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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

on the ex-post evaluation of the Programme for the Environment and Climate Action (LIFE) 2014-2020

{SWD(2024) 198 final}

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The LIFE Programme 2014-2020

Launched in 1992, l'*Instrument Financier pour l'Environnement* (LIFE) is the only EU funding programme specifically dedicated to environment and climate action, implemented mainly through direct management by the European Commission. It has built up a strong reputation over its more than 30 years of existence. While the LIFE Programme 2014-2020 builds on its predecessors, the features and objectives analysed in the ex-post evaluation are specific to this funding period¹.

The 2014-2020 LIFE Programme was conceived within the broader framework of the Multiannual Financial Framework at the time and the Europe 2020 strategy to foster smart, sustainable, and inclusive growth (2011-2020)². The strategy identified environmental protection and the fight against climate change as cross-cutting policy priorities to be mainstreamed into a range of European funding instruments. The LIFE intervention logic was additional to this approach with the Programme being conceived as "a platform for the exchange of best practice among Member States and as a catalyst for more effective investments" and to address "all specific needs relating to environment and climate action"³.

Article 3 of the Regulation on the objectives sets out that LIFE should "contribute to the shift towards a resource-efficient, low-carbon and climate- resilient economy, to the protection and improvement of the quality of the environment and to halting and reversing biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems" Figure 1 sets out the four objectives of the LIFE Programme as evaluated in the ex-post evaluation.



FIGURE 1: HIERARCHY OF THE OBJECTIVES

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¹ In this report, "LIFE", "LIFE Programme" or "the Programme" always refer to the evaluated funding period 2014-2020.

² Communication from the Commission "Europe 2020 A strategy for smart, sustainable and inclusive growth", COM(2010) 2020 final.

³ Regulation (EU) No 1293/2013, Recital 3.

⁴ Regulation (EU) No 1293/2013, Art. 3(1).

The LIFE budget of 3.46 billion EUR is marginal compared to the estimated investment needs for environmental and climate action and represented only 0.3% of the EU budget. Thus as the LIFE Regulation points out "Given its characteristics and size, the LIFE Programme cannot solve all environmental and climate problems"⁵.

The LIFE Programme structured into two subprogrammes (environment and climate action) each with three priority areas, see Figure 2. LIFE largely follows a **bottom**up approach and implements projects LIFE in direct management across the EU. In this bottom-up logic, funding is channelled to a wide range of stakeholders through calls for proposals which are not overly prescriptive, but support the implementation environmental climate and

LIFE Programme 2014-2020
(3.5 billion EUR - 0.3% of EU budget)

Sub-programme for Environment
(2.6 billion EUR - 75%)

Environment and Resource Efficiency

Nature and Biodiversity

Climate Change Mitigation

Climate Change Adaptation

Climate Change Adaptation

Climate Change Adaptation

Climate Change Adaptation

FIGURE 2: LIFE PROGRAMME 2014-2020

solutions adjusted to the national, regional, or local level. This specifically applies to the historic pillar of the Programme, the so-called "**traditional projects**". They represent the highest budget allocation and support innovative and decentralised environmental projects across the EU. These projects include pilots, demonstration, and best practices as well as dissemination and awareness raising.

Newly introduced in 2014, **integrated projects** fulfil a more targeted function and support implementation of EU legislation, particularly for nature, water, waste, air, climate change mitigation and adaptation, e.g. to help develop strategies and action plans required by the EU *acquis*. They follow more a top-down approach and require Member States to use various EU funding sources, as well as national funds and/or private sector investments. In practice, these projects are often about the coordination of a wider range of activities, also transnationally, which all contribute to the implementation of a single plan. While the LIFE contribution to integrated projects is limited to 60%, the implementation of the projects leverages further funding sources. Besides traditional and integrated projects, LIFE included technical assistance projects, capacity building projects, preparatory projects and LIFE awarded operating grants for NGOs which focus on environment or climate action.

Evaluation approach and framework

The performance indicators with their milestones and targets for 2020 as agreed in the context of the MFF at the time of the conception of the LIFE Programme are the basis for the evaluation. However, these performance indicators measure mainly output in terms of

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⁵ Regulation (EU) No 1293/2013, Recital 5.

number of projects implemented and therefore do not allow to provide a comprehensive view of the Programme's success. This evaluation uses **in addition also the Key Project Indicators (KPIs)** newly introduced in 2014, which measure environmental net benefits created by each LIFE project (e.g., reduced air pollution, size of restored habitats)⁶. They can capture some valuable evidence on results achieved by LIFE projects despite weaknesses in terms of scope, completeness, and comparability of the resulting data, which have been rectified in the KPIs used for the LIFE Programme 2021-27. Furthermore, the evaluation used six case studies, a survey (436 respondents), 60 focused interviews and a desk review to gather additional information, ensure reliability of project data, to integrate the views of beneficiaries, applicants, and other stakeholders, and to ensure triangulation of the data sources.

The cut-off date for the evaluation was June 2023; 58% of the 2014-2020 LIFE projects were still ongoing at that time. To ensure robustness, the evaluation is limited to data of completed projects and projects in an advanced phase of implementation. Consequently, the benefits identified in the evaluation, cover only about half of the LIFE projects implemented under the programming period. It can be expected that once all projects are completed, the final benefits of the Programme will be considerably higher.

State of play of implementation

The bulk of the 3.46 billion EUR LIFE funding (around 80%) went to the financing of grants for the implementation of the different types of projects. Besides this, 14% of the available budget under the LIFE Programme 2014-2020 went to procurement (e.g. support in analysing Member States' reporting, managing infringements, organising stakeholder events, information systems and communication channels) and 5% to specific financial instruments.

Grants

Over the 2014-2020 programming period, a **total of 1 163 action grants** were financed, with total project costs of EUR 4.8 billion, of which EUR 2.6 billion was provided by the LIFE Programme (on average EUR 2 million per project), the rest by co-financing.

1 019 traditional projects were implemented. Demand for traditional projects remained high throughout the seven years with a high oversubscription for all six priority areas. The total value of traditional projects is EUR 3.5 billion out of which EUR 1.9 billion were provided by LIFE and EUR 1.6 billion by beneficiaries.

70 integrated projects were financed for a total cost of EUR 1.3 billion, out of which about EUR 700 million have been provided by LIFE. Integrated projects have delivered an additional EUR 31.6 billion from a range of complementary funding sources thanks to their coordinating role.

74 action grants supported technical assistance projects. The total value of these grants amount to EUR 35.5 million of which 23.8 million were provided by LIFE.

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⁶ For a detailed list of the indicators, see Annex VII of the SWD.

Preparatory projects have addressed emerging political priorities and unexpected challenges. For example, in 2020, a specific call "NGOs for Green Deal" helped EU environmental and climate NGOs addressing financial difficulties due to the pandemic.

The average duration of a project was four years. LIFE supported a broad range of beneficiaries relatively well spread among types of stakeholders, as depicted in Figure 3.

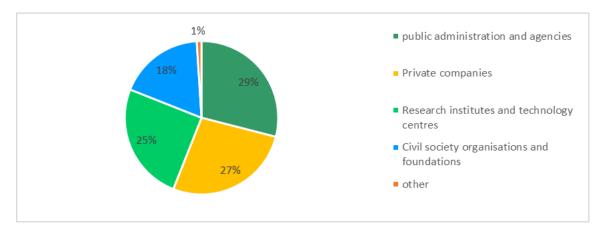


Figure 3: Distribution of beneficiaries by organisation type

Financial instruments

LIFE funded two pilot financial instruments to test innovative approaches to leverage funding:

- Private Finance for Energy Efficiency (PF4EE) to increase availability of debt financing for investments supporting Member States' **energy efficiency** priorities set in their National Energy Efficiency Action Plans.
- Natural Capital Financing facility (NCFF) to establish a pipeline of replicable, bankable operations to serve as a 'proof of concept' and to demonstrate to potential investors the attractiveness of operations addressing biodiversity and climate adaptation objectives.

A total of EUR 215 million were allocated from the LIFE budget for investments through the PF4EE, of which 77% had been committed by end 2020. After a slow start, PF4EE increasingly supported investments and is currently on track to reach its lifetime target of EUR 700 million. Funding provided under NCFF is close to the initial target of EUR 100-125 million and provided important lessons that are steering on-going reflections on natural capital financing.

Achievements and success of the LIFE Programme

The evaluation has demonstrated that the LIFE Programme was successful in achieving most of its targets for each of the four objectives supported by evidence from the case studies, survey and interviews, while delivering good results for the invested funding. The different instruments of the Programme were coherent and complementary to other funding instruments and LIFE's intervention logic remained relevant along the full implementation period.

The Programme's administrative procedures are generally viewed as efficient, still beneficiaries would appreciate a simplification of the application forms, a reduction of KPI

complexity, and a shortening of the evaluation timeline. The two-stage application procedure introduced for simplification reasons did not seem to achieve its objective.

Effectiveness of the Programme

The Programme's effectiveness was measured against the 2020 targets established for the performance indicators in the MFF evaluation framework. These **targets were largely achieved**⁷. Even in case of a missed target, the results were mostly close to the target. For each of the four objectives, the expected number of projects as defined in the corresponding performance indicators was achieved (e.g., 650 of ongoing projects / or finalised projects implement replicable/ transferable actions). In addition, the analysis of aggregated data of the **KPIs demonstrates that LIFE projects have considerably contributed to create environmental net benefits**. According to the aggregated estimates based on the data reported by advanced and completed projects, the LIFE Programme:

- achieved a CO₂ reduction of 11.8 million tonnes/year, exceeding Cyprus's 2021 net GHG emissions;
- reduced improper waste management by 4.3 million tonnes/year;
- decreased the primary energy consumption by 2.4 million MW/h, equivalent to the average yearly electricity consumption of over 970 000 European households.
- reduced nitrogen oxides emissions to about 152,000 tonnes per year, surpassing Portugal's 2019 NO_x emissions.
- improved the conservation status of 435 species.
- co-financed though projects the land purchase of 3,127 km² of protected areas for an overall amount of EUR 83 million and thus helped to expand the Natura 2000 network.

Stakeholder consultations, case studies and the literature review have largely confirmed the positive contributions of the Programme to its four objectives, even though the contribution to the catalytic effect (objective 4) is the most difficult one to quantify.

Objective 1

Through its projects and procurement activities, LIFE contributed to the overall objective of moving towards an environmentally friendly economy that uses resources wisely, lowers carbon emissions, and can withstand climate changes, as well as protecting and improving the environment. All LIFE projects address specific issues in these areas, they test solutions, disseminate information, restore habitats, or support the implementation and enforcement of environmental and climate law and policies. Both integrated and traditional projects unite a variety of stakeholders and people coming together to work on a common project. This helped to raise awareness of environmental and climate challenges among those actors and helped to build long lasting collaboration and communities also after projects ended. More specific project examples are outlined under the other objectives, which all also support objective 1.

⁷ For a detailed overview of targets and achievements, please see Annex VI of the SWD.

Objective 2

LIFE supported the **development, implementation and enforcement of EU environmental and climate policy and legislation** through its projects, but also through studies and technical assistance financed by the procurement envelope.

Some of the **traditional projects** targeted enhanced cooperation on compliance and enforcement. For example, <u>LIFE-ENPE</u> established a European Network of Prosecutors for the Environment and improved the efficiency and effectiveness of prosecutors and judges in tackling environmental crime throughout Europe. <u>LIFE PROWhIBIT</u> enhanced collaboration among judicial, enforcement, and inspection officers, and improved their tools to prevent and combat environmental waste crime. <u>LIFE Re-Vultures</u> bolstered enforcement of the Birds Directive in Bulgaria through a national anti-poisoning plan, including a dedicated unit supporting criminal investigations for environmental crime.

Integrated projects supported implementation of plans or strategies mandated by EU policies and legislation. For example, <u>LIFE-IP AdaptInGR</u> focused on the implementation of Greece's national adaptation strategy and 13 Regional Adaptation Action Plans in alignment with the EU Strategy on climate change adaptation. In other cases, LIFE projects led the way for the development of environmental and climate legislation and policies. The projects <u>LIFE MOTTLES</u> and the <u>LIFE MixForChange</u> worked on the definition of new legislative standards for the adaptation of farming and forestry to climate change. The <u>LIFE SIDE</u> project, supported the design and implementation of the forth phase of the EU Emission Trade System⁸.

Studies and activities financed by LIFE through **procurement** have equally played an important role in implementing, developing, evaluating, and enforcing environmental and climate legislation and policies. LIFE supported the analysis of Member States reports required under EU environmental *acquis* (e.g plans submitted in line with the Water Framework Directive, the ambient air quality directive, or Nitrates Directive). LIFE financed a Union registry for carbon allowances, crucial for the functioning of the Emission Trading Scheme as well as a classification system of chemical substances for the protection of human health and the environment. LIFE also financed preparatory activities for the design and development of the European 'Climate Law'; the EU Biodiversity Strategy for 2030; the EU Strategy on Adaptation to Climate Change and the proposals of the Fit for 55 package.

Beneficiaries, applicants, Member States confirmed the Programme's role in the environment and climate policies and legislation. 50% of Member States reported a positive contribution of the LIFE Programme to their national objectives in the 2017 <u>Environmental Implementation Reviews (EIR)</u>. In 2019, the share increased even to 90%.

Objective 3

The evaluation shows that LIFE contributed to **better environmental and climate governance at all levels**, including better involvement of civil society, NGOs and local actors through project implementation, operating grants for NGOs and the procurement part.

⁸ Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814, OJ L 76, 19.3.2018, p. 3–27.

Traditional as well as integrated projects supported specific activities contributing to this objective. Between 2014-2020, 383 projects specifically addressed environmental governance and information priorities.

LIFE projects empowered key actors through training, the development of tools and raised awareness on environmental matters. More than 260 000 people benefited from professional training and education thanks to LIFE projects over the 2014-2020 period. Aspects of improved governance, capacity building and awareness raising were recurring in among the 30 projects analysed in depth for the case studies. Specific project examples include LIFE DoppelPlus, which organised a "coaching programme" for low-income households on apartment heating, cooling, and ventilation issues, as well as water and electricity management. 806 households benefitted from free advice and energy and climate checks. The project Canemure: Towards Carbon Neutral Municipalities and Regions in Finland developed a method to calculate municipalities' emissions and provided training and capacity building to different municipalities. The method is now used throughout Finland.

LIFE projects brought several stakeholders together and supported collaboration between them. The KPIs confirmed the variety of stakeholders involved in LIFE projects, namely more than 4 000 NGOs, over 6 000 private entities and about 11 500 public bodies. Project examples include the <u>Clean Sea LIFE</u> project that engaged around 170 000 people including fisherman, divers, students, teachers, associations, businesses and citizens in "fishing for litter" activities. The project <u>LIFE Olivares Vivos</u> brough together all actors of the olive production chain to work towards the conservation and sustainable management of olive groves and their associated ecosystems.

LIFE helped to raise awareness and supported the dissemination of project results. Every LIFE project has to prepare a 'after LIFE communication plan' so that it can inspire similar action elsewhere. Besides this, some traditional projects have awareness rising and information activities as the main objective.

LIFE also financed operating grants for NGOs with a primary focus on environment or climate action. In order to receive funding, they must demonstrate that they actively contribute to the development, implementation, and enforcement of EU policy and legislation.

Under the **procurement** part, LIFE also financed initiatives to raise awareness, to promote good results and to bring stakeholders together. Examples are the <u>single-use plastics campaign</u>, the EU biodiversity campaign, stakeholders groups and prizes like the <u>European Green Capital</u> and the <u>European Green Leaf Award</u>.

Objective 4

Even though difficult to quantify, the evaluation shows that **LIFE** has structures in place to act as a catalyst for mainstreaming environmental and climate objectives into other Union policies and public and private sector practice. LIFE helped to promote the integration of environmental and climate objectives into private sector practices.

The LIFE **traditional projects** aim at catalysing environmental and climate objectives into private and public action, by financing innovation and best practices and ensuring replicability of project results. In selecting projects, their potential to bring innovation and/or implement

best practices as well as the potential for replication are assessed. Among the 30 projects analysed for case studies, 21 projects developed or tested solutions. The <u>Innovation Radar Platform</u>, which showcases cutting-edge EU-funded innovations, featured 204 LIFE projects. Examples of replication results include the <u>LIFE YEAST</u> project, which developed a new extraction methodology to convert brewers' spent yeast into raw materials for various industrial applications, which is now replicated in AB InBev breweries globally.

Integrated projects can also have a pilot character for the implementation of EU plans. The <u>LIFE-IP MALOPOLSKA project</u> contributed significantly to improve air quality in one of the most polluted EU regions. Similar solutions are currently implemented in Hungary, Bulgaria, and Slovakia though integrated projects.

LIFE also played a role in catalysing investments for environmental and climate objectives through the required **co-financing for projects**, **the coordinating role of the integrated projects and the financial instruments** (PF4EE and NCFF). Even though the start-up of these two financial instruments was slow and several proposed operations were deemed insufficient for biodiversity protection and climate adaptation, the NCFF instrument allowed to draw lessons for ongoing reflections on natural capital financing.

Through **studies** for biodiversity financing and tracking, as well as studies for climate mainstreaming, LIFE prepared the ground for mainstreaming environmental and climate objectives across EU policies.

Efficiency of the Programme

Comparing the costs necessary for running the Programme to its overall budget and looking at the monetised benefits created by LIFE projects, the Programme provides good value for money. Only 3.3% of the overall LIFE budget was necessary for the programme management. This is a lower share than for other programmes managed by the same executive agency (3.6-8.2%). Based on a cost benefit analysis on completed and advanced traditional projects, which compared monetised benefits created with the invested funding, **benefits surpassed costs more than 10-fold**⁹. The analysis monetised only those environmental benefits for which a peer reviewed methodology exists (e.g. restored habitats, CO₂ reduction), and estimated monetised benefits of EUR 6.8 billion, while costs of EUR 612.4 million for the selected projects were considered.

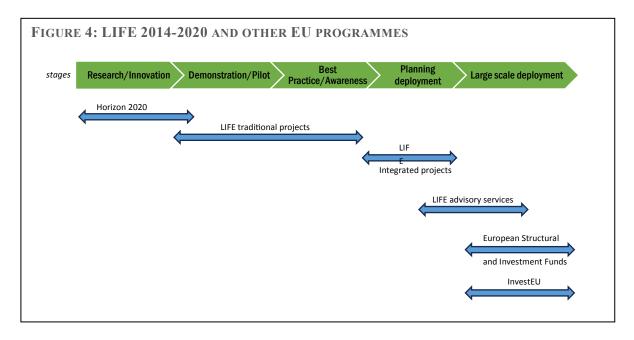
Although LIFE does not have the vocation to ensure a proportional distribution of funds among Member States, the **unbalanced geographical distribution in traditional projects** is a limitation to the Programme's efficiency. 47% of projects was awarded to two Member States, which can be attributed also to their high share of proposals (52% of all proposals). Several measures have been tested to support less successful countries but with limited success so far, e.g. indicative national allocations introduced in 2007 proved ineffective.

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⁹ Integrated projects have been excluded from the analysis, as they receive co-financing from other funding instruments. It is impossible to attribute benefits created by a project specifically to LIFE as it is the project as a whole, which brings about the benefits.

Coherence of the Programme

The Programme is internally coherent as the **different activities financed clearly complemented each other**. Traditional projects focused on innovation, best practices and awareness raising activities while integrated projects focused on implementation and application of EU environmental and climate *acquis* and the financial instruments supported the take-up of results of successful projects by mobilising private investments. Many LIFE projects contribute to several thematic priorities simultaneously.



Among the EU funds, LIFE fills a gap not really covered by other funding programmes. The evaluation identified synergies and complementarities with European and national funding. LIFE facilitated the uptake of research results thanks to a bonus mechanism in the evaluation process of proposals. At the same time, the Programme creates a pipeline of projects for larger-scale implementation through other EU funding programmes. Member States reported that LIFE projects supported the objectives of interventions financed under ERDF and the EAFRD. Figure 4 illustrates how LIFE targets a specific niche among EU funding programmes.

EU added value of the Programme

The EU added value of the LIFE Programme lies in the fact that it is a Programme with an exclusive focus on environment and climate supporting the most ambitious and innovative projects across Europe with promising solutions that have potential for replication and knowledge sharing among different actors in different Member States. The financed transnational integrated projects also demonstrated the EU added value with cooperation across countries on problems like biodiversity loss and climate change that by definition go beyond national borders. LIFE offers possibilities for transnational support and complements other European and national funding sources. The survey results demonstrate that similar funding opportunities with an exclusive focus on the needs of the environment and climate sector do not exist in all Member States. 79% of interviewed beneficiaries would not have found other funding without LIFE.

Continued relevance of the Programme

The role of the LIFE Programme as defined under the MFF 2014-2020 and in the context of the Europe 2020 strategy remained relevant over the entire period. The Programme **flexibly adjusted to unexpected challenges**, such as supporting NGOs during the COVID-19 pandemic with a specific call. With the introduction of the European Green Deal in 2019 under the mandate of the then new Commission, the political attention to environment and climate legislation increased. **The Green Deal boosted the urgency of addressing sustainability challenges and LIFE subsequently registered a significant rise in project applications**.

The results achieved by LIFE and its capacity to act as catalyst for innovation and to bring together people was complementary to the mainstreaming of environmental and climate objectives across funds. Science and data are clear on the environmental and climate crisis intensifying, hence requiring a continued dual track funding approach of both mainstreaming and dedicated environment and climate spending. The Commission's strategic foresight report 2023 underlines the need for "unprecedented action to achieve climate neutrality and sustainability" 10. The transformation of our society and economy towards a model that respects planetary boundaries is considered "key to reinforcing Europe's long-term competitiveness and social model, and thus its global leadership in the new, net-zero economy, also by supporting other regions in building a sustainable future".

The LIFE intervention logic, which is largely implemented by a **bottom-up approach** with calls for proposals that are not over-prescriptive, has clearly proven its merit, also when evaluated against the evolving policy context. Nevertheless, for the future and in times of increased budgetary constraints, more strategic steer on policy priorities could be combined with the bottom-up approach.

Conclusion and paths for further improvement

The ex-post evaluation of LIFE 2014-2020 demonstrated that the Programme achieved most of its 2020 targets as set in the performance framework. Additional evidence collected confirmed these findings. The evaluation quantified and illustrated some of the net environmental and climate benefits achieved by LIFE projects. Stakeholder consultations, case studies and desk research, provided evidence that LIFE financed innovative projects, which can be replicated. LIFE projects made use of research results and applied best practices. The Programme was complementary to national funding programmes and filled a gap among European funds. According to stakeholders, many projects would not have been financed nationally without LIFE. The cost for the programme and the used budget were minimal compared to the benefits created. The conservative cost benefit analysis demonstrated benefits exceeding more than 10-fold the invested budget. LIFE leveraged additional investments through the financial instruments PF4EE and the NCFF, even if take-up here has been slow at the start. Considering that LIFE represents only 0.3% of the EU budget, it achieved valuable results.

¹⁰ COM(2023) 376 final.

The evaluation of the LIFE Programme 2014-2020 allows to draw some conclusions on lessons learned and possible further improvements. Inconsistencies and weaknesses observed in the performance framework and KPIs are clear and have therefore already been addressed in the LIFE Programme 2021-2027. The newly introduced integrated projects proved to be useful to support Member States in implementing the European environmental and climate *acquis*. They are therefore further pursued in the LIFE Programme 2021-2027. The administrative burden for applicants and beneficiaries is an issue to further examine on how it can be further reduced.

All in all, the more than 30 years of experience with the LIFE Programme has demonstrated the Programme's capacity to bring people and different stakeholders together, to address environmental or climate problems at local, regional or national level, to foster innovation and to support the shift towards a more sustainable society and economy. With its strong bottom-up approach often involving people at local level and projects close to their daily life, the LIFE Programme has also contributed to a positive image of Europe demonstrating concrete EU added value to EU citizens.