



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

### **"Public environmental auditing: challenges and opportunities for public sector audit institutions" seminar**

**Barcelona – 16 October 2009**

LIFE is the Financial Instrument for the Environment. Directly managed by the Commission, LIFE is, in financial terms, the most important European instrument specifically dedicated to the environment and is therefore an essential tool for the implementation of the EU's environmental policy.

The first projects financed by LIFE started in 1992 and continued under the subsequent specific LIFE instruments through to the third phase (LIFE III) for 2000-2006. The financial allocation for LIFE III was 957 million euro. A new LIFE phase - called LIFE+ - has allocated 2 143 million euro for the period from 2007 to 2013. 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

During the 2000-2006 period, LIFE-Nature financed 434 projects for an amount of 436 million euro which were implemented in 26 Member States. 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. In fact, LIFE-Nature co-finances projects in the Member States, mainly in connection with the Natura 2000 network, in favour of the conservation of species and habitats. Such projects should have demonstrative added value and should contribute to the dissemination of best practice conservation methods and approaches.

The objective of the audit was to assess the effectiveness of the Commission's management of the LIFE III (2000-2006) - Nature grants at the different phases of the project cycle in respect of the sustainability of the project results. The selection procedure for the new LIFE+ (2007-2013) was also audited and the Court's observations will remain important for the new period, since the sustainability issues addressed also concern the new LIFE+ instrument. In the absence of a definition, for

the purpose of the audit we defined sustainability 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 result are disseminated. 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?

The preliminary audit work carried out quickly confirmed that the supervision and management of LIFE-Nature is a complex process, since the projects financed:

- deal with different situations from one site to another across the Union;
- are run by a great variety of beneficiaries;
- should have a sustained impact on the conservation of individual species and habitats; and
- should add value, through dissemination of the results achieved (lessons learned and identified best practices).

Since 1992, the Commission has progressively developed and improved its management and control systems namely by taking into account the results of the Court's previous audits, in particular Special Report No 11/2003.

### **I - The audit carried out**

The audit evidence was obtained at the European Commission's services and by visits to 35 projects in 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) were also visited, as they are close partners of the Commission for the management and development of environmental issues.

### **II - Audit results**

The audit concluded that, overall, the projects audited have contributed to the conservation of the targeted species and habitats, namely in the Natura 2000 sites, thus supporting the Member States and the efforts and volunteer work of EU citizens and their associations in their commitment to biodiversity conservation.

The following shortcomings were nevertheless highlighted in relation to the different phases of the management of the projects, as they affect the sustainability of their results:

**(a) Selection procedure:**

- imprecise, and reduced weight given to the relevant sustainability factors in project scoring for LIFE+;
- lengthy award decision-making process.

**(b) Implementation and monitoring:**

- insufficient focus on the projects' results (outcomes);
- management plans and contracts not systematically approved and implemented.

**(c) Dissemination of results:**

relevant information, with potential added value, on individual projects not systematically made available to an interested public outside the immediate project neighbourhood (region or country) in respect of:

- the lessons learnt;
- the best practices identified; and,
- the detailed technical/scientific information acquired.

**(d) Long-term management of the project results:**

- limited information exists at the Commission on the results (outcomes) of the projects financed, since there is no ex-post follow-up procedure established for assessing the effectiveness of the projects financed;
- lack of an established set of appropriate indicators for evaluating the results achieved.

**III. Conclusions and recommendations**

Summing up, although significant progress has been achieved 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 fulfil their objectives more effectively and are sustained after EU financing of the projects has ceased.

The Commission must ensure that only appropriately designed project proposals are approved and that they are implemented as foreseen. It must insist on the establishment of organisational and financial structures which are sufficient for sustaining the impact of projects financed by the EU.

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 knowledge acquired and set up a systematic follow-up of the projects after the final payment has been made.

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