed Natura 2000 sites had been the subject of a LIFE-Nature project. Only 2.5% of sites have been the subject of more than one project. This is 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 LIFE-Nature targeted at least once as many as 87% of the *types of habitat* which are considered to be of Community interest<sup>3</sup>. Two-thirds of habitat types have been targeted by three or more projects.

A majority of projects target – at least partially – wetlands. In this way LIFE contributes also to the objectives of the 1971 International Convention on Wet Areas (Ramsar Convention) and the 1995 Commission communication on wetlands<sup>4</sup>.

Almost 28% of the *species* in the "Habitats" and "Birds" Directives have been directly targeted by one or more LIFE-Nature projects. The coverage of species is variable. At one end of the spectrum, thirty-one listed species have each been covered by at least five projects. Species directly targeted by more than four projects were mostly mammals and birds, but included also one higher plant species.

Whilst the proportion of reptiles, amphibians, fish, invertebrate and plant species of the Habitats Directive that were directly targeted by LIFE projects remains fairly low, however, the vast majority of Habitats Directive species have benefited indirectly from restoration or improvement actions targeting habitats and sites they rely on.

Several LIFE-Nature projects have been dealing with emergency actions covering the entire world population of species in immediate danger of extinction.

Projects that target species outside of Natura 2000 areas are mostly in countries with a high level of biodiversity, in particular Spain.

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

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<sup>2</sup> The figures refer to projects co-financed between 1998 and 2001 inclusive.

<sup>3</sup> i.e. listed in Annex I to the “Habitats” Directive.

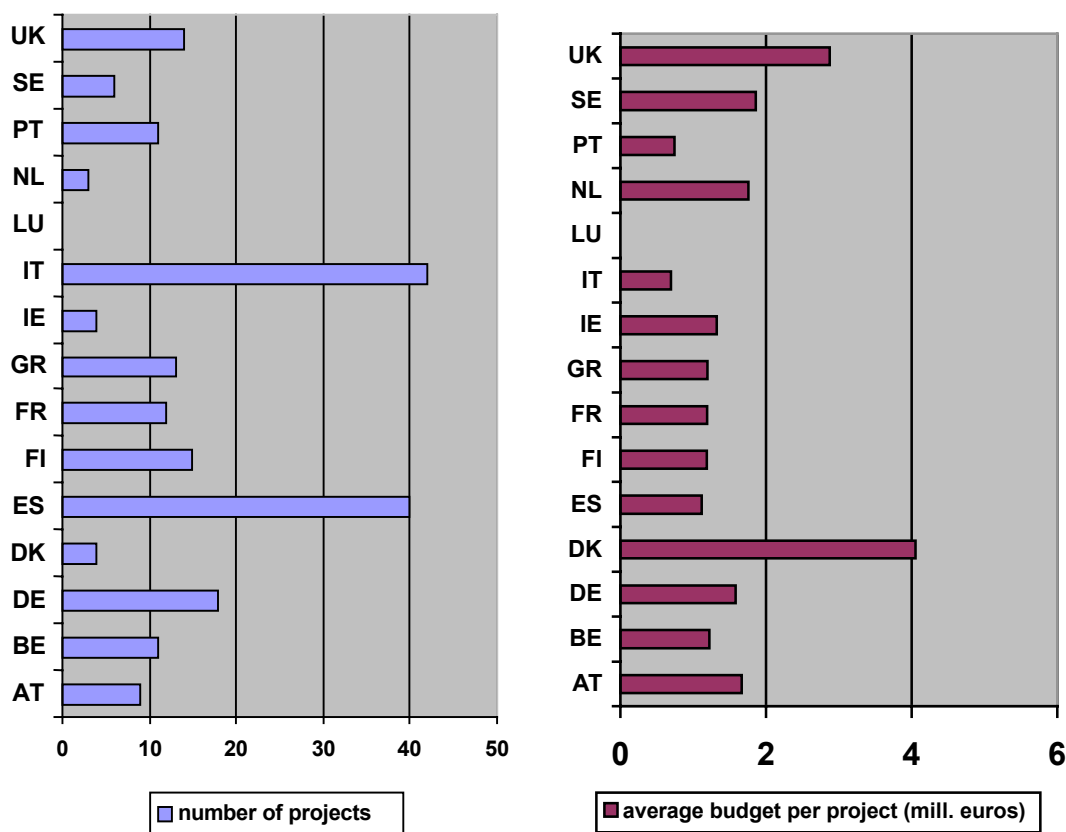
<sup>4</sup> Commission of the European Communities. 1995. Wise Use and Conservation of Wetlands. Communication from the Commission to the Council and the European Parliament. (COM(95) 189 C4-0224/95).



## Countries (LIFE III)

The distribution of LIFE-Nature projects over EU Member States is as follows:

### Number and average budget of LIFE-Nature projects in Member States, 2001 - 2003.



Projects in Northern Member States tend to be larger. Southern Member States, particularly Italy and Spain, have large numbers of small projects. The condition of *a priori* designation of sites for funding meant that Member States for which the Natura 2000 procedure was delayed were less able to present projects. This was notably the case for France and Germany.

### 3.1.3. *Accompanying measures*

New under LIFE III was a small allocation of funds to the Co-op and Starter accompanying measures for LIFE-Nature.

Co-op projects support exchange of experience between on-going and past projects whilst Starter projects provide preparation for international LIFE-nature projects.

In the first year of tender (2002) four Co-op and 12 Starter projects were accepted from respectively 12 and 46 applications. Tenders for Co-op projects are being repeated in 2003 and 2004.

## 3.2. LIFE-Environment

Introduction

Since its inception in 1992, LIFE-Environment has aimed at the promotion of EU environmental policies in the Member States through the implementation of concrete demonstration projects. These projects have normally been selected for their innovative nature and dissemination and transfer potential.

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

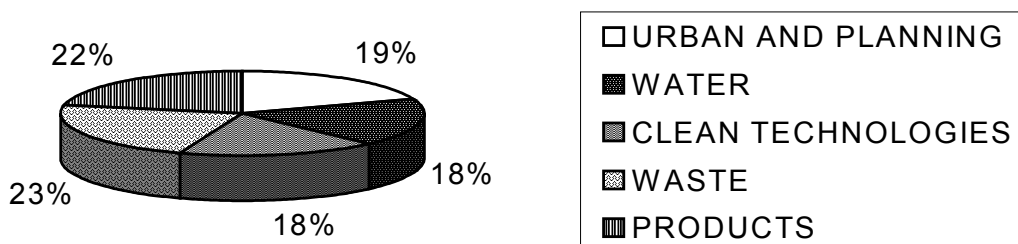
### 3.2.1. Actions financed by LIFE-Environment

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

<b>LIFE III Environment. Number of proposals received, financed and total EC contribution</b>					
<b>Year</b>	<b>Number of proposals received</b>	<b>Number of proposals funded</b>	<b>Total EC Funding (€)</b>	<b>Total Project Budget (€)</b>	<b>Average funding per proposal (€)</b>
<b>2001</b>	898	103	63 411 036	191 568 988	615 641
<b>2002</b>	479	114	71 766 257	218 096 445	629 529
<b>2003</b>	532	104	69 470 808	216 153 448	667 989

LIFE III Environment actions consist of demonstration projects covering the topics set in the Regulation. The breakdown by topic of the projects financed under LIFE-Environment between 2002 and 2003 reveal a rather uniform allocation of resources amongst the broad project topics “urban and planning”, “water”, “clean technologies”, “waste” and “products”. The two topics which received the highest share of funding were waste and products (accounting for 23% and 22% of the expenditure respectively).

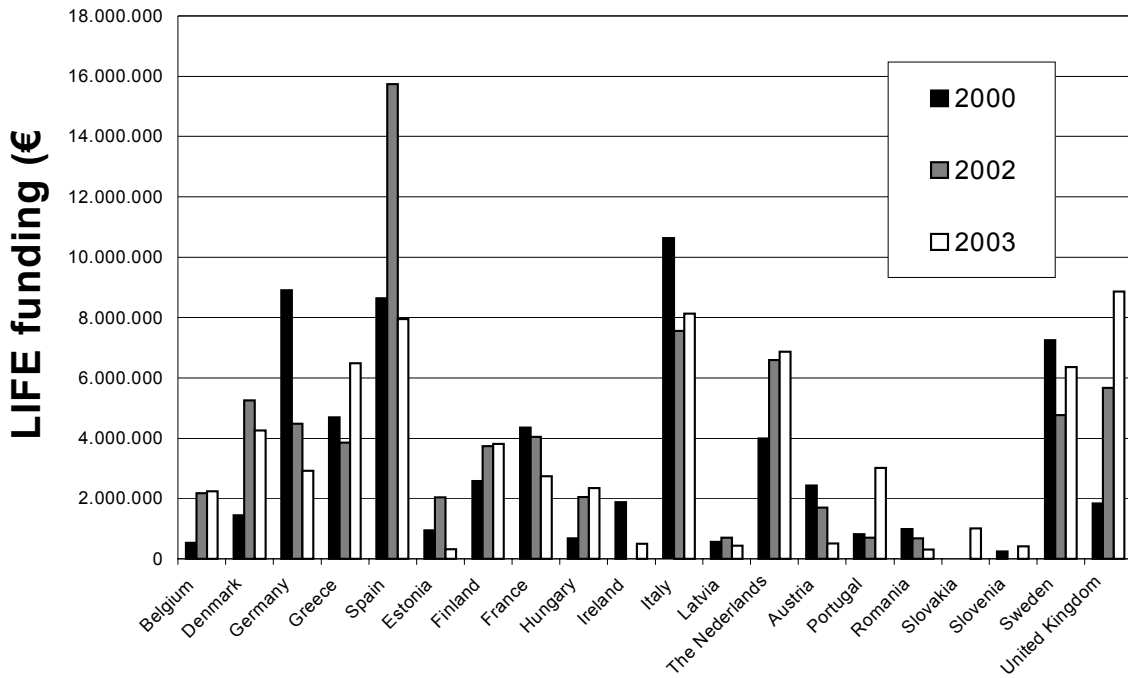
### **LIFE Environment funding per policy area 2002 & 2003**



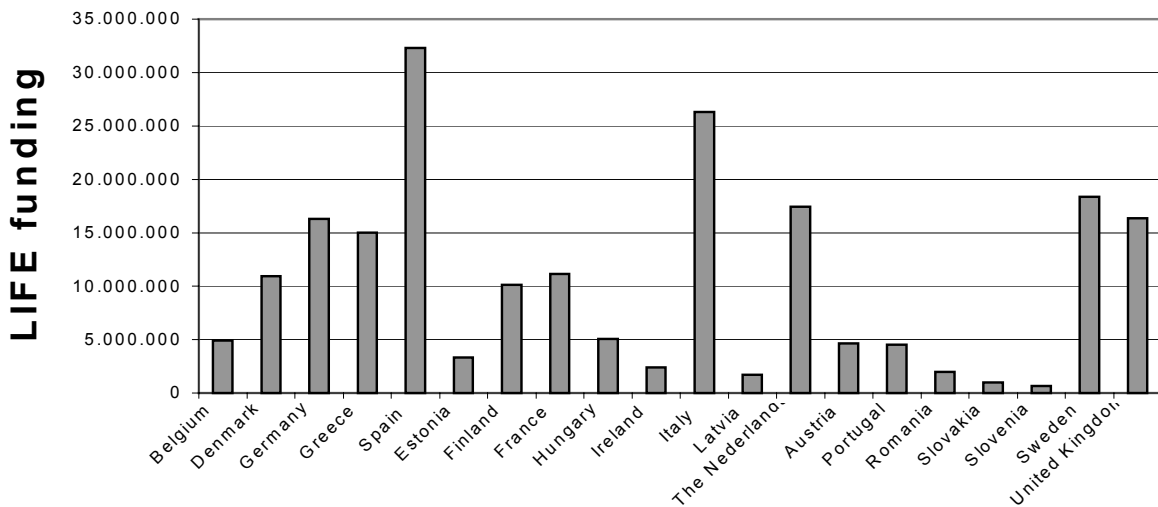
### 3.2.2. Type of projects /Geographical distribution

As regards the geographical distribution, projects from northern Member States tend to be larger vis-à-vis those based in southern Member States. Spain and Italy continue to be the countries with the highest number of projects funded, although the tendency is progressively levelling off.

**Amount of LIFE-Environment funding per country and year**



**Total amount of LIFE-Environment funding per country for the period 2000-2003**



### 3.3. LIFE-Third Countries

#### Introduction

LIFE-Third Countries encourages neighbouring countries of the European Union and countries bordering on the Baltic Sea and the Mediterranean to formulate and initiate environmental actions. Between 1992 and 2003, 178 projects were funded; the total contribution was EUR 60.7 million; 84 projects have finished and 94 are ongoing, including 17 new ones decided on in 2003.

#### 3.3.1. *Actions financed under LIFE III*

The specific objective of LIFE-Third Countries has changed since LIFE II. The objective is now to contribute towards creating administrative capacities and structures and developing policies and action programmes. Geographical eligibility has not changed since LIFE II, but Cyprus and Malta, which are due to become Member States, will no longer be eligible for LIFE-Third Countries from 2004. Since the start of LIFE III, 236 proposals have been received and 61 projects have been funded; LIFE's total contribution of EUR 21.3 million was on average EUR 347 000 per project.

#### **LIFE III - Proposals received, financed and total EC contribution**

<b>Year</b>	<b>Number of proposals received</b>	<b>Number of proposals funded</b>	<b>Total EC funding</b>
2001	92	28	9.0
2002	74	16	5.7
2003	70	17	6.5

#### 3.3.2. *Geographical distribution and types of LIFE III projects*

The LIFE III projects are divided geographically between the Baltic Sea (Russian regions of St Petersburg and Kaliningrad: 5 projects; LIFE contribution €1.6 million) and the Mediterranean (from Croatia to Morocco: 56 projects; LIFE contribution €19.7 million). The distribution per country is shown in Table I in the Annex. The countries with the highest number of projects are Croatia (7), Turkey (7), Bosnia and Herzegovina (6) and Cyprus (6). However there are no projects in Egypt and only one in Syria. The 7 projects presented by international organisations are being implemented in the Middle East (particularly in the Lebanon) and the Maghreb. There are more LIFE-Third Countries projects in the north of the Mediterranean than in the south.

Within the broad framework of “capacity building”, most LIFE-Third Countries projects consist of a set of different measures, according to the local or national needs. All LIFE III Third Countries projects address one or more of the following types of measures:

- development or adaptation of **legislation**;

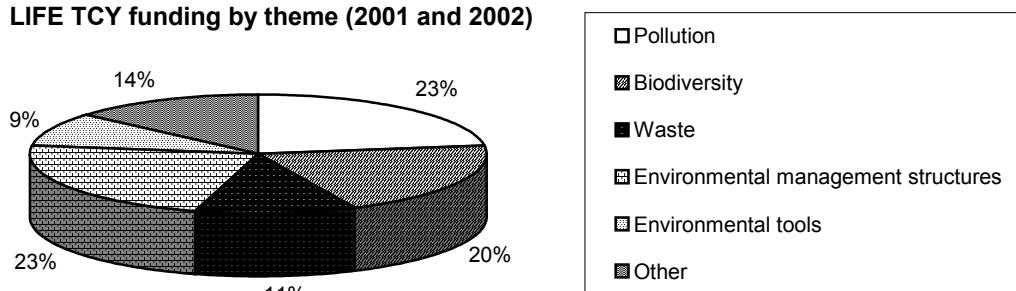
- training of staff;
- creation or reinforcement of environmental **management structures**;
- creation or reinforcement of **structures for data collection**, inventory, storage, monitoring or dissemination;
- definition of **planning processes** including policies, strategies or action plans;
- drawing 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.

The support can be at the local, national, or regional level. It can be focused on harmonisation with EU standards or legislation, or on implementation of existing EU environmental tools (including EMAS, CORINE, Natura 2000...).

LIFE-Third Countries projects cover most key environmental issues. They fall largely into three groups: pollution (23%), biodiversity (20%) and waste (11%). As shown in the diagram below, the joint largest category of projects is that covering general environmental management structures (23% or 10 projects). This category covers general support to structures responsible for environmental management. A closely related category of projects focuses on specific environmental tools, such as eco-management and EMAS. The ‘Other’ category accounts for six projects, covering issues such as environmental education, land survey and soil resources.

The 2003 projects are related to environmental tools and structures (6), biodiversity and management of natural resources (5), solid waste (3), water (1), air pollution (1) and environmental education (1).

**LIFE TCY funding by theme (2001 and 2002)**



### **3.4. Management of LIFE projects by the Commission**

#### *3.4.1. Technical management*

##### *Simplification of management.*

Under LIFE II, the management structure was divided into five units which independently monitored LIFE-Environment, LIFE-Nature, LIFE-Third Countries, LIFE-Candidate Countries and the financial management of LIFE.

In February 2001, when the first selection exercise for LIFE III began, the Directorate-General for the Environment was restructured and all of the activities relating to LIFE were brought together in one unit (unit Environment D1, LIFE) in order to simplify its management.

The administrative unit which manages LIFE is assisted by external teams which ensure the monitoring of the projects on the ground.

Agreements have been adopted to define the relations between the LIFE unit and the thematic units in DG Environment in order to encourage the latter to get involved in choosing the projects and using the results.

The management unit has facilitated the gradual harmonisation of management for the three branches of LIFE by creating similar tools and standards, in particular for: application guides; standard administrative clauses; project selection criteria; methods for presenting and monitoring projects; administrative management tools; services of external teams; the presentation and use of results.

##### *Efficiency and transparency of procedures*

The selection criteria and rules are communicated before the selection procedure and are available on the Internet. Presentations of the programme have been organised in all the Member States with the support of the Commission.

The Member States are requested to give their opinion on the projects before the end of the selection procedure and to meet with the Commission in order to give their comments on the evaluations before giving an opinion in the formal consultation procedure of the LIFE Committee for the Environment and Third Countries projects and of the Habitats Committee for the Nature projects.

The comments from experts and from the Commission on project evaluations and their scores are available on the Internet (ESAP system). Member States can access them directly.

##### *Monitoring and evaluation of action*

A single management database - BUTLER - was created. It means that the exact situation of each project can be seen at all times and statistical data on the projects can be collected in order to make sectoral analyses of their impact.

A standard format for presenting accounting data has been adopted. A computer tool has been available to project managers since 2003 to help them fill in their statements of expenditure.

The administrative rules were adjusted to bring them into line with the Commission's new financial regulation.

The (technical and financial) controls were standardised and made more systematic for the external teams and for the Commission.

Standard forms for the final evaluation are now produced for all projects and are available on the LIFE website in order to disseminate the results more widely and contribute to the creation of networks.

Bringing the technical and financial teams together in the same unit facilitates permanent contact between technical and financial evaluators.

The Commission has launched *ex-post* evaluations of some projects in order to measure their subsequent impact.

### *Results*

The policy pursued has improved the programme's financial situation (see following chapter) and resulted in:

- permanent monitoring of the situation of each project using the monitoring tool, BUTLER. A stricter policy with regard to projects which do not submit the required information within the deadlines has reduced the number of projects for which the balance has not been paid. The Commission automatically issues recovery orders after sending two recorded delivery letters and receiving no response within a period of three months. The total number of ongoing projects was thus reduced from 1 100 at the beginning of 2001 to 800 at the beginning of 2003;
- a reduction in outstanding commitments;
- a reduction in the length of the evaluation periods and a shortening of payment times;
- a small number of disputes and formal complaints;
- technical and administrative monitoring of the projects is obligatory and most of the human resources have been dedicated to this since the reorganisation. The action to disseminate results and promote and create networks for the instrument began towards the end of 2002 after a communication strategy had been adopted.

#### *3.4.2 Financial management*

Much progress was made in relation to the financial management of the LIFE Programme. Until 2001 the Finance Unit executed the financial management on a centralised basis, but during 2001 the financial reform process took place and a re-engineering of the financial management was proposed.

This resulted in the creation of the LIFE Unit with a fully decentralised financial structure (model 1). This meant that from that time onwards the entire financial management process of the LIFE-Programme is executed by the newly created LIFE Unit. The Head of the LIFE Unit is the authorising officer by sub-delegation for the LIFE-Programme and is fully responsible for all operations connected with the

implementation of the LIFE budget, which represent about two thirds of the entire operational budget of the Directorate-General for the Environment.

The re-engineering of the financial management has led to improvements at all levels as indicated by the following data.

#### *LIFE III Budget*

The financial framework is set for the period 2000 to 2004 at € 640 million.

The allocated amounts<sup>5</sup> for the different actions are as follows:

NATURE: 47% or 300.8 million

ENVIRONMENT: 47% or 300.8 million

THIRD COUNTRIES: 6% or 38.4 million.

The annual appropriations being authorised by the budgetary authority are shown in the table of the budget appropriation (see Table J in the Annex).

The budget appropriations are distributed between supporting measures limited to 5% of the available appropriations and the project grants.

The tables in the Annex give an overview of the budget appropriations and the consumed commitment appropriations for the supporting measures and the projects by year and by action.

Up to 2003, 75% has been appropriated of the total budgetary resources foreseen in Regulation No 1655/2000 concerning the Financial Instrument for the Environment.

#### *Commitments*

The start of LIFE III was not without problems because of the late approval of the new LIFE Regulation. These are reflected in the amounts committed in 2000 and 2001. In 2000 it was not possible to launch a call for proposals. As a result the amount was carried over to 2001 and the allocation for the projects in 2001 was much higher than the amount in 2002.

The financial tables in the Annex indicate that since the start of LIFE III a positive evolution can be seen for the used commitment appropriations: in 2000 only 83.18% was used and in 2002 99.73% and it is expected that in 2003 a comparable level will be reached as in 2002. For LIFE-Nature and Environment the use was almost 100%, but due to a lack of projects of sufficient quality the allocated budget could not be used entirely for LIFE Third Countries. However, the latter represents only a small share of the total budget (6%). The overall level of commitment use is satisfactory.

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<sup>5</sup> Without the amounts foreseen for enlargement.



### *Payments*

The used and executed payment appropriations also show an upward trend, although only a comparison between 2001 and 2002 is significant due to the reasons already explained.

The tables (Table N) clearly indicate that for all actions considerable progress has been made in the execution of payments since 2002. Whereas LIFE-Nature already had a score of 96.57% in 2001, the results of LIFE-Environment and Third Countries could have been much better. However, in 2002, LIFE-Environment went from 76.51% to 99.78% and LIFE Third Countries almost doubled its score by climbing from 47.28% to 98.84%.

### *Payment delays*

The reduction of payment delays is also a good criterion to judge the efficiency of the financial management.

Important progress has been made between 2000 and 2002 as indicated by the figures.

The evolution is important, since in 2002, 71% of the payments were made within 60 days which represents an increase of 69% since 2000.

In 2000, only 64% of the payments were made within 90 days, whereas in 2002 82% of the payments took place within 90 days, an increase of 28%.

### *Outstanding commitments*

In March 2001, 187 outstanding commitments were listed. One year later only 83 outstanding commitments remain and in 2003 for the same period only 21 commitments have expired for reasons such as recovery orders, requested additional information, etc. All of them are monitored very closely.

### *Acceding and Candidate Countries*

Since 1999 (LIFE II) Romania has joined the LIFE-Programme and has paid its annual 'entry ticket' to participate with projects to the LIFE-Programme.

Other countries followed in 2001: Estonia, Hungary, Latvia and Slovenia. The contribution of these countries is fixed in the Memorandum of Understanding, a document signed by the Ministry of Environment of the country and the Member of the Commission for the Environment. Since 2003, Slovakia also joined the LIFE-Programme and participates fully by submitting projects.

Five of the six Acceding/Candidate Countries draw benefits from their participation in the LIFE-Programme as can be concluded from the tables in Table P in the Annex.

The percentage of the contribution of the LIFE-Programme to projects from these countries related to their own contribution (including PHARE) has increase every year (2001: 151%; 2002: 265%; 2003: 312% for LIFE-Nature and 105%, 150% and 221% for LIFE-Environment). It should, however, be noted that some countries benefit more considerably than others and that Romania has contributed more than

what it has received from the LIFE-Programme. This is explained through the fact that during the selection period the nationality of the project is not taken into account and only the highest ranked projects are selected.

From 2004 onwards all accession countries can participate in the LIFE- Programme.

### **3.5 New “Communication Strategy”**

The LIFE III Regulation, strongly emphasises the importance of dissemination as a means of circulation and transfer of the results of LIFE projects to other similar projects and of the lessons of the programme for other policies or Community legislation in the environmental area.

However, past communication activities have not sufficiently highlighted the assets of the programme, which include the numerous positive environmental results of the projects, the development of a “knowledge-based approach”, the implementation of the existing environmental legislation and the development of new legislative instruments.

In order to meet the statutory requirements, a new LIFE Communication Strategy was launched in March 2002. This Communication Strategy is strongly committed to exploiting the potential of the LIFE-Programme through the best use of the limited available budgetary and human resources. It seeks to enhance the communication towards both the direct participants (institutions, beneficiaries, etc.) and the indirect recipients (potential re-users of the results, potential beneficiaries, environmental organisations, informed sections of the public) as well as the European citizen/taxpayer.

The Communication Strategy aims to demonstrate the relevance of the instrument and to show the transferability potential of the project results as well as their relevance to the Sixth Community Environment Action Programme.

Since the launch of the Communication Strategy, a very wide set of communication actions has been introduced.

- The LIFE website (<http://europa.eu.int/comm/environment/life/home.htm>) was redesigned in June 2002 with a new look and the updating of some 350 project forms in the LIFE project-database, which now contains the project results, the legislative references and a set of search keywords. A survey established that the LIFE website has become the most popular among the websites of the Environment Directorate-General and one of the most visited of the European Commission in 2002, with an average of 65 000 visitors per month, 20% more than in 2001.
- Several LIFE-Projects were presented in 2002 in four major specialised environmental fairs (Greenweek-Brussels, TemTecma-Madrid, Open Day-Brussels, Aquatech-Amsterdam), where the LIFE-Programme was present with a stand and organised conferences and projections.
- In November 2002 the LIFE Unit launched an electronic monthly Newsletter, which reaches more than 3000 contacts (mostly beneficiaries, institutions,

specialised public) and contains information on successful LIFE projects, events and publications.

- During 2002, the brochure “LIFE, the Financial Instrument for the Environment” was published with the aim of providing a basic information document for the general public.
- Again during 2002, the series of publications entitled “Focus” was inaugurated with the brochure “LIFE and Water”, which summarises the achievements of the LIFE projects in the field of water management.
- In 2003, the brochures “LIFE and Natura 2000”, “LIFE and the Rural Development” and “LIFE and EMAS” illustrated the contribution of the instrument in those sectors.
- A set of standard slides on LIFE-Environment was completed in 2003 with the aim of informing the specialised public during presentations in the Member States and in the countries associated to LIFE.
- In 2002 and 2003 a “Yearly Compilation” of newly selected LIFE projects, together with press releases, have been published, in order to inform the public of the results of the selection rounds.
- The staff of the LIFE Unit took part in several LIFE events and seminars in the Member States, Acceding Countries, Candidate Countries and in other countries associated to LIFE.

For 2003 and 2004, the development of the Communication Strategy will include:

- the creation of a media library with video, CD and photos from the LIFE projects;
- the publication of four new brochures (“LIFE and Clean Technologies”, LIFE and Alien Species”, “LIFE and Waste” and “LIFE and the Birds Directive”) and the new “Yearly Compilations” of newly selected projects with press release;
- the completion of the updating of the project database and the improvement of the search engine;
- the continuous updating of the LIFE website;
- the continuation of the publication of the LIFE Newsletter.

#### **4. EVALUATION RESULTS**

This chapter first presents the Commission's analysis of the results, then the external consultant's main conclusions following the structure of the Regulation which has three different thematic components.

## 4.1 Commission findings

In order to evaluate LIFE-Nature, the Commission was able to use the database which it created in 2001. This database contains specific data about projects funded since the start of LIFE and can therefore give an overall evaluation of the results. However, the database is currently being developed for LIFE-Environment so the Commission used a sectoral example (tanneries) for the evaluation.

As most Candidate/Accessing Countries did only start to participate in the LIFE Environment and LIFE-Nature programmes from 2001 onwards, the current evaluation is mostly based on projects funded in the 15 current Member States.

### 4.1.1 LIFE-Nature

LIFE-Nature can never replace general financing support for nature conservation. A modest €47 million have been committed on average each year between 1992 and 2003. Considering that the estimated annual cost of Natura 2000<sup>6</sup> has been estimated at €3 400 to €5 700 million p.a., the return from LIFE-Nature for 10% of Natura 2000 sites should be considered significant.

LIFE-Nature projects have brought improvements to the scientific data concerning sites and corrections to site boundaries.

LIFE-Nature projects have contributed to the understanding and progressive acceptance of Natura 2000, particularly in countries such as France, Ireland and Finland, where local stakeholders were sceptical about Natura 2000.

The *a priori* site designation condition for LIFE-Nature funding has encouraged Member States to designate more rapidly Natura 2000 sites.

In the first and second phases LIFE-Nature supported Member States in fulfilling their obligations under Article 6 of the "Habitats" Directive, i.e. to develop management plans for all Natura 2000 sites. LIFE-Nature also enabled participation in several action plans published under the auspices of the Council of Europe. This work has continued in the production and updating of site management plans in the majority of LIFE III projects.

LIFE-Nature has made a significant contribution to the development and application of monitoring programmes to check the effects of conservation actions and provide management guidelines. This has helped Member States fulfil their obligation to monitor under the "Habitats" Directive. Feedback from projects has led to calls for the inter-connection of sites through biological corridors, crucial in guaranteeing the long-term coherence of the Natura 2000 network. Projects generally provide valuable "on the ground" information on the state of Natura 2000 and biodiversity in the EU.

LIFE-Nature has also worked in combination with other funding and measures. Many projects have brought about implementation (pump-priming effect) and adaptation of agri-environmental measures to Natura 2000 sites<sup>7</sup>. The associated payment stream can ensure continuous management of the sites concerned. Other

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<sup>6</sup> Reference to Article 8 working group report.

<sup>7</sup> LIFE and agri-environment .....

LIFE-Nature projects are contributing to the management of catchment areas under the EU Water Framework Directive.

The coverage of species and sites remains partially covered (see section 3.1.2) according to the type of projects proposed and to the financial resources of the programme.

There is still a lack of expertise in some areas and of technical capacities to run the network and LIFE-Nature projects should contribute to capacity building.

Networking – the passage of information between stakeholders working on different sites – is still in its youth. The development of Co-op projects (since 2002), however, is specially designed to fill this gap.

In the past relatively little attention has been given to the practicalities of obtaining longer-term funding to continue conservation work begun during LIFE projects. More attention is being paid to this under LIFE III, but too little is being done in terms of long-term follow up of the projects.

Because of the intrinsic links with the establishment of Natura 2000, the role of LIFE-Nature is being considered in the larger discussion on financing Natura 2000.

#### 4.1.2 *LIFE-Environment*

So far, the only co-financed projects have been demonstration projects as defined in Article 4.2a) of the Regulation. In 2004 the Commission is planning to launch a series of preparatory projects for new Community actions and instruments in accordance with Article 4.2b) of the Regulation.

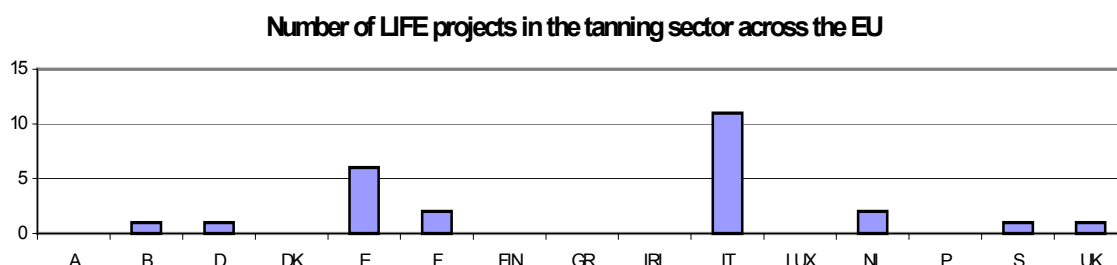
The use of aggregated results per sector has not been possible so far, since the results of projects have always been assessed individually. The actual creation of a centralised database incorporating the results of all projects will soon make this possible.

Despite its relatively modest financial weight, LIFE-Environment has shown itself to have technical clout. LIFE-Environment has had a positive impact on demonstrating the viability on the ground of environment policy. This “go native” approach together with its sector oriented strategy has allowed LIFE-Environment to become an effective tool to boost the implementation of Community policies at national and sector level and has opened new in-roads. Perhaps the most outstanding achievement of LIFE-Environment has been its capacity to trigger changes at national level as regards the implementation of solutions for a number of major environment problems (e.g. number of successstories in the waste treatment especially at local level, clean technologies...). The on-the-ground approach of LIFE-Environment projects has helped local and regional players to integrate environmental concerns into their day-to-day activities. LIFE-Environment is particularly rooted in local communities, small and medium size enterprises and regional governments.

The following case clearly illustrates this point.

*Case study: The impact of LIFE-Environment in the tanning sector.*

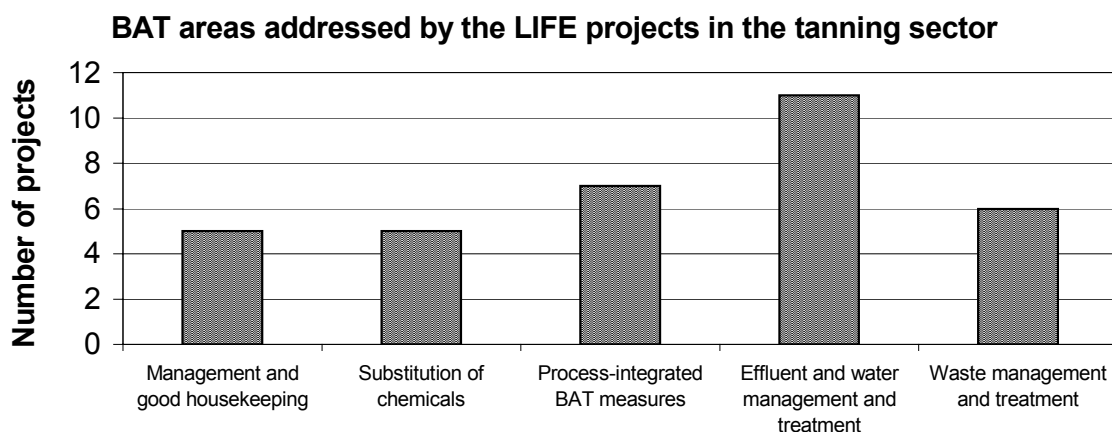
Since the very outset, LIFE-Environment has been particularly active in addressing the environmental problems raised by the tanning sector. Since 1993, LIFE-Environment has funded 25 projects managed by 21 different beneficiaries in this area of activity.



The €9.2 million contribution from LIFE-Environment has resulted in a total investment amounting to €35.5 million.

These projects are distributed across the different Member States and in particular those in which the tanning industry is represented.

The LIFE-Environment projects developed in the tanning sector cover all the fields of application of the existing BATs (best available techniques) to support the implementation of the Integrated Pollution Prevention and Control Directive 96/61 for the sector.



The indirect impact of LIFE-Environment is estimated to be much higher than indicated by the above figures. Most of the techniques and methodologies demonstrated by these projects are now being fully deployed in the Member States.

#### *4.1.3 LIFE-Third Countries*

LIFE-Third Countries is an instrument which has aroused widespread interest from the European Union's neighbouring countries as shown by the numerous project proposals received.

It meets these countries' need to launch and develop new actions in order to respond to the degradation of their environment. The approach defined in the LIFE III Regulation (objective of developing capacities, projects designed by third countries, broad thematic field which covers both nature and industry aspects) accurately reflects these countries' concerns.

Capacities to produce good project proposals seem to be better in the North (Baltic, North Mediterranean) than in the South (Maghreb, Machrek). Increased efforts to promote LIFE-Third Countries should therefore be made in the south and east Mediterranean countries. This selection process takes place in close cooperation with other Commission departments, in particular the Commission delegations in the third countries concerned, which facilitates consistency with other cooperation programmes (SMAP, MEDA, CARDS, TACIS, etc.).

LIFE-Third Countries gives significant support to developing and implementing new environmental actions in the neighbouring countries of the European Union; the structures in place in these countries are not sufficiently sound or effective. However, increased efforts should be made to measure the impact of projects more effectively and to improve the dissemination of lessons learned from successful projects in order to increase the incentive effect of LIFE-Third Countries.

#### *4.1.4 LIFE and policy development*

By their very nature LIFE projects provide support to current and future policy. The interaction of LIFE-nature with EU nature conservation and agricultural policy is documented in 2 publications.

“LIFE for Nature 2000” assesses the extent to which LIFE-nature has covered Natura 2000 sites (see 3.1.2 above). This has implied the application of appropriate management on at least 10 per cent of Natura 2000 sites designated under the “Habitats” Directive, the development of national and regional guidelines for site management and general familiarisation with the Natura 2000 objectives. The publication “Natura 2000 and the EU agri-environmental measures” describes the synergy between LIFE and the Rural Development Policy through the description of a series of “on the ground” cases. Typically such LIFE projects have adapted the management of Natura 2000 sites in agricultural situations so that they can benefit from long-term financial support available through agri-environmental measures. In certain cases the measures themselves have been adapted to better serve nature conservation or entirely new measures have even been proposed.

LIFE-environment has had more intangible implications for a wider range of policies. One example is demonstration of techniques to reduce the level of noxious waste from the tanning industry (see 4.1.2).

## **4.2. External evaluation and practical recommendations**

The external evaluation has highlighted a number of salient aspects related to the management of the instrument and its deliverables and benefits for its three components.

## **General**

According to the external evaluation, the LIFE-Programme remains the only instrument primarily dedicated to supporting Community environmental policy. LIFE is complementary to other Community programmes which are also supporting Community environmental policy, such as research, structural fund and rural development programmes.

There is abundant evidence that the programme contributes to the *implementation* of policy. However, it is less clear as to whether LIFE contributes to stimulating debate and *developing* policy or legislation. This is not surprising since the programme is comprised of three very different thematic components, each with their own objectives. Of these components, only LIFE-Environment has an objective to develop Community policy. The remaining two components, LIFE-Nature and LIFE-Third Countries are concerned with implementing current policies and/or developing capacity for their implementation. According to the external evaluation, all three elements of LIFE are fulfilling useful roles and continue to be useful.

## **Management**

The report findings show that the management of the LIFE-Programme appears to be cost-effective in comparison with other EC programmes. In general the LIFE-Programme is effectively managed using systematic and rigorous procedures that have been introduced by the LIFE Unit. The Unit has also adopted some extremely useful management tools, particularly the ESAP and Butler databases. These databases should be considered as representing best practice and be adopted or used as models for a future LIFE-Programme or its successor.

According to the findings, many stakeholders feel that the management processes are becoming bureaucratic and that there may be an opportunity to simplify them.

The external evaluation recommends that:

- ***The LIFE Unit's management team should review processes periodically as a continuous improvement activity to identify scope for streamlining them.***

Most stakeholders had no strong feelings as to whether all three LIFE themes should be managed within one unit. However, most stakeholders considered that the LIFE-Programme and its three components or successors should be managed within Directorate-General for the Environment.

The external evaluation recommends that:

- ***There is no advantage to changing the management structure at present, but consideration should be given to the management of LIFE-Third Countries after enlargement.***

## **Application and proposal selection process**

In addition, it was found that most stakeholders considered that an annual call for proposals was appropriate, but considered that this should occur during a fixed



month, early each year. This would enable applicants to schedule the planning of their proposals. The external evaluation believes that an annual call is appropriate but the process should be moved forward by two months if possible.

Many stakeholders feel that the application and proposal selection process is too bureaucratic and would benefit from simplification.

The external evaluation recommends that:

- ***Particular consideration should be given to ensuring that proposal selection criteria correlate to the application guidance and, in turn, to the structure of the application forms.***

This would provide applicants with an insight as to how their proposals would be evaluated and simplify the tasks of the evaluators.

Other stakeholders, particularly in Member States have called for greater transparency in the project selection process. However, the evaluator considers that the extension of access to the ESAP database, previously available to National Authorities for LIFE Environment, to all National Authorities, should address most Member States concerns.

### **LIFE-Nature**

The report findings show that *LIFE-Nature* has been very successful in defining and helping to set up the 20 000 Natura 2000 conservation sites across the EU. The main impact of the programme has been to define the sites, an activity that is now largely completed, and develop management plans. However to date LIFE has only been able to fund practical conservation measures in around 10% of the Natura sites.

The external evaluator indicates that while this is in itself a significant and valuable achievement, the key challenge for *LIFE-Nature* is to achieve a multiplier effect by stimulating activity in the other 90%.

All stakeholders contacted considered that *LIFE-Nature* has been a necessary and highly effective instrument for implementing the “Birds” and “Habitats” Directives. They felt that more actions could be carried out if additional budget was available but most considered that *LIFE-Nature* is best suited to funding pump-priming projects. A key problem is that there is not a large enough capacity of experienced and skilled conservationists in Europe to carry out many more projects.

Accordingly, the external evaluator considers that:

- ***LIFE Nature should continue to have a significant role in driving the implementation of Natura 2000 or building for Natura 2000 implementation.***
- ***The programme could have a stronger role in signposting funding sources for conservation and assist in the development of training materials for nature conservation workers. This could take the form of guides or toolkits and would complement the demonstration activities already carried out.***

- *Applications for more co-operative projects should be encouraged to help develop Natura 2000 as a network of sites and would further promulgate the benefits of LIFE projects.*

The findings show that the Birds and Habitats Directives are equally relevant to Acceding countries, which will shortly become part of the European Union.

The external evaluator recommends that:

- *Consideration should be given to expanding the scope of LIFE-Nature to include additional countries bordering the Black Sea.*

Furthermore, the external evaluator recommends that:

- *LIFE-Projects should be systematically followed up several years after completion, to facilitate evaluation of how sustainable or how much replication was possible. This would provide for identification and dissemination of critical success factors and also of barriers to the long-term success of projects.*

The only significant criticism in the report of LIFE-Nature relates to its dissemination activities. Most criticism relates to stakeholder experience with LIFE II. During the third phase of LIFE significant efforts appear to have been made in order to improve communication between LIFE beneficiaries and transparency of project results, particularly through the development and implementation of a communications strategy.

The external evaluator recommends that:

- *A communication strategy should form a key part of any similar future programme. Consideration should be given to contracting specialists with skills in marketing to support the dissemination activities of the programme.*

The “NEWSFLASH” and “Natura 2000” newsletters appear to be an especially useful tool in disseminating latest developments and facilitating contact between project managers. This should also be considered as an area of best practice.

### **LIFE-Environment**

The external evaluation indicates that there is only limited evidence that LIFE-Environment is supporting “preparatory actions” to assist the testing, update and development of either EU or Member State policy. However, there is good evidence that LIFE-Environment has demonstrated and proven a variety of clean technologies in key areas such as improving water quality and recycling waste, the adoption of which will aid the implementation of EU environment policy.

The findings show that Member States value the programme and feel that LIFE complements and fills the gaps in national programmes. It is felt that LIFE projects are most effective where the private and public sectors work together and where larger SMEs are involved.

There has been considerable debate both in the Commission and amongst Member States over the definition of innovation and whether only projects that are innovative across Europe should qualify for support.

Therefore, the external evaluator recommends that:

- *Consideration should be given as to how greater impact can be achieved at European level. One possible option is to focus LIFE-Environment funding on larger multi-country projects with a pan European dimension, leaving Member States to fund smaller projects under their own programmes. Another is to continue to support the type of project that is currently funded but to then set aside a budget for monitoring the technical success of the project and “marketing” the results of the project for replication across the Community.*
- *If LIFE-Environment continues in its current form, it should identify two distinct types of projects:*

*“Innovation” projects that support the first commercial use of a technology or practice in Europe and “Dissemination” projects that facilitate the transfer of technology across Europe by supporting the first commercial use of a technology or practice in a country even though the technology has been demonstrated elsewhere in the EU.*

*Innovation projects should be funded at a higher level than Dissemination projects and that Member States make a commitment to disseminating the results of their Dissemination projects.*

The standard of external experts is considered by many Member States to be extremely variable. However, most stakeholders recognised the need for the use of external experts as it was considered that all the expertise and experience required to evaluate all proposals was not available within the Commission.

The external evaluator recommends that:

- *The Commission should review the criteria for the selection of external experts.*

Nearly all stakeholders feel that for LIFE-Environment, dissemination of the results of projects at the Community level needs to improve. While all projects have a dissemination element and produce dissemination outputs such as case studies and videos, it is rare for project teams to contain marketing professionals and it is clear that the outputs are not used to their maximum effect. Accordingly there is very limited evidence of replication of the projects.

The external evaluation recommends that:

- *Specialist-marketing skills should be employed to assist in the dissemination of the results of successful LIFE-Environment projects.*

## LIFE-Third Countries

The evaluation highlights that there is good evidence that LIFE-Third Countries is well managed and these projects are contributing significantly to developing capacity in third countries. LIFE fills an important niche in that it is able to respond relatively quickly and flexibly to the environmental need and priorities of third countries. It is also well co-ordinated with the larger aid programmes such as SMAP, CARDS and TACIS through close liaison with the EU delegation in the target countries.

The bottom-up nature of the programme, with the project ideas being developed by the recipients, has meant that LIFE has addressed key environmental issues in the target countries in a timely manner.

The geographical coverage of LIFE Third Countries will need to change after the enlargement in 2004 when ten countries including Cyprus and Malta join the European Union. The future geographical coverage of LIFE Third Countries should be in line with the European Commission position on cooperation with its European neighbours set out in its communication on Pan-European Environmental co-operation after the 2003 Kiev conference.

The external evaluation recommends that:

- *Consideration should be given to expanding LIFE Third Country coverage to include Serbia-Montenegro, Macedonia and the Western NIS countries that border the Black Sea.*

## 5. CONCLUSIONS

The following conclusions were drawn from the internal evaluation and analysis as well as from the recommendations of the external study.

- The **management of LIFE** should be simplified, in particular the selection procedure which is still very laborious. The monitoring of projects also creates a very heavy administrative burden. The human resources employed by the Commission for these operations would be better used if they spent more time disseminating and using the results to improve the environment in the European Union.
  - It therefore seems appropriate to review the existing selection and management procedures and examine ways of simplifying them without reducing their reliability or efficiency.
  - The number of innovative projects should be limited (favouring programmes which bring together several national or transnational projects thus ensuring the creation of networks from the design stage). This option would combine the advantages of more decentralised management with better dissemination and use of results.
  - For LIFE-Environment, launching preparatory actions (see above) could also contribute to strengthening the programme approach and simplifying central administrative management.

- LIFE-Nature has still only covered a small part of the network to introduce the Natura 2000 management approach. The positive evaluation of the programme suggests that it should be continued on the same lines.

During a short transition period, it is not necessary to amend the Regulation. However:

- the criteria for selecting projects should be adapted, without requiring a revision of Article 2 of the LIFE Regulation, in order to promote projects which have:
- the greatest knock-on effect and a wide geographical coverage (launch of regional or international management plans),
- an increased training capacity in order to ensure subsequent monitoring, and
- a network effect (strengthening of Coop projects).

Finally the dissemination and use of results should be improved.

- The potential of **LIFE-Environment** has not yet been fully utilised. The current Regulation could be better used by promoting programmes which are preparatory to the development of new Community actions and instruments in accordance with the priorities defined in the sixth environment action programme.

The current demonstration projects concern too many issues, which complicates the task of selection and does not make it easy to evaluate or make rational use of the results.

- It is important to limit the field of eligible projects to issues where the need is greatest by launching calls for proposals which are more targeted in terms of current political priorities. This possibility is already offered under the guidelines but has not been used until now.
  - The innovation criterion should be better defined and concern only innovative technologies and not the transfer of existing technologies which should be covered by other financial instruments which are more suitable than LIFE.
- **LIFE-Third Countries** can also be continued in its current form whilst strengthening action to support the preparation of projects.
  - For the three thematic areas of LIFE, more use should be made of the results, particularly by increasing communication and networking. Increased financial resources and possibly the help of external experts should be foreseen.

The Commission's conclusion, supported by the external evaluation, is that:

- LIFE is a useful instrument and continuing it is justified;
- Efforts relating to the organisation and management of the programme undertaken since the start of LIFE III should be continued;

- The potential of LIFE-Environment should be fully exploited in the context of the sixth environment action programme;
- More use should be made of the results to further sustainable development.

It is therefore proposed to renew the Regulation for a period of three years, taking account of the improvements identified during the evaluation. The renewal should take account of the need for continuity and also establish the transition to the new Financial Perspective after 2006.

For the period after 2006, it will be necessary to take account of the new Community objectives and the resources allocated to these objectives as well as the extent to which the environment is included in other Community funds.

## ANNEX

### LIFE-Nature

<b>Table A: LIFE-Nature. Projects received and funded (to complete)</b>											
	<b>LIFE I</b>				<b>LIFE II</b>				<b>LIFE III</b>		
Year	92	93	94	95	96	97	98	99	2001	2002	2003
No. applications received	86	198	296	313	241	174	191	243	310	188	182
EU contribution requested (€ million)	227	294	270	235	174	128	136	164	290	192	198
No. eligible projects	n/a	80	116	139	123	97	115	156	184	133	152
Share eligible projects		40%	39%	44%	51%	56%	60%	64%	59%	71%	84%
Number of projects funded	35	22	47	72	63	60	85	101	94	70	77
EU co-funding granted (€ million)	36.9	20.6	43	48.5	43.4	42.4	48	65	77	72	70,9

NOTES: (years EUR 12/15/CC)

<b>Table B: LIFE-Nature. Number and value of LIFE-projects</b>						
	LIFE I 1992-95		LIFE II 1996-99		LIFE III (part) 2001-03	
	No. of projects	Average project budget (000 €)	No. of projects	Average project budget (000 €)	No. of projects	Average project budget (000 €)
Austria	3	1192	13	3269	9	1665
Belgium	6	691	13	1506	11	1221
Germany	14	2244	28	1337	18	1584
Denmark	3	1240	4	1333	4	4051
Spain	16	2906	56	943	40	1116
Finland	5	1097	20	1627	15	1185
France	21	1842	31	1228	12	1192
Greece	11	1129	17	1387	13	1194
Ireland	4	3680	1	4882	4	1324
Italy	23	1032	70	642	42	696
Luxembourg	0	0	2	2167	0	0
The Netherlands	1	8270	5	2366	3	1760
Portugal	16	750	17	928	11	741
Sweden	2	3827	14	2621	6	1858
United Kingdom	13	1181	11	2573	14	2875
Associated Cand. Countries	0	0	7	179	41	443
International EU	2	7289	0	0	0	0
All projects	140	1731	309	1294	243	1164

Note: international; project size; budget as at proposal



<b>Table C. LIFE-nature beneficiaries (1992-2001 inclusive)</b>		
	Share of funding awarded %	Share of projects %
Local authorities	7%	11
Regional authorities	37	31
National authorities	16	12
Other public bodies	14	17
Private sector non-profit-making bodies	2	2
Non-governmental organisations	25	27
<b>TOTAL</b>	<b>100</b>	<b>100</b>

<b>Table D : LIFE-nature: project cost by category of action</b> (for the 94 projects co-financed in 2001)		
Category of action	Share of total project cost %	Average per site € 000
A Preparatory work, including management plans	7	117,3
B Purchase and rent of land and rights	17	282,0
C Site investment works	40	641,8
D Continuous site management	13	205,2
E Awareness raising and publications	9	143,9
F Overall project operation	14	233,9
<b>Total :</b>	<b>100</b>	<b>1624,3</b>

## LIFE-Environment

		<b>Table E : LIFE ENV - EC Funding per Policy Group 2000 –2002</b>			
		<b>Policy group</b>	<b>Nr. of project</b>	<b>EC contribution €</b>	<b>Project Budget €</b>
<b>URBAN &amp; PLANNING</b>					
PG 1.1	Urban environment		8	5 841 249	12 784 454
PG 1.2	Quality of air and noise abatement		7	2 961 819	6 402 787
PG 1.3	Integrated Coastal Zone Management		8	5 605 427	13 037 136
PG 1.4	Other area - Land-use development and planning		4	1 475 520	3 608 856
PG 3.4	Sustainable tourism		7	2 763 282	6 584 198
			<b>34</b>	<b>18 647 297</b>	<b>42 417 431</b>
<b>WATER</b>					
PG 2.1	At the scale of a river basin		6	3 044 872	7 155 929
PG 2.2	Groundwater protection		6	2 268 876	13 424 169
PG 2.3	Waste water treatment		6	3 051 075	10 934 797
PG 2.4	Diffuse and dispersed sources of pollution		4	1 778 560	4 396 809
PG 2.5	Other area - Water Management		2	1 056 661	2 513 684
			<b>24</b>	<b>11 200 044</b>	<b>38 425 387</b>
<b>CLEAN TECHNOLOGIES</b>					
PG 3.1	Clean technologies		18	9 970 099	44 970 506
PG 3.3	Reduction of gases having a greenhouse effect		4	1 723 308	6 461 601
PG 3.5	Other area – Impact of economic activities		1	322 088	651 106
			<b>23</b>	<b>12 015 495</b>	<b>52 083 212</b>
<b>WASTE</b>					
PG 4.1	Packaging and plastics		4	2 774 292	12 128 223
PG 4.2	Hazardous or problematic waste		7	4 490 468	16 271 509
PG 4.3	Waste important in volume		6	3 861 018	9 082 802
PG 4.4	Other kinds of waste and sound management of waste streams		2	807 407	1 801 810
			<b>19</b>	<b>11 933 185</b>	<b>39.284.344</b>
<b>PRODUCTS</b>					
PG 3.2	Integrated environment management (EMAS etc.)		13	7 031 118	15 948 218
PG 5.1	Eco-design, Eco-efficiency, Green financial products		7	3 973 666	9 849 604
PG 5.2	Eco-labelling		2	1 203 058	2 451 318
PG 5.3	Other area – Integrated Product policy				
			<b>22</b>	<b>12 207 842</b>	<b>28 249 141</b>

The table shows the distribution by topic of the actions funded from 2000 to 2002. It is not exhaustive and regards completed projects.

**Table F - LIFE-Environment Number of projects funded per year and country**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>Total</b>
<b>Belgium</b>	1	3	4	8
<b>Denmark</b>	3	3	3	9
<b>Germany</b>	13	7	7	27
<b>Greece</b>	7	7	8	22
<b>Spain</b>	20	27	15	62
<b>Estonia</b>	3	2	1	6
<b>Finland</b>	5	8	2	15
<b>France</b>	6	8	4	18
<b>Hungary</b>	2	4	4	10
<b>Ireland</b>	2		1	3
<b>Italy</b>	20	16	14	50
<b>Latvia</b>	3	2	1	6
<b>The Netherlands</b>	9	10	12	31
<b>Austria</b>	5	3	2	10
<b>Portugal</b>	2	2	6	10
<b>Romania</b>	4	2	1	7
<b>Slovakia</b>			1	1
<b>Slovenia</b>	1		2	3
<b>Sweden</b>	8	4	8	20
<b>United Kingdom</b>	3	6	8	17
	117	114	104	335

**Table G - LIFE-Environment Financial contribution to LIFE Environment projects  
(€ per country)**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>Total</b>
<b>Belgium</b>	535 449	2 183 783	2 230 513	4 949 745
<b>Denmark</b>	1 435 533	5 256 892	4 259 056	10 951 481
<b>Germany</b>	8 905 890	4 484 062	2 922 236	16 312 188
<b>Greece</b>	4 693 054	3 856 955	6 478 549	15 028 558
<b>Spain</b>	8 642 831	15 736 539	7 950 980	32 330 350
<b>Estonia</b>	954 279	2 033 190	327 153	3 314 622
<b>Finland</b>	2 579 664	3 742 207	3 813 606	10 135 477
<b>France</b>	4 351 081	4 053 952	2 739 701	11 144 734
<b>Hungary</b>	677 950	2 052 587	2 347 795	5 078 332
<b>Ireland</b>	1 889 737		490 000	2 379 737
<b>Italy</b>	10 634 306	7 551 490	8 126 941	26 312 737
<b>Latvia</b>	568 205	712 132	431 890	1 712 227
<b>The Netherlands</b>	3 989 192	6 590 150	6 860 398	17 439 740
<b>Austria</b>	2 429 902	1 703 475	518 010	4 651 387
<b>Portugal</b>	814 098	710 263	3 010 021	4 534 382
<b>Romania</b>	988 015	672 060	314 391	1 974 466
<b>Slovakia</b>	0	0	1 011 900	1 011 900
<b>Slovenia</b>	244 558	0	416 609	661 167
<b>Sweden</b>	7 239 045	4 759 055	6 358 988	18 357 088
<b>United Kingdom</b>	1 838 247	5 667 465	8 862 071	16 367 783
<b>Total</b>	63 411 036	71 766 257	69 470 808	204 648 101

Data source: Commission decisions

**LIFE-Third countries**

**Table H LIFE Third Countries. Projects selection**

	LIFE I				LIFE II				LIFE III		
	92	93	94	95	96	97	98	99	00/01	02	03
<b>Number of projects received</b>	45	55	65	103	82	121	181	142	92	74	70
<b>Number of projects financed</b>	9	12	14	16	13	16	16	21	28	16	17
<b>Financial contribution granted (million €)</b>	5.3	3.5	4.8	5.7	6.0	4.2	4.7	5.3	9.0	5.7	6.5

**Table I LIFE III Third countries. Projects per country**

	2000 / 2001		2002		2003		Total	
	Number of projects	EC contribution €	Number of projects	EC contribution €	Number of projects	EC contribution €	Number of projects	EC contribution €
ALBANIA	1	405 700	0	0	2	556 413	3	962 113
ALGERIA	1	182 869	0	0	1	454 420	2	637 289
BOSNIA & HERZEGOVINA	4	1 340 162	2	738 067	0	0	6	2 078 229
CROATIA	3	1 067 613	3	1 292 774	1	479 541	7	2 839 928
CYPRUS	1	357 700	2	698 080	3	1 089 706	6	2 145 486
EGYPT	0	0	0	0	0	0	0	0
GAZA	1	299 100	1	319 095	0	0	2	618 195
INTERNATIONAL	4	1 307 160	2	778 998	1	638 135	7	2 724 293
ISRAEL	0	0	0	0	1	433 048	1	433 048
JORDAN	1	274 050	1	327 425	0	0	2	601 475
LEBANON	2	632 080	1	450 500	1	299 686	4	1 382 266
MALTA	1	378 000	0	0	1	211 630	2	589 630
MOROCCO	0	0	1	169 423	1	412 882	2	582 305
RUSSIA	2	352 400	1	379 290	2	928 683	5	1 660 373
SYRIA	1	380 030	0	0	0	0	1	380 030
TUNISIA	2	692 177	1	394 755	1	403 032	4	1 489 964
TURKEY	4	1 344 800	1	224 972	2	660 056	7	2 229 828
<b>TOTAL</b>	<b>28</b>	<b>9 013 841</b>	<b>16</b>	<b>5 773 379</b>	<b>17</b>	<b>6 567 232</b>	<b>61</b>	<b>21 354 452</b>
Average size		321 923	0	360 836	0	386 308	0	350 073

<b>Table J BUDGET APPROPRIATIONS*</b>									
<b>ACTIONS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004**</b>	<b>TOTAL</b>	<b>F.F.</b>	<b>BA/FF%</b>	
Nature	3.14670	81.5533	70.30	72.00	78.80	305.8000	300.80	101.66	
Environment	2.58158	82.11842	70.30	72.00	78.80	305.8000	300.80	101.66	
Third Countries	0.02300	9.499	6.52	10.00	10.8	36.8443	38.40	95.95	
<b>TOTAL</b>	<b>5.75128</b>	<b>173.17072</b>	<b>147.12230</b>	<b>154.00</b>	<b>168.40</b>	<b>648.4443</b>	<b>640.00</b>	<b>101.32</b>	

\* in million €

BA : budget appropriations

FF: financial framework regulation  
No 1655/2000

\*\* preliminary draft budget including the  
budget needed for enlargement

**Table K Budget COMMITMENTS**

**Supporting measures -  
commitment**

Actions	2000			2001			2002			2003**		
	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.
Nature	2.5425	1.5837	62.29	2.6100	2.5158	96.39	3.009	2.9790	99.00	3.2500	0.0500	1.54
Environment	2.5425	2.5349	99.70	2.6100	2.6100	100.00	2.79	2.7900	100.00	3.2000	2.9297	91.55
Third Countries	0.023	0.0221	96.09	0.3150	0.2150	68.25	0.381	0.3807	100.00	0.4610	0.4258	92.36
<b>TOTAL</b>	<b>5.108</b>	<b>4.1407</b>	<b>81.06</b>	<b>5.5350</b>	<b>5.3407</b>	<b>96.49</b>	<b>6.18</b>	<b>6.1497</b>	<b>99.51</b>	<b>6.9110</b>	<b>3.4055</b>	<b>49.28</b>

\*\* Till June  
2003



**Table L Budget Projects - commitment**

Actions	2000			2001			2002			2003**		
	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.
Nature	0.6042	0.6042	100.00	78.9433	77.5347	98.22	67.29	67.2910	100.00	68.7500	65.4470	95.20
Environment	0.0391	0.0391	100.00	79.0000	65.6876	83.15	67.51	67.5100	100.00	68.8000	68.8000	100.00
Third Countries	0	0	N/A	9.1840	9.0669	98.72	6.522	5.7734	88.52	9.5390	6.5672	68.85
<b>TOTAL</b>	<b>0.6433</b>	<b>0.6433</b>	<b>100.00</b>	<b>167.1273</b>	<b>152.2892</b>	<b>91.12</b>	<b>141.3</b>	<b>140.57</b>	<b>99.47</b>	<b>147.09</b>	<b>140.81</b>	<b>95.73</b>

\*\* Till June 2003

**Table M Budget LIFE III Supporting measures and projects - commitment**

Actions	2000			2001			2002			2003**		
	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.
Nature	3.1467	2.1879	69.53	81.5533	80.0505	98.16	70.3	70.2700	99.96	72.0000	65.4970	90.97
Environment	2.5816	2.5740	99.71	82.1184	68.2976	83.17	70.3	70.3000	100.00	72.0000	71.7297	99.62
Third Countries	0.023	0.0222	96.41	9.4990	9.2818	97.71	6.522	6.1541	94.35	10.0000	6.9930	69.93
<b>TOTAL</b>	<b>5.7513</b>	<b>4.7841</b>	<b>83.18</b>	<b>173.1707</b>	<b>157.6299</b>	<b>91.03</b>	<b>147.1</b>	<b>146.72</b>	<b>99.73</b>	<b>154.00</b>	<b>144.22</b>	<b>93.65</b>

\* in million €

\*\* Till June  
2003

\*\*2003 : the amounts are  
provisional

Appopr. = annual appropriation authorised by  
the budgetary authority

C.C.A. = consumed commitment appropriation  
by the LIFE III program

% C = percentage of the commitment consumed related to  
the annual appropriation

**Table N Budget PAYMENT**

**Supporting measures -  
payment**

Actions	2001			2002				
	Appopr.	C.P.A.	%P.	Appopr.	C.P.A.	%P.		
Nature	2.6100	2.3303	89.28	2.817	2.7548	97.79		
Environment	2.6100	2.3942	91.73	3.192	3.1305	98.07		
Third Countries	0.3150	0.1439	45.68	0.3807	0.2966	77.91		
<b>TOTAL</b>	<b>5.5350</b>	<b>4.8684</b>	<b>87.96</b>	<b>6.3897</b>	<b>6.1819</b>	<b>96.75</b>		

**Projects - payment**

Actions	2001			2002				
	Appopr.	C.P.A.	%P.	Appopr.	C.P.A.	%P.		
Nature	32.29	31.3722	97.16	25.1330	25.1068	99.90		
Environment	25.29	18.9510	74.93	26.5080	26.5047	99.99		
Third Countries	4.685	2.22004	47.39	7.0923	6.5763	92.72		
<b>TOTAL</b>	<b>62.265</b>	<b>52.5432</b>	<b>84.39</b>	<b>58.7333</b>	<b>58.1878</b>	<b>99.07</b>		

**LIFE III Supporting measures and projects - payment**

Actions	2001			2002				
	Appopr.	C.C.A.	%C.	Appopr.	C.C.A.	%C.		
Nature	34.9000	33.7024	96.57	27.9500	27.8616	99.68		
Environment	27.9000	21.3453	76.51	29.7000	29.6352	99.78		
Third Countries	5.0000	2.3639	47.28	7.4730	6.8729	91.97		
<b>TOTAL</b>	<b>67.8</b>	<b>57.4116</b>	<b>84.68</b>	<b>65.1230</b>	<b>64.3697</b>	<b>98.84</b>		

\* in million €

Appopr. = annual payment appropriation

C.P.A. = consumed payment appropriation by the LIFE III program

% P = percentage of the payment executed related to the annual payment appropriation

**Table O Budget PAYMENT DELAYS**

<b>YEAR 2000</b>		<b>0 - 60 days</b>	<b>61 - 90 days</b>	<b>&gt;90 days</b>	<b>Total</b>
B43200B	Nature	0	0	0	0
B43201B	Environment	0	0	0	0
B43209B	LIFE I-II	183	98	176	457
B78100B	Third Countries	31	13	6	50
<b>Total</b>		<b>214</b>	<b>111</b>	<b>182</b>	<b>507</b>
<b>Percentage</b>		<b>42%</b>	<b>22%</b>	<b>36%</b>	<b>100%</b>
<b>YEAR 2001</b>		<b>0 - 60 days</b>	<b>61 - 90 days</b>	<b>&gt;90 days</b>	<b>Total</b>
B43200B	Nature	89	3	7	99
B43201B	Environment	87	1	0	88
B43209B	LIFE I-II	127	68	154	349
B78100B	Third Countries	11	6	11	28
<b>Total</b>		<b>314</b>	<b>78</b>	<b>172</b>	<b>564</b>
<b>Percentage</b>		<b>56%</b>	<b>14%</b>	<b>30%</b>	<b>100%</b>

<b>YEAR 2002</b>		<b>0 - 60 days</b>	<b>61 - 90 days</b>	<b>&gt;90 days</b>	<b>Total</b>
B43200B	Nature	59	6	0	65
B43201B	Environment	104	7	3	114
B43209B	LIFE I-II	145	44	79	268
B78100B	Third Countries	50	1	9	60
<b>Total</b>		<b>358</b>	<b>58</b>	<b>91</b>	<b>507</b>
<b>Percentage</b>		<b>71%</b>	<b>11%</b>	<b>18%</b>	<b>100%</b>

**Table P NATIONAL AND COMMUNITY CONTRIBUTION IN LIFE PROJECTS\***

<b>NATURE</b>									
	<b>2000-2001</b>			<b>2002</b>			<b>2003</b>		
<b>Country</b>	<b>National Contribution (including PHARE)</b>	<b>LIFE Contribution to Projects</b>	<b>Percentage</b>	<b>National Contribution (including PHARE)</b>	<b>LIFE Contribution to Projects</b>	<b>Difference</b>	<b>National Contribution (including PHARE)</b>	<b>LIFE Contribution to Projects</b>	<b>Difference</b>
Estonia	285 000	1 222 593	429%	285 000	1 098 382	385%	209 000	710 063	340%
Hungary	1 045 000	254 015	24%	1 045 000	2 272 778	217%	427 500	635 462	149%
Latvia	285 000	1 213 849	426%	285 000	3 147 238	1104%	228 000	2 796 052	1226%
Romania	1 100 000	1 061 647	97%	1 100 000	700 841	64%	669 750	697 760	104%
Slovenia	330 000	849 835	258%	330 000	813 565	247%	270 750	963 988	356%
Slovakia	0	0		0	0		389 500	1 039 500	267%
<b>TOTAL</b>	<b>3 045 000</b>	<b>4 601 939</b>	<b>151%</b>	<b>3 045 000</b>	<b>8 032 804</b>	<b>264%</b>	<b>2 194 500</b>	<b>6 842 825</b>	<b>312%</b>

Data source: SINCOM – commitments for projects

## ENVIRONMENT

	2000-2001			2002			2003		
Country	National Contribution (including PHARE)	LIFE Contribution to Projects	Percentage	National Contribution (including PHARE)	LIFE Contribution to Projects	Difference	National Contribution (including PHARE)	LIFE Contribution to Projects	Difference
Estonia	285 000	954 279	335%	285 000	2 033 190	713%	209 000	327 153	157%
Hungary	1 045 000	677 950	65%	1 045 000	1 137 221	109%	427 500	2 347 795	549%
Latvia	285 000	568 185	199%	285 000	712 132	250%	228 000	431 890	189%
Romania	1 100 000	988 015	90%	1 100 000	672 060	61%	669 750	314 391	47%
Slovenia	330 000	0	0%	330 000	0	0%	270 750	416 609	154%
Slovakia	0	0		0	0		389 500	1 011 900	260%
<b>TOTAL</b>	<b>3 045 000</b>	<b>3 188 429</b>	<b>105%</b>	<b>3 045 000</b>	<b>4 554 603</b>	<b>150%</b>	<b>2 194 500</b>	<b>4 849 738</b>	<b>221%</b>

In million €