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THE SUSTAINABILITY AND THE
COMMISSION'S MANAGEMENT
OF THE LIFE-NATURE PROJECTS



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THE SUSTAINABILITY AND THE COMMISSION'S MANAGEMENT OF THE LIFE-NATURE PROJECTS

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REPLY OF THE COMMISSION

GLOSSARY

Birds Directive: Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds

EAFRD: European Agricultural Fund for Rural Development

EEA: European Environment Agency

EC: European Community/Communities

EEC: European Economic Community

EFF: European Fisheries Fund

ERDF: European Regional Development Fund

Eionet: European Environment Information and Observation Network

ETC: European Topic Centre on Biological Diversity

EU: European Union

EUNIS: European Nature Information System

Habitats Directive: Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.

Input: Financial, human and material resources that are mobilised for the implementation of an intervention.

Intervention: Any action or operation, carried out by public authorities or other organisations, regardless of its nature (policy, programme, measure or project).

LIFE: Financial instrument for the environment (from the French *L'Instrument Financier pour l'Environnement*)

LIFE III: LIFE for the 2000–2006 period

LIFE+: LIFE for the 2007–2013 period

LIFE-Nature: A component of LIFE which shall contribute to maintaining or restoring natural habitats and/or species populations to a favourable conservation status.

Measure: Within the framework of policy, the basic unit of programme management, consisting of a set of similar projects and having a precisely defined budget.

MS: Member State

Natura 2000: The European ecological network of special protected areas of conservation.

OJ: *Official Journal of the European Union*

Objective: Initial statement of the outcomes intended to be achieved by an intervention. A distinction should be made between global, intermediate, immediate and operational objectives:

- a global objective corresponds to the global impact of an intervention and is generally defined by Community legislation in very broad terms; it is usually translated by the Commission and Member States into intermediate objectives which correspond to the expected intermediate impacts of programmes financed;
- immediate objectives concern the results of an intervention on direct addressees and are normally defined by Member States within the implementation of programmes financed;
- operational objectives specify the outputs to be produced.

Outcome: Change that arises from the implementation of an intervention and which normally relates to the objectives of this intervention. Outcomes include results and impacts. Outcomes may be expected or unexpected, positive or negative.

Output: That which is produced or accomplished with the resources allocated to an intervention (e.g. X hectares of habitat Y restored).

Project: Non-divisible operation, delimited in terms of schedule and budget, and placed under the responsibility of an organisation which implements, closest to the field, the resources allocated to the intervention.

Result: Immediate changes that arise for direct addressees at the end of their participation in an intervention.

SCI: Site of community importance

SEBI: Streamlining European Biodiversity Indicators

SPA: Special Protection Area

EXECUTIVE SUMMARY

I.

LIFE-Nature co-finances projects in the Member States, mainly in relation to Natura 2000 sites, in favour of the conservation of species and habitats. Such projects should have demonstrative added value and contribute to the dissemination of best practice conservation methods and approaches. LIFE earmarks at least 78 % of its budget of 300 million euro per year to action grants, of which at least 50 % is allocated to projects supporting the conservation of nature and biodiversity. In financial terms it is the most important European funding that is specially dedicated to the environment and is managed directly by the Commission, being an essential tool with regard to the objectives of the environmental policy of the European Union.

II.

The supervision and management of LIFE-Nature is complex, as projects deal with different situations from one site to another across the Union, are run by a great variety of beneficiaries and should have a sustained impact on the conservation of individual species and habitats, while adding value through dissemination of the results achieved (paragraphs 1 to 8).

III.

Since the first LIFE instrument, introduced in 1992, the Commission has progressively developed and improved its management and control systems, *inter alia* taking into account the results of the Court's previous audits¹. Further changes were introduced with the start of LIFE+ applying to the 2007–2013 period (paragraphs 9 to 11).

IV.

The audit assessed the effectiveness of the Commission's management of the grants paid to LIFE-Nature projects in terms of the sustainability of their results. In this context, the beneficiaries' management of the visited projects as regards their sustainability was also examined (paragraphs 12 to 16).

V.

Work was performed at DG Environment at the Commission and on-the-spot audit visits were carried out to examine 35 projects in the following six Member States: Belgium, Germany, Italy, Slovenia, Spain and the United Kingdom. The outsourced monitoring and communication teams, the project evaluators, and the Topic Centre on Biological Diversity (acting under contract with the European Environment Agency (EEA)) were also visited, being close partners of the Commission for the management and development of environmental issues (paragraph 17).

VI.

Overall, the projects audited have contributed to the conservation of the targeted species and habitats, namely in the Natura 2000 sites, contributing to the Member States' efforts and supporting the EU citizens and their associations' volunteer work and commitment in favour of biodiversity conservation. The Commission must ensure that only appropriately designed project proposals are approved, are executed as foreseen and insist on the establishment of organisational and financial structures sufficient for sustaining the impact of the EU financed projects (paragraphs 18 to 20).

¹ Special Report No 11/2003 concerning the Financial Instrument for the Environment (LIFE) (OJ C 292, 2.12.2003) and the follow-up in the Annual Report concerning the financial year 2004, paragraphs 6.48–6.50 (OJ C 301, 30.11.2005).

EXECUTIVE SUMMARY

VII.

Although significant progress has been made since the introduction of LIFE in 1992, there is still room for improvement in the Commission's management and control systems to obtain an assurance that the conservation measures financed by the EU better meet their objectives and are sustained after the project EU financing. The following shortcomings were highlighted in relation to the different phases of the management of the projects:

- (a) Selection Procedure: imprecise and reduced weight given to the relevant sustainability factors in project scoring for LIFE+ and a lengthy award granting decision-making process (paragraphs 21 to 28).
- (b) Implementation and monitoring of projects: insufficient focus on the projects' results (outcomes), management contracts and plans, hindering the expected sustainability of project results (paragraphs 29 to 40).
- (c) Dissemination of results: the potential added value of the individual LIFE-Nature projects is not fully realised since the lessons learnt, the best practices identified and the detailed technical/scientific information acquired are not systematically made available to an interested public outside the immediate project neighbourhood (region or country) (paragraphs 41 to 53).

- (d) Long-term management of the project results: since in most cases the results (outcomes) of the projects financed can only be perceived after final payment on the projects and there is no ex-post follow-up procedure established for assessing the effectiveness of the actions financed, the Commission has little information in this respect. Accordingly, there is a need to establish a set of appropriate indicators for evaluating the results achieved (paragraphs 54 to 67).

VIII.

It is recommended that the Commission should give further consideration to the various factors relevant to the sustainability of the project results, improve the dissemination of the acquired knowledge and set up a systematic follow-up of the projects after the final payment has been made (paragraphs 68 to 77).

INTRODUCTION

1. LIFE is an acronym which stands for *L'Instrument Financier pour l'Environnement*, i.e. Financial Instrument for the Environment. The first projects financed by LIFE started in 1992² and continued under the subsequent specific LIFE instruments through to the third phase (LIFE III) for 2000-2006³. LIFE was split into three thematic components:

- 'LIFE-Nature';
- 'LIFE-Environment'; and
- 'LIFE-Third Countries'.

2. Projects were selected for each of the three components using dedicated procedures. The new LIFE+ phase allocates 2 143 million euro for the period from 2007 to 2013⁴. At least 78 % of this amount must be used for project action grants. The three components have become:

- 'Nature and Biodiversity';
- 'Environment and Governance'; and
- 'Information and Communication'.

3. Contrary to LIFE III, projects are now selected under a single procedure for all three components.

4. During the 2000-2006 period LIFE-Nature financed 434 projects which were implemented in 26 Member States and amounted to 436 million euro (see **Figure 1**). With an average EU contribution of 1 million euro, projects involved substantial financial EU resources in addition to national co-financing. LIFE+, 'Nature and Biodiversity', will remain the most important LIFE component as an annual allocation of at least 50 % of the budget dedicated for action grants (850 million euro) is earmarked for the period 2007-2013.

² Council Regulation (EEC) No 1973/92 of 21 May 1992 establishing a financial instrument for the environment (LIFE) (OJ L 206, 22.7.1992, p. 1).

³ Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the Environment (LIFE) (OJ L 192, 28.7.2000, p. 1), as amended by Regulation (EC) No 1682/2004 (OJ L 308, 5.10.2004, p.1).

⁴ Regulation (EC) No 614/2007 of the European Parliament and of the Council of 23 May 2007 concerning the Financial Instrument for the Environment (LIFE+) (OJ L 149, 9.6.2007, p. 1).

5. Both LIFE III and LIFE+ regulations provide support to nature conservation projects that contribute to the implementation of the Birds and Habitats Directives⁵. These directives establish a network of protected territories called 'Natura 2000' sites to which LIFE-Nature provides support⁶. Implementation of the Directives is the responsibility of the respective Member State. However, the sites are eligible for EU financial support under the relevant Community instruments⁷. Accordingly, LIFE Nature projects predominantly aim to contribute to the maintenance or restoration of natural habitats and/or endangered species listed in one of the two directives. The LIFE+ strand on biodiversity co-finances innovative or demonstration projects that contribute towards halting the loss of biodiversity by 2010 and beyond⁸ and allows LIFE funding outside Natura 2000 sites.

⁵ Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds (OJ L 103, 25.4.1979, p. 1); Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

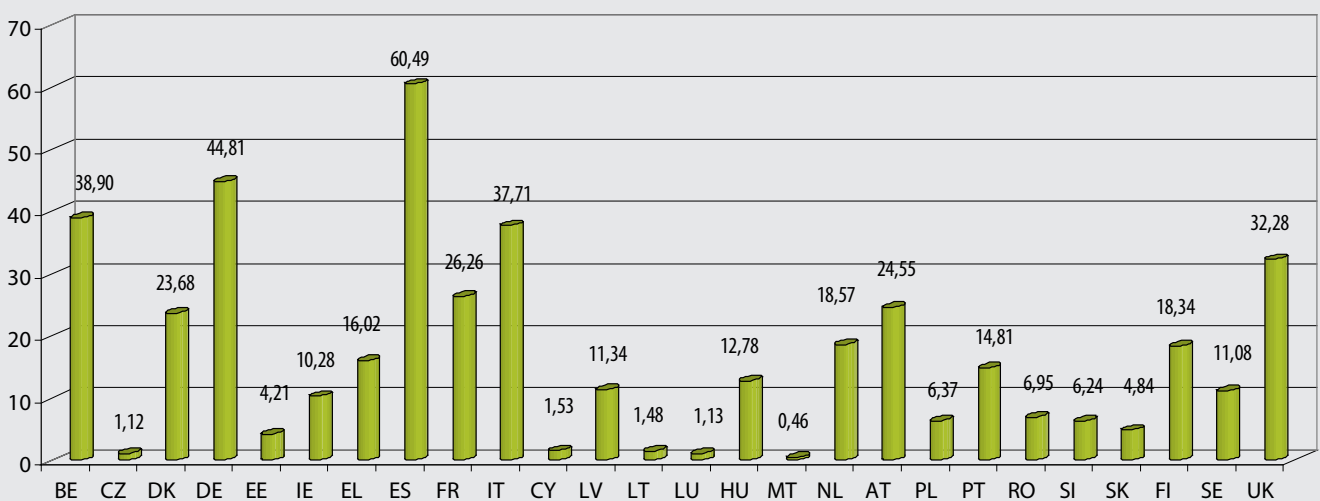
⁶ Article 4 of the LIFE+ regulation specifies the LIFE+ Nature objectives: develop and implement the Natura 2000 network; consolidate a knowledge base; monitor and assess nature and biodiversity; governance.

⁷ Article 8 of the Habitats Directive.

⁸ COM(2006) 216 final of 22.5.2006: Communication from the Commission – Halting the loss of biodiversity by 2010 – and beyond – Sustaining ecosystem services for human well-being.

FIGURE 1

LIFE-NATURE CONTRIBUTION PER MEMBER STATE 2000—2006 (436 MILLION EURO)



Source: DG Environment.

6. All the relevant EU legislation emphasises the importance of sustainable development of the environment. The Fifth European Community Environmental Action Programme is entitled 'Towards Sustainability'⁹. This concept is developed by the ongoing Sixth Environment Action Programme¹⁰ and is particularly important for nature conservation projects since the restoration and protection of habitats and species is, by definition, a long-term process. As financing is only granted to a part of the applications, sustainability should be a major project selection criterion i.e. projects selected should be those for which the benefits will last longer after the EU funding.
7. The Commission's management of LIFE-Nature grants is a complex process. Applicants from all Member States introduce proposals for investments in favour of multiple species and habitats. These may have innovative components that may require several implementation years and shall have a sustained impact on the conservation status while adding value through the dissemination of the results achieved. **Diagram 1** gives a synoptic view of the present project management cycle.
8. Moreover, applicants may be public or private entities, and quite frequently include NGOs of very different sizes whose strong commitment to the projects is a key element for their success.

⁹ European Community programme of policy and action in relation to the environment and sustainable development 'Towards Sustainability', Council resolution of 1 February 1993 (OJ C 138, 17.5.1993, p. 1).

¹⁰ Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme (JO L 242, 10.9.2002, p.1).

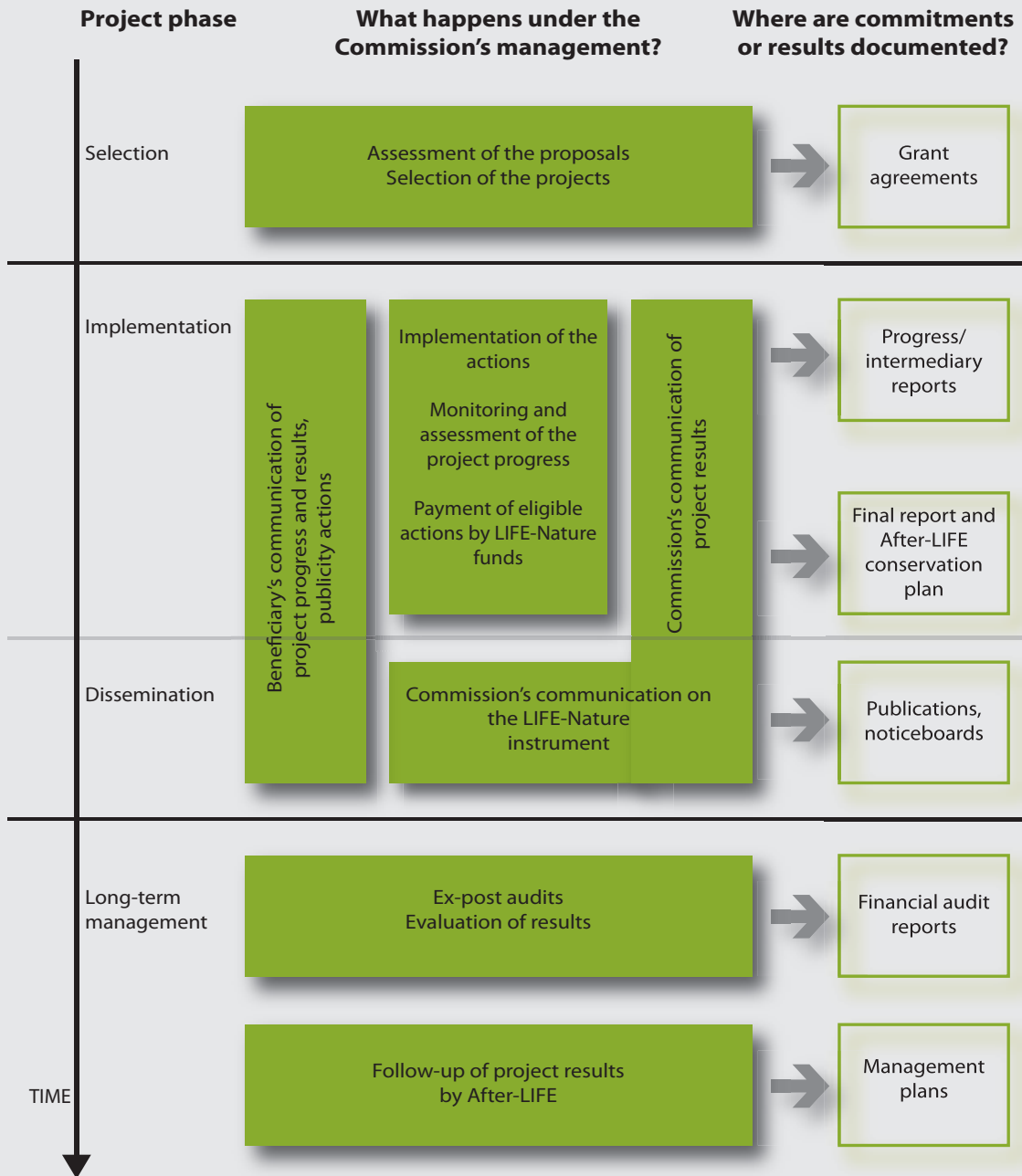
LIFE-NATURE PROJECTS ARE MULTI-ANNUAL WITH OFTEN COMPLEX OBJECTIVES AND INVOLVE VARIOUS PARTNERS



Source: European Court of Auditors.

DIAGRAM 1

THE PROJECT LIFE CYCLE OF A LIFE-NATURE PROJECT



- 9.** The Court's previous Special Report on the LIFE instrument, which was published in 2003¹¹, identified weaknesses in the quality of the investments and in the long-term effects of the results: the audit found that the LIFE instrument lacked clearly defined objectives as well as sufficient analysis of its impact and an adequate dissemination of results¹².
- 10.** The Commission addressed a number of the Court's recommendations in subsequent years. However, the follow-up of the Special Report in the 2004 Annual Report¹³ indicated that not all the Court's recommendations had been acted upon. In particular, the definition of the objectives was still unclear, the scope of the on-the-spot audits performed by the Commission was still centred on the financial aspects, and the evaluation of the project results attained remained outstanding.
- 11.** Since the first LIFE instrument was introduced in 1992, the Commission has progressively developed and improved its management and control systems, *inter alia* by taking into account the results of the Court's previous audits. Moreover, additional changes to the LIFE grants scheme were introduced in 2007 for the 2007-2013 financial period. The current audit addressed the weaknesses previously identified by focusing on their implications for the sustainability of project results, which is crucial for the effectiveness of the EU LIFE expenditure directly managed by the Commission.
- ¹¹ Special Report No 11/2003.
- ¹² Special Report No 11/2003 paragraphs 81 to 84 and 86 to 87 (Conclusions).
- ¹³ Paragraphs 6.48 to 6.50.

AUDIT SCOPE AND APPROACH

12. The objective of the audit was to assess the effectiveness of the Commission's management of the LIFE-Nature grants during the different phases of the project cycle in respect of the sustainability of the project results.

13. The following questions were addressed:

- Did the revised selection process prioritise the projects that offered the highest expectation for sustainability?
- Were the projects adequately implemented and monitored by the Commission?
- Does the Commission ensure that information on project results and lessons learnt is appropriately disseminated?
- Does the Commission carry out the follow-up of projects, or assess their results by other appropriate means in the long-term?

14. The management of LIFE III Nature projects (2000–2006) and the selection procedure for the new LIFE+ (2007–2013) were audited. The observations formulated remain important for the Commission's management since the issues addressed also concern the new LIFE+ projects.

15. As there is no regulatory or formally agreed concept of sustainability applicable to LIFE-financed projects, the audit adopted the specifications outlined in the Birds and Habitats Directives to whose implementation LIFE-Nature projects contribute. These provide three basic elements:

- a results element: 'maintain or restore, at favourable status, natural habitats and species' (Habitats Directive) and 'maintain the population of the species' (Birds Directive);
- a time element: 'likely to continue for the foreseeable future' (Habitats Directive) and 'long-term distribution and abundance of [species]' (Birds Directive);
- a management element: 'specific structures and functions which are necessary for its long-term maintenance exist' (Habitats Directive).

16. For the current audit, the sustainability of a project financed by LIFE has been defined as the assurance which can be obtained (project quality, management structures, financial guarantees, etc.) that the investments financed and their effects will be sustained after the project ends and its results are disseminated. When assessing the success of the implementation of the LIFE-Nature instrument, the consideration given to sustainability at each phase of the project management cycle is of central importance, starting from the selection procedure until after the LIFE financing of the projects.

¹⁴ The sample was initially of 36 projects. However, for one of the projects selected, the on-the-spot audit could not take place as the beneficiary was not available, had meanwhile abandoned the realisation of the project and had paid back the advance to the Commission.

17. Audit evidence was collected from DG Environment, the European Environment Agency, the European Topic Centre on Biological Diversity, the outsourced monitoring and communication teams, the evaluators, a sample of beneficiaries and the relevant national authorities. Evidence was obtained through documentary reviews, interviews and questionnaires. Audit visits were carried out on-the-spot for a sample of 35 LIFE III projects approved between 2000 and 2005 and implemented in six Member States: Belgium, Germany, Italy, Slovenia, Spain and the United Kingdom (see **Annex I**)¹⁴. The projects sampled correspond to 13 % of the LIFE III EU expenditure of 436 million euro and, therefore, it provides sufficient evidence for the audit carried out.

OBSERVATIONS

LIFE ACHIEVEMENTS AND IMPROVEMENT OPPORTUNITIES

- 18.** Overall, on the basis of the 35 projects audited, it was found that the investments foreseen were contributing to the conservation of the species and habitats in Natura 2000 sites. Even if some projects faced difficulties, the commitment by the beneficiaries and their staff made it possible to overcome them and take corrective action.
- 19.** The Commission has consistently improved the management of the LIFE grants since 1992. However, the audit highlighted shortcomings which should be addressed to safeguard the sustainability of project results. **Table 1** gives a synoptic view of the type of shortcomings identified in projects audited on-the-spot, grouped in categories in accordance with the project life cycle.

TABLE 1

TYPE OF SHORTCOMINGS DETECTED IN PROJECTS AUDITED ON-THE-SPOT

Selection procedure:	<ul style="list-style-type: none"> • inadequate preparation of project proposal, • beneficiaries' insufficient legal and technical capacities for maintaining the project results after LIFE financing, • non-transparent structure of co-financers and partners, • no predefined criteria and indicators to assess project outcome, • no budget for maintaining project results after LIFE financing.
Implementation phase:	<ul style="list-style-type: none"> • difficulties in obtaining land parcels foreseen for the project site, • weaknesses in the partnerships responsible for the management of the project, • demographic pressure affecting the project site, • competing interests, in particular with agriculture, • weak monitoring of project results, • missing guarantees to safeguard purchased land for nature conservation, • missing support from stakeholders.
Dissemination of results:	<ul style="list-style-type: none"> • local population not adequately informed or involved, or opposed to the project itself, • dissemination of results mainly focused on reaching local and regional public, • project websites not systematically maintained or of limited quality, • project websites not used efficiently for disseminating project outputs and outcomes.
Long-term management of project results:	<ul style="list-style-type: none"> • management plan not approved by the Member State authorities, • insufficient integration of LIFE project conservation measures in the surrounding areas, • insufficient legal and financial capacities of those responsible for sustaining the project results after the LIFE financing, • insufficient monitoring of species or habitats for assessing impact.

20. The following paragraphs examine each of the phases of the projects' management by the Commission identifying the relevant shortcomings and opportunities for improvement.

SELECTION PROCEDURE

21. The audit examined:
- whether the Commission had established clear and appropriate criteria and scores for selecting projects based on their quality, the relevance of their objectives and the likelihood of the sustainability of their results (outputs); and,
 - whether these criteria had been applied in practice.

INSUFFICIENT VISIBILITY OF SUSTAINABILITY IN THE SELECTION PROCEDURES

22. The aim of the selection procedure is to allocate the scarce LIFE funds to the best projects among a large number of applications. Applicants need to submit proposals which meet demanding and detailed technical, financial and other requirements. The Court's audit of LIFE III and LIFE+ selection procedures concluded that the Commission should pay greater attention to the prioritisation criteria as well as to their weighting and the scoring scales used to ensure that sufficient and quantified consideration is given to sustainability factors.
23. The selection criteria and the scales for project prioritisation, which were established in the form of 'maximum scores' for LIFE III and LIFE+, are summarised in **Table 2**.

24. For LIFE+ the technical quality of project proposals is currently assessed by external contracted evaluators, on the basis of the selection criteria defined in the Commission's LIFE-Nature application and evaluation guides. This is in line with previous Court recommendations for using outside experts to ensure the necessary segregation of functions¹⁵.

¹⁵ Special Report No 11/2003, recommendation after paragraph 89.

25. However, each criterion is examined with reference to analytical questions hereafter referred to as subcriteria, which allows the evaluators a high level of discretion in establishing project scoring. Since the subcriteria that relate to each award criterion have not been weighted, every evaluator may attach a different priority to them. Consequently, even if one or more of the subcriteria are not met, the project proposal can still receive a high score for the respective award criterion. This is especially true for sustainability aspects that are included as subcriteria under 'conservation benefit' or 'contribution to objectives' under LIFE III and LIFE+, respectively¹⁶.

¹⁶ For 2006 the subcriteria for the LIFE III 'conservation benefit' criterion were the following: value of the site/species/habitats, importance of the actions proposed, contribution to European conservation strategies, and sustainability of the actions.

For 2007 the subcriteria for the LIFE+ 'contribution to objectives of LIFE+' criterion were the following: European importance, contribution to solving the problem targeted, contribution to the implementation, updating and development of Community environmental policy and legislation, continuity and permanence of the project results, sustainable contribution to solving the problem targeted.

TABLE 2

THE COMMISSION'S LIFE-NATURE PROJECT SELECTION CRITERIA: MAXIMUM SCORES (EXPRESSED IN PERCENTAGES)

Award criteria	LIFE III (2006)	LIFE+ (2007)
Technical coherence	23	16
Financial coherence	7	16
Conservation benefit	47	-
Socio-economic and operational context	23	-
Contribution to objectives	-	26
European added value	-	26
Complementarity	-	11
Transnational character	-	5
National added value *	-	-
Total score	100	100

* 'National added value' is only taken into account when projects of the same Member State have received the same overall scoring.

- 26.** The audit highlighted the fact that the relevance of the above mentioned sustainability-related criteria had been considerably reduced from LIFE III to LIFE+ (see **Table 2**). According to the Commission's services, this was necessary in order to allow the proposals referring to the three components (see paragraph 1) to be evaluated by the same criteria and to compete with one another. This approach has transformed the LIFE III evaluation guide's more precise questions, that had been developed over the years, into very general questions with little information value. Overall, it was found that the amended LIFE+ selection criteria do not improve the consideration given to sustainability and that they are not necessarily consistently applied.

BOX 1**SCORING FOR SUSTAINABILITY**

The review of the external evaluators' files showed that while significant doubts were raised about the sustainability of the project results, high scores were nevertheless given in respect of the relevant criterion:

- 'It is obvious that habitats such as raised bogs, to be preserved once reserved, will need continuous management. ...It is hoped that such funds will be available at the end of the project, to take over the management costs on a long term basis.' – 8 points out of 10 possible (good);
- 'Whilst the need for continuing invasive removal is recognised by the government, no resources to do this following on from the project are confirmed.' – 17 points out of 25 (good);
- 'Additional funds will be required after the end of the project to maintain the conservation status of the habitats through recurring work to ensure recolonisation by exotic species.' – 22 points out of 25 (excellent).

27. The selection criteria have evolved following the legislation and the experience acquired by the Commission. Nevertheless, it was noted that the European Environment Agency (EEA) and the European Topic Centre on Biological Diversity (ETC) have not been directly involved in the definition of the selection criteria despite their expertise on the Natura 2000 network and on monitoring biodiversity in Europe (see paragraph 39).

LONG SELECTION PROCESS

28. In principle, the revised selection procedure should not be a closed process, whereby applicants send in their proposals and usually receive a reply only one year later (see *Annex II*). Such long delays – as compared with some six months required for other projects financed by EU funds, such as the EAFRD and the EFF – which are mostly imposed by interinstitutional procedures, can be a source of major constraints for project implementation, as key project conditions may have substantially changed in the meantime. For instance, the purchase of the land in the targeted conservation area may no longer be possible or the key stakeholders no longer available. In two audited projects such incidents seriously jeopardised the project launch. Despite the substantial efforts made by the beneficiaries and the Commission, those incidents were only partly remedied.

IMPLEMENTATION OF PROJECTS

29. In addressing whether the projects are properly implemented and monitored by the Commission, the audit examined:
- whether there is adequate monitoring focus on the progress of projects and outputs;
 - whether monitoring covers the achievement of project results (outcomes).

WEAKNESSES IN MONITORING PROJECT OUTPUTS AND LONG-TERM RESULTS

- 30.** The Commission assigns a team of nature conservation experts to monitor project implementation. Once a project is approved, the monitors visit each project once a year to check progress. On the basis of these visits and the beneficiaries' reporting, they formulate their technical assessment of the progress of the project. The Commission decides on the grants payments for the projects on the basis of the beneficiaries' reports also taking into consideration the monitor's implementation reports.
- 31.** As conservation experts, monitors can ensure that project implementation is professionally monitored and they have the potential to enhance the exchange of experiences and lessons learned in respect of similar issues between LIFE projects. However, the audit highlighted the following types of shortcomings in 14 projects out of the 35 visited due to the monitoring strategy and approach adopted by the Commission:
- insufficient monitoring of project results (see paragraphs 32, 34, 35, 36);
 - acceptance of project changes in cases of substantial modifications to the grant agreement (see paragraph 33);
 - deficient checking of the implementation of delayed actions at the end of projects (see paragraph 58); and
 - insufficient checking of the existence and content of management contracts (see paragraphs 64 and 67).
- 32.** The Commission requires beneficiaries to calculate their costs for every action defined in the grant agreement to serve as a basis for subsequent monitoring. However, these cost categories per action are not used for the final reporting. This means that the Commission does not monitor the financial cost categories that would allow it to compare the costs per action carried out during the project implementation with those envisaged in the grant agreements and additional clauses. Accordingly, the Commission has no basis on which to compare actual costs with those that were budgeted in the proposal.

33. The audit identified various reasons why some projects did not fully achieve their foreseen results (outputs). In four cases, the foreseen acquisition of land could not be realised and, therefore, the conservation measures could not be implemented as planned. The Commission reacted either by accepting the withdrawal of the related investments or by amending the grant agreement by altering the initial objectives. Although not considered to be a breach of the formal requirements, such amendments are only acceptable provided that the general objectives of the initial project proposal are not substantially altered; however, in one case audited the foreseen results of the project changed considerably as it was altered from wetlands to raised bog habitats and failed to interconnect existing nature protected sites (see **Box 2**).

BOX 2**INITIAL OBJECTIVES NOT ACHIEVED**

A LIFE project, involving an EU contribution of 2 million euro, is located in an SPA designated under the Birds Directive. It intended to create a continuous wetland area with integrated fen sections attracting a variety of migratory birds, primarily as a resting area. The new area would connect existing subsites. For this reason the main measure of the grant agreement was the purchase of land in three core subsites in order to interlink the existing state-owned parcels and to create the preconditions for implementing rehumidification measures.

Due to strong opposition from local farmers, the project had to be amended: Zone 2 of 52 ha had to be dropped and only 80,5 ha (78 %) instead of the planned 103 ha could be purchased in the other two zones. To compensate for the loss of surface, another subsite aiming at the restoration of raised bogs instead of wetlands was accepted.

The final results of the project approved by the selection procedure show, however, that the project failed as regards the achievement of the original objectives of revitalising fens and wetlands, on the one hand, and connecting the different biotopes on the other hand. Instead, measures on raised bogs were carried out that still included some of the targeted species, but with a completely new set of habitats and project sites.

34. The audit revealed nine cases of costly investments in items with very limited utility or with no tangible impact on the species and habitats conservation status (see **Box 3**).

35. Progress towards a more favourable conservation status can only be assessed if targeted and indicative species are monitored. The beneficiary is not only required to report on projects physically completed but also on changes in the conservation status of fragile species or habitats during the project implementation. However, the monitoring carried out by many beneficiaries concentrated on the measurement of project outputs (see **Box 4**).

BOX 3**ACTION NOT COST-EFFECTIVE**

The main objective of a project was to reduce or to eliminate the risk of collision and of electrocution of birds with the electricity network. One action visited concerned the development of a new 1,9 km underground medium tension line to replace a former overhead line at the cost of 66 000 euros. However, the overhead line was no longer in use as the sole customer had become bankrupt many years previously, and consequently the building which the cable supplied was no longer being used. Without any guarantee of electricity being used, LIFE funding should not have financed the replacement of the unused overhead power lines.

BOX 4**INSUFFICIENT MONITORING OF PROJECT RESULTS**

A project receiving EU aid of more than 0,5 million euro, aimed at the rehumidification of a degraded bog, thereby restarting the development of typical bog vegetation and fauna. The main threats are usually drainage and eutrophication through fertiliser, which is either transported by wind or by polluted water coming from the surrounding, intensively exploited agricultural land. The monitoring of the water level, as foreseen and carried out during the project, served only to measure whether the action worked from the technical point of view and succeeded in increasing the water level. This project took an unusual approach by flooding the whole bog, the success of which was even called into question by the monitoring team on several occasions. However, while the beneficiary reported regularly on the increased water levels achieved, there was no collection of data on the impact of these changes on the indicative species, such as sphagnum, in order to provide evidence to show whether the objective of the project i.e. the development of targeted raised bogs, had been achieved. The monitoring carried out, gives no indication of the results of the method employed.

FLOODING OF A BOG FOR SPECIES AND HABITAT CONSERVATION PURPOSES



Source: European Court of Auditors.

- 36.** Moreover, the technical monitoring did not always involve an adequate level of checks on whether the projects financed had achieved their expected results (see **Box 5**).

BOX 5

BROKEN DAM NOT IDENTIFIED BY PROJECT MONITORING

One of the projects audited with an EU financing of 1 million euro, included the construction of dams to humidify an area of peat land. Three small dams of sheet piles and one big dam with a length of about 300 metres were financed in order to humidify the deteriorated peat layer. At the time of the audit visit, the big dam had been breached because of the water pressure, according to the beneficiary. The project team had tried to repair it with a wooden structure reinforcing the sheet piles, but the reinforced dam had broken once again. As stated by the project team, there were plans to try to reconstruct the dam once again with national funds the following year. The broken dam shows that the corresponding action of the project has not attained its objective. The monitor had verified the existence of the dam after it was built, but subsequent visits had not reported on its collapse or its adverse effect on the restoration of the habitat. Neither the final technical report by the beneficiary nor the monitoring report by the Commission ever mentioned this fact.

OUTCOME INDICATORS TO BE DEVELOPED

- 37.** The prerequisite for effective monitoring is the definition of a set of clear indicators and assessment criteria. The grant agreement should describe the key actions and results to be assessed in respect of each related individual project objective. However, for 9 out of the 35 audited projects, these indicators and criteria were either not defined or were not always assessed during the monitoring.
- 38.** As indicated hereafter (paragraphs 39 and 40) the audit showed that expertise for defining useful indicators for the assessment of project impact is available in the European Environment Agency and in the European Topic Centre on Biological Diversity but is not being used by the Commission for that specific purpose.
- 39.** The European Topic Centre assists the European Environment Agency by providing scientific and technical support for the establishment of the Natura 2000 network. This includes the development of guidance to support reporting on the conservation status of species and habitats under Article 17 of the Habitat's Directive, the management of reference databases (EUNIS and Natura 2000 database) and contributions to the EEA's reports and working papers. The ETC is now developing indicators to contribute to the evaluation of the situation of biodiversity in Europe, carried out within the scope of the action plan entitled Streamlining European 2010 Biodiversity Indicators (SEBI 2010).

- 40.** The first reports from the Member States prepared in the framework of the above mentioned Article 17 were presented in June 2007. The information provided by those reports was verified and checked by the ETC. The reports provide for the classification of the degree of threat for particular species and habitats in a particular region and at EU level. However, there is not yet any practical implementation of this valuable indicator in the management process of LIFE projects, or in the updating of the relevant environmental legislation. One tool considered by the ETC, in order to provide analytical indicators which would help in the assessment/evaluation of the sustainability of a nature conservation method/action, is the Eionet database of designated sites for the Natura 2000 network. However, this database includes only basic information on the location and characteristics of the sites. SEBI 2010 indicators are in the course of being finalised, yet no clear indication has been provided on how they could be implemented in practice, namely in order to allow for the evaluation of the effectiveness of biodiversity conservation actions.

DISSEMINATION OF RESULTS

- 41.** In examining whether the Commission assured an effective dissemination of project results and lessons learnt, the audit assessed:
- whether the Commission facilitates knowledge transfer related to lessons learnt and best practices to potential interested experts at the European level; and
 - whether the established standards for the communication tools and activities of the LIFE-Nature projects are adequate for disseminating project output and results.

DISSEMINATION ACTIVITIES REQUIRE IMPROVEMENT

42. The LIFE III regulation¹⁷ states that '[...] the Commission shall ensure that the results of all funded projects are disseminated to the general public and shall further demonstrate how the skills and experience gained may be reproduced elsewhere.' The LIFE+ regulation¹⁸ added a new component, specifically related to Information and Communication (see paragraph 2).

¹⁷ Article 9 of Regulation (EC) No 1655/2000, as amended by Regulation (EC) No 1682/2004.

¹⁸ Article 4 of Regulation (EC) No 614/2007.

43. The Commission has undertaken a number of activities to make LIFE known and to disseminate information on the projects financed. The communication activities and tools include:

- a **website** containing a significant amount of information, including news, funding, publications, toolkits for beneficiaries for the project management and communication activities, LIFE project database, and LIFE by country and by theme;
- a **LIFE project database**, which is currently the most visited section of the website, including a summary of each LIFE project with a section intended for publishing a link to the project website, a Layman's Report, a video and additional documentation on the project;
- **printed publications**, such as 'LIFE Focus' with two annual issues, an annual compilation of new projects selected and a Natura 2000 newsletter issued twice a year in English, French, German, Italian and Spanish;
- an **electronic news alert** distributed monthly to an extensive mailing list;
- organisation of and participation in **meetings and public events** to present LIFE in various Member States; and,
- **media actions**, such as the annual presentation of new projects.

- 44.** Moreover, the project beneficiaries are required to publish a dedicated website or a subsite, submit audiovisual material to the Commission, acknowledge EU support in their communications, erect and maintain notice boards and submit a Layman's Report at the project closure.
- 45.** Currently, the Commission's communication activities focus principally on making the LIFE instrument known in general and on promoting a number of selected examples of LIFE projects, both at the level of the LIFE website and in its printed publications. The requirement for the project beneficiaries to publish their project outputs is via a project website and a Layman's Report. There is no requirement to disseminate lessons learnt or detailed technical information and, in practice, this knowledge is rarely made available. Difficulties or failures with techniques and demonstrative approaches used may thus be repeated across Europe without knowledge of the lessons already learnt in comparable circumstances. Funds and time would be wasted if accumulated knowledge and experience on practices is not systematically collected and accessible for both failures and best practices.
- 46.** In addition, the current communication tools – such as the LIFE website and database, LIFE Focus, project websites – do not generally provide the level of technical/scientific detail that would be necessary to make the acquired knowledge and experience on methods and techniques used systematically available to potential users. The dissemination material relating to the projects examined is mostly of a general nature and not targeted at experts. A survey performed by external evaluators¹⁹ revealed a lack of detail to be a general issue and was considered a particular problem with the LIFE database by 66 % of its users. This was confirmed during the on-the-spot visits (see **Box 6**).

¹⁹ The Commission contracted an external evaluation of the relevance and impact of the LIFE communication activities for the period 2000-2007, which was finalised in August 2008. The projects surveyed for the evaluation were selected predominantly from among good practice projects in terms of content or communication practices.

47. Furthermore, a number of LIFE-Nature projects finance the compilation of best practice management guidance manuals or other technical/scientific publications in the national language, based on extensive research work. However, these manuals are not systematically made available on the project website or the LIFE database or translated. As such, the added value and expert knowledge gained is not systematically exploited to achieve a multiplier effect.

²⁰ Mid-term evaluation of the implementation of the LIFE financial instrument (July 2003), pages 12 and 14.

48. Project beneficiaries and their experts network with others with varying degrees of success. According to the Commission's mid-term evaluation of the implementation of LIFE in 2003, most stakeholders surveyed considered the lack of EU level networking as being among the key barriers for transnational debates on LIFE issues²⁰. Despite the existing networks of scientists and specialised organisations, project beneficiaries and their experts underlined the importance of EU level networking and the need to overcome any barriers.

BOX 6

COST EFFECTIVE AND EFFICIENT – BUT NOT DISSEMINATED

Most of the beneficiaries audited had made significant efforts to implement the projects in a cost-effective manner.

One project, which is situated in a highly urbanised area with a lot of recreational use, needed to keep the local population informed about the progress of the conservation measures implemented. To avoid the production of updated information panels, the project beneficiaries purchased a site information panel where they noted down up-to-date information about project progress. The information on the panel could be deleted and updated to provide details on project progress.

The same project used material from other project works to create a natural viewing point, thereby saving money which would otherwise have been used to transport and deposit the material elsewhere and to build instead an expensive observation tower.

Another project developed a very cost-efficient method to regulate water levels by using simple elbow pipes instead of the costly traditional barrages.

Such techniques were communicated to other national projects, but were not described on the website nor spread to a wider public.

KNOWLEDGE TRANSFER REQUIRES REVISED COMMUNICATION STANDARDS

- 49.** The communication standards²¹ established by the Commission for the dissemination of project results can be improved to ensure that the project output and results are adequately accessible to achieve a wider knowledge transfer. In practice it is left to the discretion of each project beneficiary to deal with the dissemination activities as they consider appropriate. As a consequence, the emphasis on communication in terms of volume, target groups, professionalism and project management attention differs significantly between projects often only reaching the regional and national levels.
- 50.** Since LIFE III Regulation (EC) No 1655/2000, it is compulsory for all LIFE Nature project beneficiaries to create and maintain a project website until project closure, the maintenance of which has subsequently been extended until five years after the closure by Regulation (EC) No 614/2007 on LIFE+. However, the choice given to the project beneficiaries to include the project-related information on webpages of their own website considerably limits the effectiveness of this tool. It is often difficult to access or even distinguish the project-related information when it is merely a section on a major website run by a local community, regional or national authority or a major NGO.
- 51.** Most of the beneficiaries visited had developed communication activities and tools aiming at helping them to obtain the agreement and active involvement of the local population and stakeholders. These include media actions, publication of brochures and display materials, organisation of meetings and conferences for varied target groups and the creation of a project website or subsite for disseminating project-related information.

²¹ Standard Administrative Provisions, Articles 11, 16 and 18 (2000-2006), Article 13 (2007).

52. The professional quality of these project websites also varied considerably in practice, ranging from a simple webpage presenting a few photographs, up to a state-of-the art interactive site. As there was no minimum web content requirement until 2007²², there was no guarantee that the key project documentation is made available on the project websites, as was the case in over half of the websites of the 35 projects visited on-the-spot (see **Box 7**). For instance, for five out of the six projects audited in Germany detailed information on the outputs and results was not accessible on the project websites.
53. Overall, the transfer of project results, in terms of knowledge gained during the project cycle, is highly dependent on the communication initiatives carried out at the project level, which vary a lot, and do not always include relevant key information.

²² Minimum requirements 'project activities, progress and results' were introduced by Article 13.4 of the 2007 Common Provisions.

BOX 7

POOR DISSEMINATION OF THE PROJECT RESULTS

One project audited having an EU contribution of more than 1 million euro had among its specific objectives: to promote good practice for the management of active raised bog habitats through demonstration to other similar projects both in the country and in other relevant Member States and through hosting a website; to promote good practice for the management of this habitat on other sites; and to raise awareness nationally, regionally, and within local communities about the international importance of active raised bogs.

The dissemination activities of the beneficiary consisted of the production of a number of fact sheets, a conference organised for other site managers to disseminate the project results and the best practice gained and a number of local open days to a varied public. The project website was launched in 2002 and went offline in 2003, just before the project closure. The LIFE database does not contain any information related to this project. In short, the wider knowledge transfer envisaged was not attained since the identified good practices and experience gained through the project have not been successfully disseminated.

LONG-TERM MANAGEMENT OF PROJECT RESULTS

- 54.** In this regard, the audit examined:
- whether the Commission carries out the follow-up of project results; and
 - whether conservation measures are safeguarded beyond the project end.

AFTER-LIFE FOLLOW-UP WOULD CONTRIBUTE TO SUSTAINABILITY

- 55.** Follow-up of projects by the Commission after their completion would encourage sustainability. Because of the inherent nature of conservation measures, results are very often only attained and visible after a certain lapse of time. It takes time to restore plant species and habitats after performing extensive intervention measures such as, for example, the logging of trees and bushes in order to turn a monocultural coniferous forest back into the nutrient-poor moor lands it used to be. Similarly, birds may not immediately breed in a restored wetland.
- 56.** Particularly in the case of habitats that require recurrent care – such as dry grasslands, heath land or raised bogs that might otherwise overgrow or be quickly jeopardised by invasive vegetation – the risk is high that LIFE-financed investments do not ultimately succeed if by the end of the project the necessary organisational and financial structures are not in place to maintain them.
- 57.** As a consequence, the expected results indicated in the grant agreement will, in certain cases, only be visible well after the project closure. However, after the final payment the Commission's services do not necessarily remain in contact with the beneficiaries or monitor the projects and, as a result, the Commission does not know the results and long-term impact of conservation measures funded by LIFE-Nature.

**DRY GRASSLAND WITH WILD ORCHIDS CLEARED FROM SCRUBS.
RECURRENT CARE IS CRUCIAL TO
AVOID OVERGROWING AND INVASIVE VEGETATION**



Source: European Court of Auditors.

- 58.** In some cases, the last check by the monitors is performed before all investments and planned actions have been completed. Even though some of these actions may not incur expenditure or may only be finalised after the project closure²³, their implementation may be an important condition to ensure the continuity of the project results.
- 59.** In 2005, the Commission introduced an 'After-LIFE conservation plan' as a contractual obligation for all new LIFE-Nature projects in which the beneficiary has to outline further objectives and, above all, detail its plans for securing further sources of funding for sustaining the management of the project beyond LIFE funding. As such, the establishment of After-LIFE conservation plans can be a good starting point and a useful contribution to the sustainability of the project results. However, the plans may not be effective in ensuring sustainability since their implementation is neither compulsory nor verified by the Commission services.

²³ For instance, the closure of extensive management contracts will only take place after the LIFE actions have been implemented, but they do finally ensure the use of land for the specific nature conservation objectives.

CONSERVATION MEASURES NOT SAFEGUARDED BEYOND PROJECT END

60. Key conditions for the long-term sustainability of conservation measures relate to project design and need to be dealt with well before project closure by the Commission's services. They may be defined as follows:

- the grant agreements commit the beneficiaries/partners beyond the project closure;
- the use of land and durable goods allocated to the project is reserved for the corresponding conservation purposes for a reasonable period of time;
- recurrent management contracts, partnerships and arrangements for cooperation established by the beneficiary are likely to continue beyond the project end;
- management plans, drawn up during the LIFE project implementation period are approved by the competent public authorities.

²⁴ Paragraph 64: 'Due to the limited number and extent of the checks carried out for these two Directives, only a very low number of infringements was detected in 2005 and 2006. For example, in Finland, France, Greece and Slovenia not a single infringement was detected in 11 633 cross compliance checks for the birds Directive and 14 896 checks for the habitats Directive' (<http://www.eca.europa.eu>)

61. Beneficiaries are neither obliged by the legislation nor by other effective means obliged to sustain the financed measures. This is the case even when beneficiaries are public entities or the project is carried out within a Natura 2000 site, thus contributing to the fulfilment of the general conservation obligations of the respective Member State.

62. The regulatory requirements for financing LIFE-Nature conservation projects relating to the Birds and Habitats Directives clearly make the Member States responsible for preventing the degradation of the conservation status of specific species. In practice, however, this overall responsibility does not oblige the Member States to allocate the organisational and financial resources required for the individual projects financed through the LIFE instrument. Moreover, weaknesses affecting the enforcement of these Directives have been the subject of recent observations by the Court: the checks carried out for cross-compliance farming obligations were low in number and quality (see the Court's Special Report 8/2008 'Is cross compliance an effective policy?'²⁴).

- 63.** Contrary to the conditions relating to the other EU funds, such as EAFRD, beneficiaries are not legally obliged to ensure the durability of the projects' activities for a minimum period²⁵, even when substantial LIFE funds were used to finance land purchases and the acquisition of durable goods. In four projects, the purchase of land was not appropriately safeguarded by an effective nature conservation clause in the land registers, although this is a legal requirement for LIFE financing²⁶. Moreover, five of the projects' investments audited were carried out on third party property without any contractual safeguarding of the continuity of the related conservation measures.

²⁵ Article 72 of Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1).

²⁶ For three of these projects in Germany, the conservation clause was registered in favour of the corresponding *Land* without binding conditions on the future use of the land for nature conservation.

BOX 8

NO EFFECTIVE STRUCTURE SET UP TO ENSURE SUSTAINABILITY OF RESULTS

The beneficiary of one project audited EU financing amounting to 0,5 million euro, had established the following agreements and arrangements to guarantee the long-term maintenance of the target habitat:

- stewardship agreements with landowners for maintaining meadows and karst ponds, signed in 2005 for a period of five years;
- inclusion of the landowners who had participated in the project in the agri-environmental programme, targeting the project habitat for the period of five years;
- an agreement to sell hay produced by the landowners to a stud farm, in order to guarantee the removal of the grass;
- lease agreement with an agrarian community for an exhibition room for a period of five years.

However, monitoring of the implementation of the stewardship agreements is done only on non-formal basis, since the beneficiary (a university) is no longer represented in the area and the project managers are no longer employed by the beneficiary. The inspectors of the national supervision scheme check the implementation of the agri-environmental scheme, yet the objectives set are of general nature and not always applicable to the specificity of the targeted habitat in the LIFE project. An agreement between landowners and a stud farm to purchase the mown hay was never put into practice. The exhibition room still houses the exhibition about the 'karst edge' (rocky promontory) and the karst ponds, but is not open to the general public.

- 64.** As observed during the on-the-spot audits, it is sometimes difficult to raise funds for the continuation and follow-up of the conservation measures. The audit found 6 cases among the 18 closed LIFE-Nature projects audited in which the managers were unable to secure the necessary funds to sustain the project during the year following its closure. Moreover, in one case the farmers involved in the project stated their intention to discontinue the actions financed once the payments cease as they have no economic incentive to continue the desired activities (see **Box 8**).
- 65.** One aspect highlighted is the inability of small NGOs to ensure the conservation of the project results due to a lack of own financial resources. In one case, it was found that the only source of revenue was the LIFE grant (including the complementary national financial contribution) and, in another case revenue was basically limited to public grants to ongoing projects. This means that the risks to the project are very high once EU financing ceases.

MANAGEMENT PLANS ARE IMPORTANT AS THEY ORGANISE AND COMMIT THE AUTHORITIES, ENSURING THAT THE PROJECT RESULTS ARE LASTING



Source: European Court of Auditors.

- 66.** 32 projects audited include the preparation of management plans (see *Annex III*). Such management plans are important as they organise and commit the authorities to ensuring that the project results are lasting. If approved by the Member State, they commit national authorities to allocating the sites concerned to a permanent structure (organisational and financial) responsible for assuring continuity of the projects' results. These plans have, however, generally not been approved, and with the phasing out of the LIFE funding the Commission has not systematically followed up their implementation.
- 67.** The Member States have not approved the management plans for all the relevant project sites (e.g. five projects in Belgium and four projects in Slovenia). As a consequence, an important basis for the on-going management of the sites concerned has not been established. Finally, beneficiaries faced difficulties in seeking co-financing for on-going management contracts under agri-environmental measures (see *Box 9*).

BOX 9**NO FINANCING ASSURED AFTER THE PROJECT END**

One of the main objectives of a project audited which received more than 1 million euro of EU contribution, was to develop an integrated management approach for the targeted Natura 2000 site, with the establishment of agreements with farmers to implement various types of management measures to protect the targeted species. The experiences gained would then be used to define agri-environmental measures to protect the targeted species and to define agri-environmental measures to be used for similar cases. Agreements were reached with farmers and financial compensation was allocated for the project period. However, no information was available in respect of the concrete development of subsequent agri-environmental measures by local farmers. Consequently, there is no reasonable guarantee that the results achieved by the project will be continued, including the dissemination of the lessons learned and, therefore, information on its effectiveness.

CONCLUSIONS AND RECOMMENDATIONS

68. LIFE-Nature grants contribute to the biodiversity conservation effort by enhancing the EU Member States' actions and by supporting the commitment of many citizens and their associations in favour of the preservation of species and habitats.
69. LIFE-Nature is complex: projects deal with many different realities, are promoted by various types of beneficiaries and should have a sustainable impact on specific species and habitats, including through the dissemination of the results achieved and the lessons learned.
70. Since the first LIFE instrument was introduced in 1992, the Commission has progressively developed and improved its management and control systems, *inter alia* taking into account the results of the Court's previous audits. However, the audit concluded that measures financed by LIFE-Nature are not, as yet, sufficiently safeguarded beyond project completion (paragraphs 18 to 20).

SELECTION PROCEDURE

71. The sustainability-related criteria adopted for the selection of LIFE-Nature projects become less relevant with LIFE+. Moreover, since subcriteria are not weighted it is not clear how projects are penalised when they do not satisfy one or more of the relevant subcriteria (paragraphs 22 to 26).
72. The audit could not find any evidence of the expert contribution by the European Environment Agency or the European Topic Centre on Biological Diversity to the design of the selection model adopted (or to any other aspect of LIFE project management) despite the fact that the LIFE instrument absorbs 70 % of the budget managed by DG ENV (paragraph 27).

- 73.** The Commission contracts external evaluators for the independent technical assessment of the project proposals received. However, the prioritisation model used (criteria, subcriteria, weighting, scales, etc.) is not sufficiently detailed or transparent for the interested public. On the other hand, the lengthy decision-making process for grant awards sometimes affects the feasibility of project implementation and undermines stakeholder involvement (paragraph 28).

²⁷ Special Report No 11/2003, recommendation after paragraph 89.

RECOMMENDATION 1

- (i) The Commission should review its selection model on the basis of an opinion by a panel of experts, including a contribution from the European Environment Agency or the European Topic Centre on Biological Diversity, validate it and make it available to all interested parties.
- (ii) The model should prioritise LIFE-Nature project proposals which can give assurance as to the continuity of results. In this respect the Court stresses that it recommends that the Commission should examine whether it would be expedient to separate the management of the 'Nature' and 'Environment' strands, in view of their intrinsic differences, thus favouring their long term management²⁷.
- (iii) Possible ways of shortening the selection procedure should also be considered, namely by taking into account solutions inspired by other grant schemes, financed from the EU budget and by reviewing the interinstitutional proceedings currently in force.

IMPLEMENTATION OF PROJECTS

- 74.** The on-the-spot visits to 35 projects showed that most of the foreseen investments had been implemented and were contributing to the improvement of the species' and habitats' conservation status in Natura 2000 sites. However, several weaknesses affecting the project results were identified. Certain investments financed had relatively limited impact on the targeted species and habitats, either taking into account their excessive cost or due to the high probability of them quickly losing impact after completion unless necessary maintenance work was carried out. Moreover, the conditions relevant for ensuring the continuity of the project results have not always been adequately safeguarded.
- 75.** The project monitoring performed by external nature conservation experts focuses on checking and reporting on project progress in relation to the foreseen investments and actions. The achievement of the specific conservation objectives – such as improvements in the conservation status of targeted species or habitats – is not adequately monitored. The project promoters are not required to monitor the impact of the measures on the targeted species or habitats. As a consequence, the Commission is usually well informed on the progress of the individual project investments executed but it does not dispose of information on the extent to which targeted project results were in fact achieved and on their impact. Moreover, effective monitoring requires a set of appropriate indicators and criteria to be established by the Commission on the basis of expertise available, for instance, in the European Environment Agency and European Topic Centre (paragraphs 30 to 40).

RECOMMENDATION 2

- (i) The Commission should take the necessary initiatives to improve project monitoring in respect of the results achieved as well as on the safeguards established on the use given to LIFE-funded investments and the reality of the implementation of the management contracts and plans.
- (ii) Appropriate indicators and criteria should be developed by the Commission for monitoring project outcomes on the basis of the expertise available namely in the European Environment Agency and in the European Topic Centre.

DISSEMINATION OF RESULTS

- 76.** Some linguistic difficulties still have to be overcome and there is a need for improved minimum quality standards for the information to be disseminated on the projects' websites. The DG Environment LIFE projects database does not allow for easy and wide access to lessons learned, and the information on technical and scientific matters is generally not provided for the potential expert public (paragraphs 42 to 53).

RECOMMENDATION 3

- (i) The Commission should review its communication strategy, activities and tools, bearing in mind that particular attention should be paid to the dissemination to interested experts of relevant information and lessons learned. The improvement of the search possibilities offered to access information on the LIFE database should also be considered.
- (ii) Moreover, the beneficiaries should be required to provide more technical details on the methods used, lessons learnt and identified best practices to ensure wider dissemination.

LONG-TERM MANAGEMENT OF PROJECT RESULTS

- 77.** LIFE-Nature projects have contributed considerably to the implementation of the Natura 2000 network. However, apart from requesting the drafting of an After-LIFE conservation plan at project closure, the Commission has paid little attention to LIFE projects once they are closed, and beneficiaries and partners are not legally or by other effective means obliged to assure the continuation of the project results. The sustainability of the conservation measures financed by LIFE-Nature is not safeguarded beyond the project end, and thus the impact of the EU funding may quickly diminish, as no technical ex-post checks take place and the Commission has no follow-up scheme or any reactive instrument for ensuring that the results are not lost (paragraphs 55 to 67).

RECOMMENDATION 4

- (i) The grant agreements should commit beneficiaries — and, if appropriate, the national co-financers — to sustaining the project results for a minimum period after the project closure. Compliance with the corresponding contractual obligations should be enforced through appropriate penalties and recoveries.
- (ii) The introduction of a follow-up scheme for the 'after-LIFE funding' should be considered by the Commission, and may require a change in the legal framework.

This Report was adopted by the Court of Auditors at its meeting in Luxembourg of 2 July 2009.

For the Court of Auditors



Vítor Manuel da Silva Caldeira
President

PROJECTS AUDITED ON-THE-SPOT

Project No	MS	Project Name	Acronym	Beneficiary
LIFE00 NAT/B/007148	BE	Actions for Birds of Reedbeds in Bassin de la Haine	Haine	Natagora/RNOB asbl
LIFE02/ NAT/B/008593	BE	Restoration and sustainable management of upper Meuse dry Grasslands	Haute Meuse	Ardenne & Gaume asbl
LIFE03/NAT/B/000024	BE	Integrated restoration of natural habitats on military areas in Natura 2000	Militaire Gebieden	Ministerie van de Vlaamse Gemeenschap, Aminal (afdeling Natuur)
LIFE05 NAT/B/000090	BE	Restoration of the lowland river system 'Grote Nete'	Grote Nete	Natuurpunt Beheer v.z.w.
LIFE00 NAT/B/007156	BE	Action Plan for conservation and restoration of three woods in the Flemish Ardennes	3 Bossen Vlaamse Ardennen	World Wide Fund for Nature
LIFE03/NAT/B000019	BE	Rehabilitation of peat and wet habitats on the Saint-Hubert Plateau	Saint Hubert Plateau	Unité de la Gestion Cynégétique du Massif Forestier de St-Hubert asbl, C/O Cantonement de la Division Nature et forêt
LIFE00 NAT/D/007038	DE	Restoration project 'Galenbecker See' for priority species	Galenbecker See	Staatliches Amt für Umwelt und Natur Uecker-münde
LIFE05 NAT/D/000057	DE	Optimisation of the pSCI 'Lippe flood plain between Hamm and Hangfort'	Lippe-Aue	Stadt Hamm, Umweltamt
LIFE00 NAT/D/007042	DE	Optimisation of the SPA 'Düsterdieker Niederung'	SPA Düsterdieker Niederung	Biologisches Station Kreis Steinfurt e.V.
LIFE00 NAT/D/007039	DE	LIFE-Project 'Grindenschwarzwald'	Grindenschwarzwald	Regierungspräsidium Karlsruhe
LIFE00 NAT/D/007058	DE	Regeneration and preservation of dry grassland in Germany	Trockenrasen Saar	Naturlandstiftung Saar
LIFE00 NAT/D/007043	DE	'Hohes Moor' peat bog	Hohes Moor Niedersachsen	Niedersächsisches Umweltministerium
LIFE00 NAT/E/007304	ES	Improvement of the management of the SCI and SPA 'Cabo de Gata-Níjar'	Cabo de Gata	Consejería de Medio Ambiente de la Junta de Andalucía
LIFE03 NAT/E/000046	ES	Conservation of houbara bustard <i>Chlamydotis undulata fuertaventurae</i> in the SPAs of the Canary Island	Hubara Canarias	Sociedad Española de Ornitología (SEO/BirdLife)
LIFE03 NAT/E/000050	ES	Conservation of the Spanish Imperial Eagle, Black Vulture, Black Stork	CBD 2003	Fundación CBD Hábitat para la Conservación de la Biodiversidad y su Hábitat
LIFE00 NAT/E/007348	ES	Management of the SPA-SCI 'La Serena y Sierras periféricas'	ZEPA La Serena	Consejería de Agricultura y Medio Ambiente — Dir. Gral de Medio Ambiente
LIFE05 NAT/E/000067	ES	Conservation and restoration of 'Aiako Harria' SCI (ES2120016)	LIFE AIAKO HARRIA	Dirección General de Montes y Medio Natural. Departamento para el Desarrollo del Medio Rural
LIFE00 NAT/E/007339	ES	Model of restoration of dunes habitats in 'Albufera de Valencia'	Dunas Albufera	Ayuntamiento de Valencia — Concejalía de Devesa y Albufera y Alcaldías de Barrio

	Status beneficiary	Start date	End date	Status at 30.6.2008	Total cost (euro)	LIFE grant (euro)	%
	NGO	1.7.2001	31.12.2007	Closed	1 740 715	870 358	50 %
	NGO	1.9.2002	31.3.2007	Closed	1 934 717	967 359	50 %
	Public	1.9.2003	31.12.2008	Open	15 322 373	6 555 658	43 %
	NGO	8.1.2005	30.9.2010	Open	3 120 940	1 560 470	50 %
	NGO	1.10.2001	11.4.2007	Closed	2 837 738	1 126 582	40 %
	NGO	1.9.2003	31.8.2007	Open	2 127 540	1 063 770	50 %
Total BE					27 084 023	12 144 197	
	Public	1.5.2001	31.12.2007	Open	5 780 907	4 046 635	70 %
	Public	8.1.2005	28.2.2010	Open	5 514 593	2 757 297	50 %
	Public	1.7.2001	30.4.2007	Decommitment running	4 534 432	2 267 216	50 %
	Public	1.1.2001	31.12.2005	Closed	1 786 914	893 457	50 %
	NGO	1.4.2001	31.3.2006	Closed	1 433 218	842 732	59 %
	Public	1.4.2001	31.3.2006	Closed	1 288 500	644 250	50 %
Total DE					20 338 564	11 451 587	
	Public	1.7.2001	30.6.2005	Closed	4 303 086	3 012 160	70 %
	NGO	1.6.2003	31.5.2007	Decommitment running	2 630 899	1 973 174	75 %
	Public	1.9.2003	1.9.2007	Open	3 286 882	1 972 129	60 %
	Public	1.5.2001	31.8.2005	Closed	1 853 176	1 297 223	70 %
	Public	1.10.2005	30.9.2009	Open	2 260 318	1 130 159	50 %
	Public	1.1.2001	30.6.2004	Closed	1 951 482	975 741	50 %
Total ES					16 285 843	10 360 586	

Project No	MS	Project Name	Acronym	Beneficiary
LIFE00 NAT/IT/007142	IT	Improvement of the habitats of birds and restoration of electrical plants	Po ENEL	Consorzio Parco Regionale Delta del Po
LIFE04 NAT/IT/000190	IT	Conservation actions in Natura 2000 sites managed by the State Forest Service	Corpo Forestale	Ministero delle Politiche Agricole e Forestali - Corpo forestale dello Stato - Ufficio per la Biodiversità
LIFE00 NAT/IT/007228	IT	Conservation of <i>Abies nebrodensis</i> (Lojac) Mattei in situ and ex situ	Nebrodensis	Ente Parco Delle Madonie
LIFE00 NAT/IT/007281	IT	NEMOS project - improvement of Alpine wetland areas	Nemos	Provincia autonoma di Trento - Servizio Parchi e Foreste Demaniali
LIFE05 NAT/IT/000009	IT	Safeguard of the threatened raptors of the Matera Province	RAPACI LUCANI	Provincia di Matera
LIFE04 NAT/SI/000240	SI	Natura 2000 in Slovenia - management models and information system	NATSLOMPIS	Institute of the Republic of Slovenia for Nature Conservation
LIFE03 NAT/SLO/000077	SI	Establishing long-term protection of <i>Crex crex</i> in Slovenia	Crex Slovenia	DOPPS BirdLife Slovenia
LIFE02 NAT/SLO/008587	SI	Conservation of endangered habitats / species in the future Karst Park	Karst park	Univerza na Primorskem, Znanstveno-raziskovalno središče-Koper
LIFE03 NAT/SLO/000076	SI	Conservation of endangered species and habitats in the Secovlje salt-pans Park	Secovlje	Soline, Pridelava soli d.o.o.
LIFE00 NAT/SLO/007231	SI	Peatbogs in Triglav National Park	Triglav	Triglavski Narodni Park
LIFE00 NAT/SLO/007223	SI	Management plan and urgent actions for Veternik and Oslica high dry meadows	Dry meadows	Kozjanski Regional Park
LIFE02 NAT/UK/008527	UK	Developing a strategic network of SPA reedbeds for <i>Botaurus stellaris</i>	Bittern	Royal Society for the Protection of Birds
LIFE02 NAT/UK/008541	UK	Urgent Conservation Management for Scottish Capercaillie	Capercaillie	Caledonian Partnership, Highland Birchwoods
LIFE04 NAT/GB/000250	UK	Conservation of Atlantic salmon in Scotland	CASS	Scottish Natural Heritage
LIFE00 NAT/UK/007079	UK	Combating urban pressures degrading European heathlands in Dorset	Dorset heaths	Dorset County Council, Planning Division
LIFE00 NAT/UK/007071	UK	Improving the management of Salisbury Plain Natura 2000 sites	Salisbury Plain	English Nature
LIFE00 NAT/UK/007078	UK	Restoration of Scottish raised bogs	Scottish raised bogs	Scottish Wildlife Trust

	Status beneficiary	Start date	End date	Status at 30.6.2008	Total cost (euro)	LIFE grant (euro)	%
	Public	1.7.2001	31.12.2006	Open	5 637 965	2 198 806	39 %
	Public	1.4.2004	30.6.2009	Open	2 505 297	1 252 649	50 %
	Public	1.9.2001	31.8.2005	Closed	1 161 535	871 151	75 %
	Public	1.1.2002	30.9.2004	Closed	1 626 422	796 947	49 %
	Public	1.10.2005	30.9.2009	Open	866 062	649 546	75 %
Total IT					11 797 281	5 769 099	
	Public	1.1.2005	31.12.2007	Open	1 686 077	843 039	50 %
	NGO	1.1.2004	31.3.2007	Decommitment running	809 024	606 768	75 %
	Public	1.10.2002	30.9.2005	Closed	476 930	357 698	75 %
	Private	1.9.2003	1.9.2006	Closed	714 440	357 220	50 %
	Public	15.6.2001	30.11.2003	Closed	470 200	352 650	75 %
	NGO	1.1.2001	31.12.2003	Closed	275 000	206 250	75 %
Total SI					4 431 671	2 723 625	
	NGO	3.2.2002	30.6.2006	Closed	6 484 498	3 890 699	60 %
	Private	1.2.2002	31.1.2007	Open	7 355 440	3 677 720	50 %
	Public	1.2.2004	31.7.2008	Open	4 695 816	2 347 908	50 %
	Public	1.7.2001	30.6.2005	Decommitment running	3 819 840	1 909 920	50 %
	Public	1.4.2001	30.9.2005	Closed	3 482 722	1 741 361	50 %
	NGO	1.1.2001	1.1.2004	Closed	2 139 263	1 458 977	68 %
Total UK					27 977 579	15 026 585	
Grand Total					107 914 961	57 475 679	

CALENDAR OF THE LIFE+ EVALUATION AND SELECTION PROCEDURE

2007

Start date	End date	Duration	Activity
30.11.2007			Deadline for sending LIFE+ proposals to the Member States
15.1.2008			Deadline for the Member States to forward LIFE+ proposals to the European Commission
15.1.2008	15.2.2008	1 month	Commission receiving, encoding and making eligibility check of proposals, including possible requests for missing information and time for receiving answers
16.2.2008	20.2.2008	5 days	Information to unsuccessful beneficiaries (re. ineligible proposals)
16.2.2008	30.4.2008	2,5 months	Evaluation of eligible proposals with the assistance of external experts
1.5.2008	31.7.2008	3 months	Revision of proposals and preparation of the final 'short and reserve' list of proposals to be submitted to the LIFE+ Committee
1.5.2008	31.7.2008	3 months	Commission Inter service consultation
1.8.2008	15.8.2008	2 weeks	Commission sends draft selection list to the LIFE+ Committee
15.8.2008	31.8.2008	1 day	LIFE+ Committee meeting to decide upon the list of projects accepted for co-financing
1.9.2008	15.10.2008	1,5 months	Documents are sent to the European Parliament to apply its ' <i>Droit de regard</i> ', after the summer holidays
15.10.2008			Commission award decision
15.10.2008	31.10.2008	2 weeks	Commission sends draft grant agreements to beneficiaries
1.11.2008	30.11.2008	1 month	Beneficiaries have up to 30 days to respond
1.12.2008	31.12.2008	1 month	Commission signs grant agreements and sends them back to beneficiaries
1.1.2009			Earliest possible starting date of the projects

2008

Date or period	Activity
21.11.2008	Deadline for applicants to send proposals to Member State authorities
5.1.2009	Deadline for the Member States to forward proposals to the European Commission
January to July 2009	Admissibility, exclusion and eligibility, evaluation and revision of the proposals
31.12.2009	Deadline for signing grant agreements
1.1.2010	Earliest possible starting date for the 2008 projects

Source: LIFE+ Nature and Biodiversity: Guidelines for applicants 2007 and 2008.

MANAGEMENT PLANS

According to Article 6 of the Habitats Directive, Member States shall establish the necessary conservation measures involving, if need be, appropriate management plans specifically designed for the sites or integrated into other development plans, and appropriate statutory, administrative or contractual measures. These measures are implemented through the Natura 2000 network, taking into account economic, social and cultural requirements and regional and local characteristics.

A management plan should contain the following elements:

- policy statement with reference to Article 6 of the Habitats Directive;
- site description, including a historical land use analysis;
- statement of objectives, including long-term and short-term goals;
- statement of the constraints, including identification of the actors involved;
- realistic list of actions to implement with time schedules and financial planning;
- a detailed consultation process;
- monitoring and evaluation.

Recital (6) of the LIFE+ regulation ((EC) No 614/2007) stresses the financial limitations to the instrument for the management of Natura 2000 sites, stating that 'Arrangements should be established to ensure adequate financing for the Natura 2000 network, including Community co-financing. Since the aim of this Regulation is to finance only best-practice or demonstration projects related to the management of Natura 2000 sites, the Commission and Member States should ensure that sufficient funds are made available through other instruments for the management of the network, the annual cost of which was estimated in 2004 to be around 6 100 million euro'.

REPLY OF THE COMMISSION

EXECUTIVE SUMMARY

I.

LIFE is the EU's financial instrument dedicated specifically to supporting environmental and nature conservation projects throughout the EU. It has existed since 1992.

The current instrument, LIFE+, covers the period from 1 January 2007 to 31 December 2013¹ and provides some 1.7 billion euro as co-financing for environment projects. At least 50 % of this sum must be allocated to projects supporting the conservation of nature and biodiversity.

LIFE+ co-finances actions in three main areas or components: LIFE+ Nature and Biodiversity; LIFE+ Environment and Governance; LIFE+ Information and Communication.

The specific objective of LIFE-Nature is to contribute to the implementation of Community nature protection legislation: the 'Birds' Directive (79/409/EEC), the 'Habitats' Directive (92/43/EEC), and the establishment of the 'Natura 2000' network. In its latest form, LIFE+ Nature and Biodiversity, it also co-finances innovative or demonstration projects that contribute to implementing the objectives of the Commission Communication on "Halting the loss of biodiversity by 2010 – and beyond".

¹ The legal basis for LIFE+ is Regulation (EC) No 614/2007 of the European Parliament and of the Council of 23 May 2007, published in the Official Journal of the European Union L 149 of 9 June 2007.

REPLY OF THE COMMISSION

Although LIFE is indeed the most important European funding instrument specifically dedicated to the environment, other Community funds such as the structural funds or the EAFRD (European Agricultural Fund for Rural Development) provide a very important financial contribution to the protection of the environment.

III.

The Commission welcomes the Court's observation that since the LIFE instrument started in 1992, it has progressively improved its management and control systems, acknowledging that it has taken into account the result of the Court's previous audits.

VI.

The Commission takes note of the Court's positive and constructive appraisal of the LIFE programme in favour of nature conservation.

The Commission does its utmost to ensure that only appropriately designed project proposals are approved and that they are implemented as planned. It also checks on the adequacy of the applicants' organisational and financial structures.

VII.

The Commission agrees that there is still room for progress in ensuring that the conservation measures co-financed by the EU are sustained after the closure of the projects, building on the significant improvements already made.

- (a) While acknowledging that the LIFE+ evaluation guidelines do not contain as many detailed questions on sustainability (there is now a single selection process for the three LIFE+ components, with all projects competing with each other and being assessed equally) the Commission would highlight that sustainability remains an important component of the selection and award criteria.

The Commission agrees with the Court that the length of the award granting process is largely due to the interinstitutional procedures established in the LIFE+ Regulation.

- (b) Greater attention is being given to monitoring project results and their sustainability, as well as to management plans since LIFE+ came into effect. Requirements on these aspects are now stricter and clearer, as reflected in the application forms and the related guidelines issued.
- (c) The Commission has gradually strengthened the requirements on dissemination for project beneficiaries, and, for its part, has been improving the quantity and quality of the information available on the LIFE website. The Commission agrees that there is potential to further improve the dissemination of project results.
- (d) The Commission is currently setting up mechanisms for carrying out more systematic ex-post visits from 2009 to assess sustainability and is placing greater emphasis on indicators.

VIII.

The Commission is currently addressing the issues of sustainability, knowledge dissemination and project follow-up, *inter alia* by setting up a mechanism for carrying out more systematic ex-post visits to projects from 2009.

REPLY OF THE COMMISSION

INTRODUCTION

5.

The Commission underlines that LIFE+ Nature and Biodiversity is primarily meant to be a catalyst for nature conservation in the EU, supporting step-change best practice or demonstration measures.

7.

Since 1992, LIFE has co-financed some 2,750 projects. Around 700 project proposals are received and evaluated every year for the three components of LIFE+.

10.

The Commission is currently setting up mechanisms for carrying out more systematic ex-post visits to assess sustainability from 2009. Greater emphasis gradually being placed on monitoring and evaluating project results, with LIFE+ containing stricter and clearer requirements in this regard.

AUDIT SCOPE AND APPROACH

15.

LIFE+ is meant to carry out step-change best practice or demonstration measures. The primary responsibility for the sustainable nature conservation as laid down in Article 6 of the Habitats Directive lies with the Member States.

Although LIFE is indeed the most important European funding instrument specifically dedicated to the environment, other Community funds such as the structural funds or the EAFRD (European Agricultural Fund for Rural Development) provide a very important financial contribution to the protection of the environment.

OBSERVATIONS

19.

Some of the shortcomings identified in Table 1 for individual projects are beyond the Commission's control. For certain, the responsibility lies with the beneficiary (e.g. local population not adequately informed), while others are caused by factors beyond the beneficiary's control (e.g. increase in land prices, demographic pressure).

25.

The Commission acknowledges that a certain level of discretion is left to the evaluators regarding sustainability aspects included under the 'conservation benefit' or 'contribution to objectives' criteria, but points out that the evaluation methodology used, whereby each project is assessed by two independent evaluators — with a third evaluation carried out where significant discrepancy occurs — minimises the risk of this discretion weighing substantially on the selection outcome.

26.

The Commission is fully committed to ensuring that sustainability criteria — as all other criteria — are evaluated in a consistent and transparent manner.

The Commission acknowledges that sustainability criteria have become less visible in LIFE+ compared to LIFE III, namely for the reasons pointed out by the Court (in order to allow the proposals from the three LIFE+ components to be evaluated according to the same criteria and to compete with one another). The Commission will therefore consider possible options for increasing the visibility of sustainability as a criterion for evaluation.

REPLY OF THE COMMISSION

Box 1

There are some uncertainties before the beginning of projects regarding sustainability, and the selection evaluators are right to point them out. However, this should not necessarily entail heavy penalties in points. For example, few financiers will give a firm commitment to continue funding actions even before the project starts.

Many projects funded by LIFE will require maintenance in order to continue the environmental benefits achieved. Not financing such projects would considerably restrict the number of habitats and species which could benefit from LIFE funding compared to those targeted by the directives.

27.

The work carried out by the European Environment Agency and the European Topic Centre on Biological Diversity is taken into account as it becomes available and where relevant for defining selection criteria for the LIFE programme. This work is followed closely by the Commission.

28.

The Commission shares the Court's concerns regarding the length of the selection process, and agrees with the Court that this is mostly determined by the requirements specified in the basic act adopted by the European Parliament and the Council. The interinstitutional requirements include a period for Member States to make comments on proposals (6 weeks), consultation of the LIFE Committee (2 weeks notice required); the European Parliament's right of scrutiny right (8 weeks); and the Commission award decision (3 weeks). The Commission's own selection work, from the start of the eligibility phase until a draft selection list is sent to the LIFE+ Committee, takes, on average, 24 weeks.

The difference in the length of the selection process with the EAFRD and the EFF is explained by the different management and implementing mechanisms for the latter. In the case of EAFRD the principle of 'shared management' gives Member States substantial responsibilities. This approach allows Member States to make the selection of the projects.

The Commission agrees that the lengthy selection procedure can be a source of constraints for some projects. LIFE+ has sought to address this issue by introducing an inception report allowing both the beneficiary and the Commission to re-examine whether appropriate conditions for implementation still exist.

33.

In exceptional cases some LIFE projects run, during their implementation, into developments beyond the Commission's and the beneficiary's control, which may mean that they do not achieve all the results expected.

Box 3

The part cofinanced by the EC for this action amounted to 25 740 euro. When the buried power line was installed, the beneficiary was confident that it would be used to supply power to an experimental ictyogenic centre. Unfortunately, the necessary permission for this centre was not granted by the competent authority during the LIFE project.

REPLY OF THE COMMISSION

35.

Requirements for monitoring progress towards a more favourable conservation status have been gradually reinforced over the period audited and thereafter. The LIFE+ guidelines and application forms specify that all LIFE+ Nature and Biodiversity projects must include separate monitoring actions to measure and document the effectiveness of the project actions as compared with the initial situation, objectives and expected results.

36.

The technical monitoring is organised so as to check both the overall objectives and the various detailed objectives of the different actions bearing in mind feasibility and efficiency considerations.

Box 5

The Court is right in pointing out that as a result of the dam breaking, the corresponding sub-action of the project did not fully attain its objective. Nevertheless, it should be noted that this action represented a small proportion of the total project budget.

Overall, this highly successful project largely exceeded its key conservation objectives within the planned budget.

37.

The Commission shares the Court's opinion on the importance of outcome indicators to measure project performance. In most cases, LIFE Nature projects contain indicators and assessment criteria. The Commission is already reinforcing this aspect.

38.–40.

The Commission is in regular contact with the European Environment Agency and the European Topic Centre on Biological Diversity. The Commission agrees with the Court that some of the indicators currently being developed by the European Environment Agency and the European Topic Centre may be useful for the LIFE+ Programme, and intends to take them into account when available and where relevant.

43.

The independent evaluation of LIFE communication in the period 2000–2007 referred to by the Court in paragraph 46 concluded that the communication activities carried out by the Commission in connection with the LIFE programme are perceived as useful and effective. They are constantly being improved, acting, *inter alia*, on the findings of this evaluation.

45.

The Commission accepts that more work could be done to disseminate detailed technical information. It is already committed to this, building on significant improvements already made in past years in disseminating results, such as the organisation of the EU-wide Nature Days in 2008.

Project beneficiaries do disseminate their technical findings widely, through workshops and conferences organised by themselves or by other projects, through their personal contacts.

In disseminating the results of LIFE projects, the Commission has chosen to focus its limited resources on those results that could most usefully be applied by other stakeholders, i.e. projects that have successfully carried out their conservation work.

REPLY OF THE COMMISSION

46.

The Commission is currently engaged in efforts to better exploit and improve the LIFE website and database, and is constantly adding new information and information categories to it.

Likewise, project beneficiaries are being asked to make more detailed information available. Since 2009 they have been encouraged to post their final technical reports on the project's website (excluding sensitive information, e.g. exact location of rare species).

Box 6

The Commission notes, concerning one of the projects mentioned in box 6 (cost-efficient method for regulating water levels) that the technique was also publicised at two international conferences that took place in September 2006 and March 2007.

47.

The Commission agrees that not all manuals developed by projects have been made available, while pointing out that since 2007 it has started systematically adding the ones produced by ongoing projects. In addition, a specific online library of technical documents produced by LIFE projects is currently being prepared and will be made available via the LIFE website.

Concerning translation of such documents into other languages, although acknowledging that this would be ideal in terms of information dissemination, the Commission is of the opinion that it would not be manageable, affordable or cost-effective to provide information in all languages in a timely fashion.

48.

The Commission agrees that EU-level networking should be further developed. Significant international networking is already taking place as part of many LIFE projects or linked to them. It should be noted that the Commission organised a meeting on the exchange of best practice techniques from LIFE-Nature projects, involving over 200 participants, in November 2008. Further LIFE EU-level meetings are planned.

49.

The Commission accepts that the emphasis projects put on communication varies from project to project. Nevertheless, the Commission would like to point out that since 2007 all LIFE projects are required to meet minimum standards, which have been gradually raised, and to undertake communication activities (notice boards, websites, layman's reports, etc.). Most projects go well beyond these standards.

Current requirements in this respect are much stricter and clearer for new projects than for the projects audited.

50.

The Court is right in pointing out that, in some cases, it is easier to access information when it is available on dedicated websites for LIFE projects, as opposed to project information embedded in the beneficiary's general website. However, in some cases, including it in a larger website (such as that of a public administration or a large NGO) may result in more people knowing about the LIFE projects. The Commission will examine the feasibility of other options, such as requesting that beneficiaries' general websites include a link to a dedicated website.

REPLY OF THE COMMISSION

52.

The Commission agrees that the quality of project websites was quite variable for older projects. The Commission has been paying greater attention to this issue for several years now, and has introduced minimum contents requirements together with the obligation to have the websites frequently updated and maintained for at least five years after the end of the project.

57.

A mechanism for more systematic ex-post technical missions is currently being set up and should operate from 2009.

58.

The project's final report has to report on all actions. In case of doubt, additional visits may be carried out.

However, following the Court's observation, the Commission will reconsider instructions given to monitors for the last visit.

60.

Project beneficiaries are already bound by some obligations regarding control and audit, documentation, land purchase and durable good assignment, management plans and website maintenance.

Any additional post-contractual obligations would require a change in the current LIFE regulation and would give rise to several practical difficulties, both for the project beneficiaries and for the Commission itself.

62.

LIFE-Nature's main objective has been to contribute to the implementation of Community policy and legislation on nature and biodiversity, in particular Directives 79/409/EEC and 92/43/EEC, and to support the further development and implementation of the Natura 2000 network. As the Court points out, the Directives clearly make the Member States responsible for preventing the degradation of the conservation status of specific habitats and species.

The LIFE common provisions include the obligation, for the project beneficiary, to inform the Commission of any activity by third parties which is likely to have a negative impact on the sites or species targeted. This has led, in some instances, to infringement cases and to project closures.

Cross compliance is a control and sanction system which adds to, but does not replace, the enforcement mechanisms foreseen by the relevant environmental legislation.

63.

Concerning land purchase within a LIFE-Nature project, beneficiaries must ensure that the sales contract and/or entry in the land register include a guarantee that the land is assigned definitively to nature conservation purposes.

Durable goods acquired in the context of LIFE-Nature projects must also be assigned indefinitely to nature conservation.

REPLY OF THE COMMISSION

64.

The Commission agrees with the Court's observation that it is sometimes difficult to raise funds for the continuation of the conservation measures. At the same time, the mechanisms to finance and manage the Natura 2000 network in the Member States are now much more advanced than in the early years of LIFE, and information on access to these mechanisms is now more widespread (e.g. Guidance Handbook on Financing Natura 2000 developed by WWF for the Commission).

65.

The stricter financial and selection criteria applied in the selection process since 2006 ensure that only organisations with a sustainable and sound financial background are selected for co-financing of projects.

66.

The Commission shares the Court's view that management plans, when endorsed and implemented, constitute one of the main guarantees for the sustainability of project results, and for this reason it insists on their endorsement.

The new Common Provisions and the new guidelines for applicants to LIFE+ include more stringent requirements, whereby costs relating to management plans, action plans and similar plans, drafted or modified in the context of a LIFE+ project, will be ineligible if the related plan is not legally endorsed and does not become operational before the project end date.

CONCLUSIONS AND RECOMMENDATIONS

70.

The Commission shares the Court's goal of long-term sustainability of LIFE projects. The LIFE programme already contains provisions whereby land purchased and durable goods acquired must be indefinitely assigned to nature conservation activities beyond the end of the project. However, there are legal issues and implementation constraints concerning long-term follow-up to be overcome both for the Commission and the grant beneficiaries.

71.

The Commission agrees that sustainability-related criteria have become less visible in LIFE+ compared with LIFE III. This is because there is now a single selection process for the three LIFE+ components, with all projects competing with each other and being assessed equally.

Sustainability is assessed at the technical selection stage (question 1b.2, which queries sustainability at the selection phase). The award criteria 'contribution to the general objectives of LIFE+' and 'complementarity and optimal use of EU funding' also need to be taken into account when considering sustainability.

72.

The work carried out by the European Environment Agency and the European Topic Centre on Biological Diversity is taken into account as it becomes available and where relevant for defining selection criteria or other management aspects of the LIFE programme. The work of these two entities is followed closely by the Commission.

REPLY OF THE COMMISSION

73.

The application package published with the yearly calls for proposals includes guidelines for each LIFE+ component, together with an evaluation guide which explains to the public the criteria and procedures used for the evaluation of LIFE+ proposals.

The lengthy decision-making process for grant awards, which is mainly due to the unavoidable interinstitutional procedures, may affect the feasibility of project implementation in some cases. The Commission has sought to address this issue by introducing in LIFE+ an inception report allowing both the beneficiary and the Commission to re-examine whether appropriate conditions for implementation still exist.

Recommendation 1

(i-ii)

The Commission will consider ways to make the sustainability criterion more visible for the Nature and Biodiversity component.

(iii)

The Commission is ready to examine possible ways of shortening the selection procedure, while pointing out that the margin for doing so is very small because of interinstitutional constraints.

74.

LIFE+ Nature is meant to carry out step-change best practice or demonstration measures. The primary responsibility for the sustainable nature conservation as laid down in Article 6 of the Habitats Directive lies with the Member States.

75.

The Commission considers that as a general rule, the project monitoring performed by external nature conservation experts includes adequate monitoring of the achievement of specific conservation objectives. Project beneficiaries are required to monitor the impact of measures on the targeted species and habitats.

Most LIFE-Nature projects include indicators allowing the attainment of set objectives to be verified.

The monitoring requirements have been gradually reinforced, and are now stricter and clearer under LIFE+.

Recommendation 2

(i)

The Commission welcomes the Court's recommendation on improving project monitoring, building on the elements of the current approach, which already prioritises monitoring of results achieved, sustainability of LIFE-funded investments and adoption and implementation of management plans.

(ii)

The Commission is willing to take on board the expertise of the EEA and the ETC concerning monitoring criteria as it becomes available and where relevant.

REPLY OF THE COMMISSION

76.

The Commission is gradually broadening the number of languages used in LIFE+ management and communication. However, there are significant cost/benefit and time implications in moving towards using all languages in all dissemination, which would make it too costly and impractical.

The Commission has gradually strengthened requirements concerning minimum contents and quality standards for project websites.

The LIFE website and its project database are being constantly improved.

Recommendation 3

The Commission welcomes the Court's recommendations on disseminating more technical information and on its project database, noting that it has significantly improved its communication strategy in the past and will continue to do so.

77.

Sustainability of projects is built, *inter alia*, into the project design and examined during the selection process. Projects selected are intended to be those with the greatest chance of being sustainable (among other criteria). The project beneficiaries themselves also have an interest in the sustainability of results. There is still room for progress in ensuring that the conservation measures co-financed by the EU are sustained after the closure of the projects. Nevertheless, the above mentioned factors should ensure that sustainability will be safeguarded.

The Commission is currently setting up a mechanism for carrying out more systematic ex-post visits to assess sustainability from 2009.

Recommendation 4

(i)

The Commission shares the Court's goal of long-term sustainability of LIFE projects. The LIFE programme already contains provisions whereby land purchased and durable goods acquired must be indefinitely assigned to nature conservation activities beyond the end of the project. However, there are legal issues and implementation constraints that would have to be overcome, both for the Commission and the grant beneficiaries, concerning long-term follow-up. Nevertheless, the Commission will examine to which extent this recommendation can be put into practice.

European Court of Auditors

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The sustainability and the Commission's management of the LIFE-Nature projects

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IN THIS REPORT THE EUROPEAN COURT OF AUDITORS ANALYSES THE COMMISSION'S MANAGEMENT OF LIFE-NATURE PROJECTS IN TERMS OF THE SUSTAINABILITY OF THEIR RESULTS. THE REPORT PROVIDES DETAILS ON THE FOUR MAIN PHASES OF A PROJECT CYCLE WHICH INCLUDE THE SELECTION PROCEDURE, IMPLEMENTATION AND MONITORING OF PROJECTS, DISSEMINATION OF RESULTS AND LONG-TERM MANAGEMENT OF PROJECT RESULTS. THE AUDIT INVOLVED ON-THE-SPOT VISITS TO 35 PROJECTS IN SIX MEMBER STATES AND LED TO RECOMMENDATIONS FOR EACH PHASE TO ENHANCE THE SUSTAINABILITY OF FUTURE LIFE-NATURE PROJECTS.



EUROPEAN COURT OF AUDITORS



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