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ANNEX

**LIFE MULTIANNUAL WORK PROGRAMME FOR 2014-2017**

CONTENTS

<b>1. INTRODUCTION</b>	<b>3</b>
1.1. <i>The sub-programme for Environment</i>	4
1.2. <i>The sub-programme for Climate Action</i>	4
<b>2. ALLOCATION OF FUNDS BETWEEN PRIORITY AREAS AND BETWEEN DIFFERENT TYPES OF FUNDING - ARTICLE 24(2)(a)</b>	<b>5</b>
2.1. <i>The sub-programme for Environment</i>	6
2.2. <i>The sub-programme for Climate action</i>	7
<b>3. PROJECT TOPICS IMPLEMENTING THE THEMATIC PRIORITIES SET OUT IN ANNEX III FOR THE SUB-PROGRAMME FOR ENVIRONMENT (ARTICLE 24(2)(b) OF THE LIFE REGULATION)</b>	<b>8</b>
3.1. <i>Priority area Environment and Resource Efficiency</i>	8
3.2. <i>Priority area Nature and Biodiversity</i>	17
3.3. <i>Priority area Environmental Governance and Information</i>	20
<b>4. LINKING THE GENERAL OBJECTIVES TO ACTION GRANTS UNDER THE SUB-PROGRAMME FOR CLIMATE ACTION</b>	
<b>5. TECHNICAL METHODOLOGY FOR THE PROJECT SELECTION PROCEDURE AND SELECTION AND AWARD CRITERIA FOR GRANTS (ARTICLE 24(2)(d) OF THE LIFE REGULATION)</b>	<b>26</b>
5.1. <i>Action grants</i>	27
5.1.1 Projects pursuant to Article 18(a), (b), (c) and (h) of the LIFE Regulation	28
5.1.1.1 Technical methodology for the project selection procedure	28
5.1.1.2 Eligibility and award criteria	28
5.1.2 Integrated Projects pursuant to Article 18(d) of the LIFE Regulation	31
5.1.2.1 Technical methodology for the project submission and selection procedure	32
5.1.2.2 Eligibility and award criteria	33
5.1.3 Technical Assistance Projects pursuant to Article 18(e) of the LIFE Regulation	37
5.1.3.1 Technical methodology for the project selection procedure	37
5.1.3.2 Eligibility and award criteria	38
5.1.4 Capacity-Building Projects pursuant to Article 18(f) of the LIFE Regulation	39
5.1.4.1 Technical methodology for the project selection procedure	39
5.1.4.2 Eligibility and award criteria	39
5.1.5 Preparatory Projects pursuant to Article 18(g) of the LIFE Regulation	40
5.1.5.1 Technical methodology for the project selection procedure	40
5.1.5.2 Eligibility and award criteria	41
5.1.6 Projects needed for the purpose of achieving the general objectives set out in Article 3 of the LIFE Regulation	41
5.1.6.1 Technical methodology for the project selection procedure	42
5.1.6.2 Eligibility and award criteria	42
5.2. <i>Operating grants</i>	42
5.2.1 Selection criteria for operating grants	43
5.2.2 Award criteria for operating grants	43

5.2.2.1	Annual operating grants / Framework partnership agreements for Non-Governmental Organisations (NGO)	43
5.2.2.2	Other operating grants	45
5.3.	<i>Financial Instruments</i>	46
5.3.1	Natural Capital Financing Facility (NCFF)	4647
5.3.1.1	Contribution to LIFE objectives	4647
5.3.1.2	Structure of the financial instrument	47
5.3.1.3	Technical methodology for the project selection procedure	49
5.3.2	Private Finance for Energy Efficiency instruments (PF4EE)	51
5.3.2.1	Contribution to LIFE objectives	51
5.3.2.2	Structure of the financial instrument	51
<b>6.</b>	<b>INDICATIVE TIMETABLES FOR THE CALLS FOR PROPOSALS (ARTICLE 24(2)(fe) OF THE LIFE REGULATION)</b>	
	<b>5556</b>	
6.1.	<i>Indicative timetables for Grants</i>	5556
6.2.	<i>Indicative timetables for financial instruments</i>	5657
<b>7.</b>	<b>QUALITATIVE AND QUANTITATIVE OUTCOMES, INDICATORS AND TARGETS FOR EACH PRIORITY AREA AND TYPE OF PROJECTS (ARTICLE 24(2)(c) OF THE LIFE REGULATION)</b>	
	<b>5758</b>	
7.1.	<i>Sub-Programme for Environment</i>	5960
7.2.	SUB-PROGRAMME FOR CLIMATE ACTION	6869

## **1. INTRODUCTION**

According to Article 3 of Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007 (hereinafter "LIFE Regulation"), the LIFE Programme pursues the following general objectives:

- to 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;
- to improve the development, implementation and enforcement of Union environmental and climate policy and legislation, and to act as a catalyst for, and promote, the integration and mainstreaming of environmental and climate objectives into other Union policies and public and private sector practice, including by increasing the public and private sector's capacity;
- to support better environmental and climate governance at all levels, including better involvement of civil society, NGOs and local actors; and
- to support the implementation of the 7th Environment Action Programme.

The LIFE programme will be managed by the Commission services themselves or by the Executive Agency (EA) to which this task has been delegated in direct management. The EA will act within the limits of the delegation according to the Commission Decision C(2013)9414 and under the supervision of the Commission services. The overall responsibility for the programme remains with the Commission. External experts may be contracted to support the Commission services and/or the EA in their work.

In line with these general objectives, the present multiannual work programme (MAWP) has been adopted pursuant to Article 24(1) of the LIFE Regulation by means of an implementing act in accordance with the examination procedure set out in Article 5 of Regulation (EU) No 182/2011 of the European Parliament and the Council of 16 February 2011<sup>1</sup> and referred to in Article 30 of the LIFE Regulation.

In application to the principle of complementarity with other European funding programmes set out in Recitals 5, 11 and 13 and Article 8 of the LIFE Regulation, the implementation of the MAWP will ensure through specific measures consistency and synergies, and avoid overlap with other Union policies and financial instruments as far as possible, in particular with the Horizon 2020 Programme<sup>2</sup>, the Union's research and innovation programme for 2014-2020, and with its work programmes<sup>3</sup>. This will mainly be achieved through the eligibility criteria for

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<sup>1</sup> Regulation (EU) No 182/2011 of the European Parliament and the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

<sup>2</sup> Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81).

<sup>3</sup> The first Work Programme of Horizon 2020 covers the years 2014-2015. Horizon 2020 focuses on three priorities, namely generating excellent science in order to strengthen the Union's world-class excellence in science, fostering industrial leadership to support business, including micro, small and medium-sized enterprises

the different project types and orientations in the application guidelines accompanying the calls. Double funding will be avoided through the cross-checking during the selection phase and through ex post verifications. In particular, projects focused on research or the construction of large infrastructure are excluded from funding through the LIFE Programme.

The structure of the MAWP follows the structure set out in Article 24(2) of the LIFE Regulation and only addresses the sub-programmes Environment and Climate Action separately, where necessary.

It covers the period from 1 January 2014 to 31 December 2017.

### **1.1. THE SUB-PROGRAMME FOR ENVIRONMENT**

The Sub-programme for Environment covers the **priority areas** Environment and Resource Efficiency, Nature and Biodiversity, and Environmental Governance and Information (Articles 9 to 12 of the LIFE Regulation). Each of the priority areas covers several **thematic priorities**, listed in Annex III to the LIFE Regulation. The present MAWP 2014-2017 furthermore defines **project topics** implementing the thematic priorities.

### **1.2. THE SUB-PROGRAMME FOR CLIMATE ACTION**

The Sub-programme for Climate Action offers a new and unique opportunity to support the implementation of the EU's climate policy. Overall, it will help induce transitional change towards a low carbon and climate resilient economy in the EU, strategically underpinning the implementation of the 2020 climate and energy package and the EU strategy on adaptation to climate change, and prepare the EU for the climate action challenges until 2030. It should also support better climate governance at all levels, including better involvement of civil society, NGOs and local actors.

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(SMEs) and innovation, and tackling societal challenges, in order to respond directly to the challenges identified in the Europe 2020 strategy by supporting activities covering the entire spectrum from research to market. In Horizon 2020, Environmental and Climate Action research and innovation is tackled by a series of actions and opportunities for collaboration, in particular in the Societal Challenge "Climate action, environment, resource efficiency and raw materials". In this context, environmental research and innovation aims to achieve a resource, water efficient and climate change resilient economy and society. For reference documents refer to [http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference\\_docs.html#h2020-work-programmes-2014-15-main-wp](http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#h2020-work-programmes-2014-15-main-wp), and in particular to the work programme under Societal challenge "Climate action, environment, resource efficiency and raw materials".

## 2. ALLOCATION OF FUNDS BETWEEN PRIORITY AREAS AND BETWEEN DIFFERENT TYPES OF FUNDING - ARTICLE 24(2)(a)

According to Article 4 of the LIFE Regulation, the **overall budgetary envelope for the LIFE programme for the period 2014-2020** is EUR 3 456 655 000, 75 % of which is attributed to the sub-programme Environment (EUR 2 592 491 250), and 25 % of which is attributed to the sub-programme Climate Action (EUR 864 163 750). The LIFE Regulation also fixes the minimum percentage of the total budget to be reserved for **projects** (81 %, Article 17(4) of the LIFE Regulation) and the maximum percentage of the budgetary resources allocated to projects supported by way of action grants that may be allocated to **integrated projects** (30 %).

Projects shall be funded by **action grants** or, where appropriate, by **financial instruments** (Article 17(4) of the LIFE Regulation). The **MAWP shall specify** the amounts to be allocated **per priority area and funding type**.

### Overall allocation by type of funding for both sub-programmes

Budget 2014-2017	in million EUR
<i>Action grants</i>	1 317.9
<i>Operating grants</i>	38.6
<i>Financial instruments</i>	140.0
<b>Public procurement</b>	204.0
<b>Support expenditure (ATA)</b>	95.8
<b>Overall total</b>	<b><u>1 796.3</u></b>

### Overall allocation by priority area

Priority areas	<i>Environment and Resource efficiency</i>	<i>Nature and Biodiversity</i>	<i>Environmental Governance and Information</i>	<i>Climate Change Mitigation</i>	<i>Climate Change Adaptation</i>	<i>Climate Governance and Information</i>
<b>Total per area (in million EUR)</b>	495.85	610.07	163.00	193.56	190.39	47.59
<b>Sub-total</b>	1700.45					
<b>Support expenditure (ATA)</b>	95.79					
<b>Overall total</b>	<b><u>1796.3</u></b>					

The allocations per priority area and funding type are of indicative nature. For action grants, the final allocation will depend on the actual number of fundable project proposals under each

priority area. Budgetary allocations for and between financial instruments may be adapted during the course of the LIFE programme in response to actual uptake. Within the thresholds established by the LIFE Regulation, reallocations between priority areas may not exceed 5% of the total allocation for the priority areas concerned.

## 2.1. THE SUB-PROGRAMME FOR ENVIRONMENT

For the duration of the present MAWP, a budget of EUR 1 347 Million is allocated to the sub-programme for Environment.

At least 55% of the budgetary resources allocated to projects supported by way of action grants are allocated to projects supporting the conservation of nature and biodiversity, including related information and governance (Article 9(3) of the LIFE Regulation), technical assistance and preparatory projects. The rest of the budget allocated to projects will be allocated to projects under the priority area environment and resource efficiency, including related information and governance, technical assistance and preparatory projects.

The allocation by priority area is of indicative nature and subject to the actual number of proposals for action grants under each priority area, as well as the related market up-take under each financial instrument.

### Allocation by type of funding under the sub-programme for Environment

Budget 2014-2017	in Million EUR
<b>Action grants*</b>	
- Capacity building projects	11.25
- Technical Assistance projects	2.9
- Other action grants**	1 053.8
<b>Financial instrument***</b>	
Natural Capital Financing Facility (NCFF)****	30.0
<b>Operating grants</b>	30.0
<b>Public procurement</b>	141.0
<b>Support expenditure (ATA)</b>	78.2
<b>Overall total</b>	<b><u>1 347.1</u></b>

\*30% of the budgetary resources allocated to projects supported by way of action grants are allocated to integrated projects. Depending on the actual number of proposals for integrated projects, unused resources will be used for other projects funded by action grants.

\*\*An indicative amount of no more than 1% of this amount will be used for preparatory projects.

\*\*\*The maximum level of management cost related to the implementation of the FIs shall not exceed 7% of the total envelope for FIs.

\*\*\*\*This includes EUR 5 million for the expert support facility.

## 2.2. THE SUB-PROGRAMME FOR CLIMATE ACTION

For this multiannual work programme the budget for the sub-programme for Climate Action is EUR 449.2 Million. The allocation to priority areas is of indicative nature and subject to the actual number of proposals for action grants under each priority area, as well as the related market up-take under each financial instrument.

### Allocation by type of funding under the sub-programme for Climate action

Budget 2014-2017	in Million EUR
<b>Action grants*</b>	
Capacity building projects – <i>Action grants</i>	3.75
Technical assistance projects – <i>Action grants</i>	2.4
Other action grants	243.81
<b>Financial instruments**</b>	
Private Financing for Energy Efficiency instrument (PF4EE) <i>Financial Instrument</i>	80.0
Natural Capital Financing Facility*** (NCFF) <i>Financial Instrument</i>	30.0
<b>Operating grants</b>	8.6
<b>Public procurement</b>	63.0
<b>Support expenditure (ATA)</b>	17.6
<b>Overall total</b>	<b><u>449.2</u></b>

\*30% of the budgetary resources allocated to projects supported by way of action grants are allocated to integrated projects, depending on actual number of proposals for integrated projects, unused resources will be used for other projects funded by action grants.

\*\*The maximum level of management cost related to the implementation of the FIs shall not exceed 7% of the total envelope for FIs.

\*\*\*This includes EUR 5 million for the expert support facility.

### **3. PROJECT TOPICS IMPLEMENTING THE THEMATIC PRIORITIES SET OUT IN ANNEX III FOR THE SUB-PROGRAMME FOR ENVIRONMENT (ARTICLE 24(2)(b) OF THE LIFE REGULATION)**

In line with Recital 36 of the LIFE Regulation, the MAWP contains a non-exhaustive list of project topics implementing the thematic priorities, focussing efforts on concrete environmental policy priorities and areas for action under the sub-programme Environment. Laying down this list for the duration of the MAWP ensures both the necessary flexibility to achieve the LIFE Programme targets and objectives and the necessary stability for potential applicants to plan, prepare and submit proposals. In line with Recital 22 of the LIFE Regulation, when evaluating Union added value of projects under the sub-programme for Environment, the Commission should pay particular attention to their contribution to the thematic priorities implemented through the project topics. Thus the project topics are a tool for giving a bonus to projects addressing strategically important policy areas with a high Union added value, while remaining open to sound proposals in other areas and the incorporation of new ideas to react to new challenges.

The project topics do not apply to project types which are already by their nature and/or due to a detailed description of their specific content in the Regulation and the MAWP limited to specific topics (i.e. capacity building, technical assistance, preparatory, integrated, and other projects defined in detail on an ad hoc basis).

The co-legislators decided that at least 55 % of the resources allocated to projects supported by action grants will be earmarked for projects supporting the conservation of nature and biodiversity with a clear emphasis on Natura 2000, recognising the specific urgency to ensure appropriate financing for the network as well as the legal co-financing obligation as set out in article 8 of the Habitats Directive. This increased earmarking compared to the LIFE+ Regulation limits the budget available for projects in other thematic priorities under the sub-programme Environment and it is thus a further reason to better focus the use of the funds in these areas.

It should be noted that funding of projects on topics not included in this list is not excluded. High quality projects that fulfil the applicable eligibility and selection criteria may still be awarded funding.

#### **3.1. PRIORITY AREA ENVIRONMENT AND RESOURCE EFFICIENCY**

Pursuant to Article 10(a) of the LIFE Regulation, the project topics corresponding to this priority area and the related thematic priorities listed in Annex III to the LIFE Regulation, shall pursue the specific objective “**to develop, test and demonstrate policy or management approaches, best practices and solutions**, including development and demonstration of innovative technologies, to environmental challenges, suitable for being replicated, transferred or mainstreamed, including with respect to the link between the environment and health, and in support of resource efficiency-related policy and legislation, including the Roadmap to a Resource Efficient Europe”. All projects under this priority area shall therefore be either pilot or demonstrative projects within the meaning of Article 18 (a) and (b) of the LIFE Regulation, but cannot focus on research. With regard to demonstrative projects under this priority area and covered by one of the project topics listed below, priority shall be given to projects that put into practice, test, evaluate and disseminate actions, methodologies or approaches that are **new or unknown Union wide**.

### **LIFE Regulation Annex III**

- (a) **Thematic priorities for Water, including the marine environment:** activities for the implementation of the specific objectives for water set out in the Roadmap for a Resource-Efficient Europe and the 7th Environment Action Programme, in particular:
- (i) *integrated approaches for the implementation of Directive 2000/60/EC;*
  - (ii) *activities for the implementation of the Directive 2007/60/EC of the European Parliament and of the Council<sup>4</sup> ;*
  - (iii) *activities for the implementation of the programme of measures of the Directive 2008/56/EC with a view to achieving good environmental status of marine waters;*
  - (iv) *activities to ensure safe and efficient use of water resources, improving quantitative water management, preserving a high level of water quality and avoiding misuse and deterioration of water resources*

Addressing water quality, floods and drought management in a cost efficient way is a serious challenge within the EU. Responding to the challenges and opportunities in the water sector requires a holistic approach across a number of actors. In line with the implementation of the Water Framework Directive (WFD), the Flood Directive and the priorities of the European Innovation Partnership on Water, projects should focus on developing and particularly implementing actions which can help Member States move to genuinely integrated water resource management, promoting ecosystem-based approaches where relevant. In the context of actions targeted at the implementation of the Marine Strategy Framework Directive (MSFD), particular emphasis should be placed on emerging pressures and impacts, as well as fostering better integrated coastal management and maritime spatial planning. With respect to the water industry, the technologies and processes used to ensure the provision of water services (production of drinking water or waste water treatment) are reaching maturity. In line with the priority areas of the European Innovation Partnership on Water, the current challenge is twofold: (i) ensuring proper implementation in a way which yields cost-effective, resource efficient and legally compliant results, and (ii) ensuring an ability to deal with emerging issues in this field.

Priority will be therefore given to the following projects:

#### **Water, floods and drought - Annex III, section A points (a)(i)-(ii)**

1. Planning and establishment in urban and rural areas of **natural water retention** measures that increase infiltration, storage of water and remove pollutants through natural, or "natural-like" processes and thereby contribute to the achievement of the WFD and the Floods Directive (FD) objectives and to drought management in water scarce regions.
2. Projects promoting **flood and drought risk management** through (a) extreme event prevention and protection tools for support of policy, land use planning and emergency

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<sup>4</sup> Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks (OJ L 288, 6.11.2007, p. 27).

management and (b) integrated risk assessment and management approaches based on resilience and social vulnerability, and ensuring social acceptance.

3. Projects to allow the achievement of WFD objectives by **addressing hydro morphological pressures** identified in River Basin Management Plans (RBMPs) and originating from land use or in-river use,
4. Projects that address **integrated management of nutrients** and organic pollution of human and agricultural origin in a way that clarifies the measures needed on a river basin or catchment scale to allow for the achievement of the WFD and MSFD requirements, including the Urban Waste Water Treatment Directive, Nitrates Directive, Bathing waters Directive and Groundwater Directive requirements.
5. Projects addressing pressures from **chemical pollutants** in the water environment and aimed at reducing emissions of priority substances at source, through the use of appropriate substitutes or alternative technologies.
6. Projects **re-naturalising** river, lake, estuary and coastal **morphology** and/or **re-creating associated habitats** including flood- and marsh plains, to allow the achievement of WFD and FD objectives.
7. Projects that implement **water saving measures** to reduce the quantitative and qualitative pressures on water bodies in water stressed basins **on the basis of hydro-economic models**.

#### **Marine and coastal management - Annex III, section A point (a)(iii)**

1. Projects developing tools, technologies and practices to ensure the **sustainability** of economic activities related to the marine environment, including where relevant by **reducing the pressure of economic activities on the marine environment**, and to mainstream marine resource sustainability into maritime economic sectors with a focus on underwater noise, physical disturbance of the sea floor, and the impacts of deep sea mining and aquaculture. Projects are expected to include the development of management plans which reduce the environmental impacts of economic activities.
2. Projects aiming at preventing and reducing **marine litter or microbial contaminants**, addressing the sources of marine litter and microbial contaminants.
3. Projects promoting **synergies between integrated coastal management and maritime spatial planning**, demonstrating the added value of coordinating integrated coastal management and maritime spatial planning in new marine contexts, supporting the concrete implementation of sea basin strategies including implementation of relevant Union law, or connecting integrated coastal management and maritime spatial planning with the procedures for designating and managing Marine Protected Areas or Natura 2000 sites.

#### **Water Industry (Annex III, section A point (a)(iv))**

1. Projects aiming at developing **technologies for drinking water and urban waste water treatment systems**, through the use of resource efficient processes for the provision of water services (e.g. aiming to reduce energy consumption for the treatment and management of water, and water losses) and onsite procedures and control processes to diminish or eliminate discharges of emerging pollutants and pathogens as part of wastewater treatment effluents.

2. Projects implementing tools (e.g. planning, decentralised systems, risk-based approaches) to ensure the efficient **provision of water services** that are compliant with the Drinking Water Directive and the Urban Waste Water Directive **in areas of low population density**.
3. Projects aiming at more efficient and effective, innovative solutions and/or treatment options regarding **recycled/reclaimed water**, developing and demonstrating:
  - Innovative concepts for (alternative) water supply, wastewater treatment, reuse and recovery of resources;
  - Source control methods and cost-effective on-site technologies for discharges of emerging pollutants and pathogens into the wastewater treatment system;
  - Water treatment innovation hubs, in regions that currently lack of appropriate sewer systems and treatment and sanitation facilities, applying smart technologies and decentralized systems with a focus on alternative water sources.
  - Systematic approaches to avoid loss of water, energy and resources in industrial production and water and wastewater infrastructure.

### **LIFE Regulation Annex III**

*(b) Thematic priorities for Waste: activities for the implementation of the specific objectives for waste set out in the Roadmap for a Resource-Efficient Europe and the 7th Environment Action Programme, in particular:*

- (i) integrated approaches for the implementation of waste plans and programmes;*
- (ii) activities for the implementation and development of Union waste legislation, with particular emphasis on the first steps of the Union waste hierarchy (prevention, re-use and recycling);*
- (iii) activities for resource efficiency and lifecycle impact of products, consumption patterns and dematerialisation of the economy.*

With respect to waste, the Roadmap for a Resource-Efficient Europe and the 7th EAP aim at reaching the following overall goals by 2020:

- to reduce waste generated;
- to maximise recycling and re-use;
- to limit incineration to non-recyclable materials; and
- to limit landfilling to non-recyclable and non-recoverable waste.

Priority will be therefore given to the following projects:

#### **Implementation of waste legislation - Annex III, section A points (b)(i)-(ii)**

1. Projects using innovative methods, technologies, and actions primarily at the waste source for waste prevention, reuse, and separate collection of **municipal waste**.
2. Projects using innovative methods, technologies, and actions primarily at the waste source for the prevention, preparation for reuse /reuse, recycling and separate collection of the following waste streams:

- **waste electric and electronic equipment (WEEE), batteries and accumulators, end of life vehicles (ELV's), packaging, construction, demolition, and medical waste;**
  - **bio-waste, including food waste** throughout the food chain.
3. **Integrated plastic management projects** that are set up to lead to increased recyclability, sorting and high quality recycling, eco-design, management of non-packaging plastics, prevention of single-use plastic items, or reduction and remediation of littering;
  4. Projects that are set up to improve **household-hazardous waste management**.

**Waste and Resource efficiency – Annex III, section A point (b)(iii)**

1. Projects implementing the use of **economic instruments** at local, regional or national level in support of waste management and resource efficiency policies.

**LIFE Regulation Annex III**

- (c) **Thematic priorities for Resource Efficiency, including soil and forests, and green and circular economy:** activities for the implementation of the Roadmap for a Resource-Efficient Europe and of the 7th Environment Action Programme that are not covered by other thematic priorities referred to in this Annex, in particular:
- (i) activities for industrial symbiosis and knowledge transfer, and development of new models for the shift towards a circular and green economy;
  - (ii) activities for the Soil Thematic Strategy (Commission Communication of 22 September 2006 entitled "Thematic Strategy for Soil Protection") with special emphasis on mitigation and compensation of soil sealing, and improved land use;
  - (iii) activities for forest monitoring and information systems, and to prevent forest fires.

Projects under the thematic priorities for Resource Efficiency, including soil and forests, and green and circular economy will focus on the implementation of the Roadmap to a Resource Efficient Europe, the Thematic Strategy for Soil Protection and the new EU Forest Strategy. With respect to industrial symbiosis, knowledge transfer and the shift towards a circular and green economy, particular attention should be given to resource efficient, environmentally sound performance of businesses, including the value chains, and on the harmonisation of the methodology for measuring their ecological footprint. With regard to soil protection, there is a need to improve soil management and, in particular, to limit and mitigate soil sealing. Forest monitoring and information systems and forest fire prevention have advanced well over the past years, but there is a need to implement the new EU Forest Strategy and to further enhance the European Forest Fire Information System (EFFIS)<sup>5</sup>.

Priority will be therefore given to the following projects:

**Resource Efficiency, green and circular economy - Annex III, section A, point (c)(i)**

1. Projects implementing the circular economy concept through actions spanning the value chain or ensuring the use of secondary resources / scrap materials / wastes in other

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<sup>5</sup> Established by the Joint Research Centre (JRC) and the Directorate General for Environment (DG ENV).

industries or **value chains** (eco-design, cascading use of materials, repair, remanufacture, reuse, recycling, new circular business concepts, and innovative take-back and collection systems).

2. Projects implementing **new business models for resource efficiency**, including establishing resource efficiency practices in Small and Medium Sized Enterprises (SMEs), focussing on the environmental impact, durability, reuse, repair and recycling of their products and processes – including sharing or leasing products rather than selling them. This should involve one of the industrial sectors considered as a priority in the Roadmap for a Resource Efficient Europe; the new business model should result in a reduction in material use and/or energy and water use.
3. Projects promoting the implementation of the **European environmental footprint methodology**<sup>6</sup> through consumer and stakeholder communication, data availability, quality and traceability along the value chain, calculation simplification, and verification.
4. Projects **linking** regulatory, financial or reputational **incentives to environmental performance** by using EMAS or other robust, reliable (i.e. third-party verified) Union environmental management instruments.
5. Projects that promote **Green Public Procurement** through the development, in collaboration with companies, and application of common tender specifications of public authorities with similar purchasing needs (including market consultation and actual procurement activities) and of schemes that allow procurers an easy and reliable verification of green requirements, and the application of such schemes.

#### **Soil - Annex III, section A, point (c)(ii)**

1. Projects that **limit, mitigate or propose innovative methods for compensating for soil sealing** at regional, provincial or municipal level, in line with the Soil Sealing Guidelines (SWD(2012) 101 final/2)<sup>7</sup>, particularly those involving a re-thinking of planning and budgetary approaches with a view to achieving regional or municipal development without further land take or soil sealing.
2. Projects designed to **achieve better soil management** (decreasing erosion, maintaining soil organic matter, avoiding compaction and contamination, conserving/restoring carbon rich soil, etc.) at the local, regional or national level. The methods used can include monitoring tools and practices or the improvement of administrative and legal frameworks. Of particular interest will be projects providing cost-effective solutions improving existing tools or methodologies, or supporting soil functions as part of the wider ecosystem, e.g. for water retention.
3. Projects that develop and implement **cost-effective support tools and schemes** for the identification of contaminated sites at regional or national level.

#### **Forests - Annex III, section A, point (c)(iii)**

Projects under this heading can only be given priority if they foresee that all forest related quantitative and qualitative data resulting from the projects will be incorporated into the European Forest Data Centre (EFDAC) and later on into the Forest Information System for Europe (FISE) of the European Commission.

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<sup>6</sup> Commission Recommendation of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organizations, OJ 124/1.

<sup>7</sup> [http://ec.europa.eu/environment/soil/sealing\\_guidelines.htm](http://ec.europa.eu/environment/soil/sealing_guidelines.htm).

1. Projects that contribute to deriving fully harmonized information from data collected by National Forest Inventories (NFI) and/or other forest information networks, and that implement **advanced methodologies to demonstrate sustainable forest management at regional, national or supra-national level according to agreed (Forest Europe<sup>8</sup>) criteria and indicators** (e.g. Forest health and vitality, Forest Ecosystem Services, Forests and Socio Economic functions linked to EU Bioeconomy and forest within a changing climate) following the objectives of the new EU Forest Strategy<sup>9</sup> and the EU Biodiversity Strategy 2020<sup>10</sup>.
2. Projects that build on the information collected by existing national/regional forest information networks and develop and implement **new methods for the collection and reporting of sustainable forest management criteria and indicators**<sup>11</sup> at national or regional level and according to the EEA classification of European Forest Types (EFT)<sup>12</sup> in 14 categories as reported to Forest Europe. These projects should include specific demonstrative actions showing how the information and new methods may be used to improve the protection of forest ecosystems.
3. Projects that contribute towards the **enhancement of the European Forest Fire Information System (EFFIS)**. These projects should include specific demonstrative actions showing how the information and new methods may be applied towards reaching the targets set in the EU Biodiversity Strategy 2020 insofar as forest and forest ecosystems management is concerned.
4. Projects that use new information about forests to increase their **resilience to threats arising from population changes** related to urbanisation, land abandonment or loss of traditional land management skills.

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<sup>8</sup> Forest Europe, 2011. State of Europe's Forests 2011.

<sup>9</sup> Communication COM(2013) 659 final from the Commission to the European Parliament, the Council, the European Economic and Social Council and the Committee of the Regions – A new EU Forest Strategy: for forests and the forest-based sector of [1020/09/2013](#).

<sup>10</sup> Communication COM (2011) 244 final from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of Regions "Our life insurance, our natural capital: an EU biodiversity strategy to 2020".

<sup>11</sup> Forest Europe, 2011. State of Europe's Forests 2011.

<sup>12</sup> EEA, 2009. European Forest Types.

### **LIFE Regulation Annex III**

- (d) **Thematic priorities for Environment and Health, including chemicals and noise:** support activities for the implementation of the specific objectives for environment and health set out in the 7th Environment Action Programme, in particular:
- (i) *support activities for the implementation of Regulation (EC) No 1907/2006 of the European Parliament and of the Council<sup>13</sup>(REACH) and Regulation (EU) No 528/2012 of the European Parliament and of the Council<sup>14</sup>(Biocidal Products Regulation) to ensure a safer, more sustainable or economical use of chemicals (including nanomaterials);*
  - (ii) *support activities to facilitate the implementation of Directive 2002/49/EC of the European Parliament and of the Council<sup>15</sup>(Noise Directive) in order to achieve noise levels that do not give rise to significant negative impacts on and risks to human health;*
  - (iii) *support activities for avoiding major accidents in particular facilitating the implementation of Directive 2012/18/EU of the European Parliament and of the Council<sup>16</sup>(Seveso III Directive).*

With regard to environment and health, new methods to reduce the impact of chemicals, noise and industrial accidents on the environment and human health should be explored.

Priority will be therefore given to the following projects:

#### **Chemicals – Annex III, section A, point (d)(i)**

1. Projects reducing the impact of chemicals (including nanomaterials and biocidal products) on the environment or human health by a safer or more sustainable use of chemicals or by the minimisation of exposure to toxic chemicals in products or in the environment, through their substitution with safer substances or with non-chemical solutions.
2. Projects improving the use of chemical monitoring data (e.g. environmental monitoring, human bio-monitoring, product monitoring, indoor air monitoring) in the protection of human health and the environment, by making the chemical monitoring data available, accessible, comparable and interoperable, and allowing for linking them with monitoring of human and environmental health and for assessment of exposures from chemical mixtures via various routes of exposure.

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<sup>13</sup> Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 36, 5.2.2009, p. 84).

<sup>14</sup> Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1).

<sup>15</sup> Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise (OJ L 189, 18.7.2002, p. 12).

<sup>16</sup> Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC (OJ L 197, 24.7.2012, p. 1).

**Noise - Annex III, section A, point (d)(ii)**

Under this heading, priority will be given to projects in urban areas in order to improve the situation for a maximum number of persons.

1. Projects aimed at the introduction of permanent **noise Low Emission Zones (LEZ) schemes in urban areas**, by allowing only electrically powered vehicles or applying other equally effective noise LEZ approaches.
2. Projects **inside densely populated urban areas** aimed at reducing **noise from roads and other transport infrastructures** by means of using low noise surfaces having life cycle costs comparable to those of standard surfaces while achieving a substantial noise reduction.

**Industrial accidents - Annex III, section A, point (e)(iii)**

1. Projects aimed at facilitating the implementation of the **Seveso III Directive** (Directive 2012/18/EU) on the control of major-accident hazards involving dangerous substances through development of methodological tools for carrying out **risk mapping**, including environmental risk mapping, and for **addressing domino effects**.

**LIFE Regulation Annex III**

*(e) Thematic priorities for Air quality and emissions, including urban environment: support activities for the implementation of the specific objectives for air and emissions in the Roadmap for a Resource-Efficient Europe and the 7th Environment Action Programme, in particular:*

- (i) integrated approaches to the implementation of Air quality legislation;*
- (ii) support activities to facilitate compliance with Union air quality and related air emissions standards including Directive 2001/81/EC of the European Parliament and the Council<sup>17</sup> (National Emissions Ceilings Directive);*
- (iii) support activities for the enhanced implementation of Directive 2010/75/EU of the European Parliament and of the Council<sup>18</sup> (Industrial Emissions Directive) with a special emphasis on improving BAT definition and implementation process, ensuring easy public access to information and enhancing the contribution of the IED to innovation.*

The thematic priority “air quality and emissions including urban environment” focusses on the implementation of air quality legislation and a comprehensive approach to urban environmental problems. Air pollution remains the most serious environmental health problem in Europe, with a mortality rate more than ten times that from traffic accidents, and also having a significant impact on ecosystems (e.g. 70% of the EU's Natura 2000 sites suffer from eutrophication as a result of air pollution). It should be addressed in line with the forthcoming EU Air Quality Strategy for the period up to 2030.

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<sup>17</sup> Directive 2001/81/EC of the European Parliament and the Council of 23 October 2001 on national emission ceilings for certain atmospheric pollutants (OJ L 309, 27.11.2001, p. 22).

<sup>18</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

The Industrial Emissions Directive (IED) is a key instrument for pollution prevention and control from large point sources. Experience with implementation of the IED (and its predecessor IPPC) has allowed for identifying additional needs in terms of public information and the introduction of emerging techniques

Priority will be therefore given to the following projects:

#### **Air quality legislation and the NEC Directive - Annex III, section A, points (e)(i)-(ii)**

Where not explicitly stated otherwise, air quality projects should generally focus on urban areas in order to cover as many people as possible.

1. **Local and regional energy projects** addressing air quality and emission reductions in atmospheric particulate matter (PM) **hotspots** in areas with continued **high use of coal and biomass burning heating applications**.
2. Projects contributing to **high quality biomass burning** applications and their proper use, including in mountainous regions (such as using ultra low dust technologies, high efficiency and clean combustion and control technologies, heat storage).
3. **Sustainable mobility projects** for those components that are essential for meeting air quality standards focussing on cleaner real world driving, the use of electric or super low emission vehicles<sup>19</sup> as referred to in the Horizon 2020 Working Program, the use of clean alternative fuels, innovative retrofit programmes for public service vehicles, alternative drive train technology like electro-mobility and hydrogen-based mobility, development and implementation of high-impact LEZ and road pricing schemes through advanced access criteria and consumer product labels<sup>20</sup> (Major Metropolitan Areas), and the use of innovative logistic platforms for last mile delivery of goods.
4. **Projects to reduce ammonia and PM emissions from agriculture** in support for the implementation of the upgraded UNECE Code of Good Practice for reducing ammonia and PM emissions from agriculture.

#### **Industrial Emissions Directive - Annex III, section A, points (e)(iii)**

1. Projects developing and testing **pollution prevention and abatement techniques** referred to in IED as emerging techniques.

#### **Urban environment - Annex III, section A, point (e)**

1. Projects implementing **integrated and comprehensive policies for sustainable urban planning and design** through innovative approaches regarding urban public transport and mobility, sustainable buildings, energy efficiency or urban biodiversity conservation.

### **3.2. PRIORITY AREA NATURE AND BIODIVERSITY**

Pursuant to Article 11(a) of the LIFE Regulation, the project topics corresponding to this priority area and the related thematic priorities listed in Annex III to the LIFE Regulation, shall pursue in particular the specific objective “to contribute to the *development and implementation* of Union policy and legislation in the area of nature and biodiversity, including the Union Biodiversity Strategy to 2020, and Directives 92/43/EEC and 2009/147/EC, in particular by *applying, developing, testing and demonstrating approaches, best practices and solutions*”. Projects in this priority area therefore can implement existing approaches, best

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<sup>19</sup> Super low emission vehicles within the meaning of the Horizon 2020 work programme.

<sup>20</sup> Products envisaged could be cars as well as motorised two-wheelers and three-wheelers.

practices and solutions or develop, test and demonstrate new approaches, best practices and solutions. With regard to projects falling within the thematic priority **biodiversity**, however, **priority will generally be given to pilot and demonstrative projects**, unless otherwise stated in the respective project topic.

LIFE has been a key tool supporting the implementation of the Birds and Habitats Directives during the past 20 years. This small programme has been instrumental and in some cases crucial to ensure the establishment of the Natura 2000 network. The co-legislators have expressed their clear wish to keep the focus of LIFE on this strategic issue, in particular at the time when all Member States are required to ensure the favourable conservation status of all habitats and species. In most cases, this can only be achieved by active management of the sites and their connectivity or that of the relevant species. For this reason LIFE Nature and Biodiversity will continue to focus its limited financial resources on Natura 2000 to ensure full delivery of the commitments concerning target 1 of the Biodiversity strategy. At the same time, following the positive experience of LIFE+, LIFE 2014-2020 will promote Biodiversity projects mostly aimed at testing and demonstrating new ways to address wider biodiversity concerns. LIFE Nature and LIFE Biodiversity are intended to complement each other.

***LIFE Regulation Annex III***

- (a) ***Thematic priorities for Nature: activities for the implementation of Directives 92/43/EEC and 2009/147/EC, in particular:***
- (i) *Activities aimed at improving the conservation status of habitats and species, including marine habitats and species, and bird species, of Union interest;*
  - (ii) *Activities in support of the Natura 2000 network bio-geographical seminars;*
  - (iii) *Integrated approaches for the implementation of prioritised action frameworks.*

The following project topics contributing to Target 1 of the Biodiversity Strategy to 2020 to fully implement the Birds and Habitats Directives are given priority:

1. Projects aimed at improving the conservation status of habitat types or species (including bird species) of Community Interest<sup>21</sup>, targeting the **Natura 2000 sites** proposed or designated for these habitat types or species.
2. Projects aimed at improving the conservation status of habitat types in Natura 2000 sites or species (including bird species) of Community Interest, provided, their **status is not “favourable/secure and not declining” or “unknown”** according to the most recent overall assessments that Member States have provided at the relevant geographic level according to Article 17 of the Habitats Directive or to the most recent assessments according to Article 12 Birds Directive and EU-level bird assessments.
3. Projects implementing one or several **actions** foreseen in the relevant **Prioritised Action Framework (PAF)**, as updated by the Member States or concrete actions identified, recommended or agreed in the framework of the Natura 2000 bio-geographical seminars.

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<sup>21</sup> The reference to the term "Community interest" used in this context is to be understood as "Union interest".

4. Projects addressing the **marine component** of the implementation of the Habitats and Birds Directives and related provisions under the Marine Strategy Framework Directive descriptor 1, in particular where such projects focus on one or several of the following actions:
  - a. completing and finalising national inventories for setting up the offshore marine Natura 2000 network of sites;
  - b. restoration and management of marine Natura 2000 sites, including the preparation and implementation of site management plans;
  - c. actions addressing species-, habitat- or site-related conflicts between marine conservation and fishermen or other "marine users", as well as actions which combine conservation measures with a sustainable use of Natura 2000 sites;
  - d. demonstrative or innovative approaches to assess or monitor the impact of human activities on critical marine habitats and species as a tool to guide active conservation measures.
5. Projects for improving the conservation status of habitat types or species of Community Interest (including bird species), the actions of which correspond to the **actions** identified in the relevant national or EU-level species or habitat action plans
6. Projects targeting **invasive alien species**, where these are likely to deteriorate the conservation status of species (including birds) or habitat types of Community Interest in support of the Natura 2000 network.

### **LIFE Regulation Annex III**

- (b)** *Thematic priorities for Biodiversity: activities for the implementation of the Union Biodiversity Strategy to 2020, in particular:*
- (i) Activities aimed at contributing to the achievement of Target 2;*
  - (ii) Activities aimed at contributing to the achievement of Targets 3, 4 and 5.*

The following project topics focus on the implementation of Targets 2, 3, 4 and 5 of the Biodiversity Strategy to 2020, in as far as they can be funded under the LIFE programme.

Priority will be given to the project topics listed below:

1. Projects aimed at implementing Target 2 of the Biodiversity Strategy, through the integration of actions to maintain and enhance ecosystems and their services into the activities of the public or private sectors, by **establishing Green as well as Blue Infrastructure and restoring degraded ecosystems**. These projects should test and apply approaches aimed at:
  - a. mapping and assessing (including valuation) of ecosystems including marine ecosystems and their services to contribute to a priority setting for restoration, Green or Blue Infrastructure or No Net Loss;
  - b. restoring ecosystems including coastal and marine ecosystems and their services by applying the Restoration Priority Framework;
  - c. developing methodologies for valuation of and payment for ecosystem services (including tangible and intangible services); or

- d. innovative management schemes addressing, in particular, water related ecosystem services, which could provide potential funding mechanisms to achieve the Biodiversity Strategy targets and contribute to aims of the Water Framework Directive and the Floods Directive.
2. Projects implementing actions targeting **Invasive Alien Species** (under Target 5 of the Biodiversity Strategy or in view of contributing to reaching the level of protection set out in descriptor 2 - Non-indigenous species of the Marine Strategy Framework Directive<sup>22</sup>) through actions testing and applying approaches aimed at:
  - a. preventing the introduction of invasive alien species, in particular by tackling pathways of unintentional introduction,
  - b. establishing an early warning and rapid response system, and
  - c. eradicating or controlling established invasive alien species on an appropriate spatial scale.

These projects shall address with their actions the three steps (prevention; early warning and rapid response; eradication/control) in a comprehensive framework, or, where one of the steps has already been addressed, their actions shall at least be clearly situated in a broader framework that links all three steps. They should be set up to improve existing – or introduce new – technical, administrative or legal frameworks on the relevant level; they should aim at preventing the broader establishment of IAS within the EU.

3. Projects targeting **threatened species** that are not included in the annexes of the Habitats Directive but that have a status of "**endangered**" or **worse** in the European Red Lists ([http://ec.europa.eu/environment/nature/conservation/species/redlist/index\\_en.htm](http://ec.europa.eu/environment/nature/conservation/species/redlist/index_en.htm)) or in the IUCN Red List for those species that are not covered by the European Red Lists (<http://www.iucnredlist.org/>).
4. Pilot or demonstration projects using **innovative ways of direct or indirect financing** (including public and private partnerships, fiscal instruments, biodiversity offsets etc.) for Biodiversity-related activities in the public and private sector.
5. Pilot or demonstration projects testing and then implementing **Green Infrastructure actions** focusing on:
  - a. innovative technologies and the development and application of technical standards regarding them;
  - b. the preservation or restoration of ecosystems for the benefit of human health; or
  - c. cost-efficient technologies and methods that minimise the impact of existing energy and transport infrastructures on biodiversity by strengthening the functionality of spatially linked ecosystems.

### **3.3. PRIORITY AREA ENVIRONMENTAL GOVERNANCE AND INFORMATION**

Pursuant to Article 12 (a) of the LIFE Regulation, the project topics corresponding to this priority area and the related thematic priorities listed in Annex III to the LIFE Regulation, shall pursue the specific objective “to promote awareness raising on environmental matters, including generating public and stakeholder support of Union policy-making in the field of the

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<sup>22</sup>Annex I (2) Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive), OJ 164/19

environment, and to promote knowledge on sustainable development and new patterns for sustainable consumption.”

### **LIFE Regulation Annex III**

#### **Priority area Environmental Governance and Information:**

- (a) *information, communication and awareness raising campaigns in line with the priorities of the 7th Environment Action Programme;*
- (b) *activities in support of effective control process as well as measures to promote compliance in relation to Union environmental legislation, and in support of information systems and information tools on implementation of Union environmental legislation.*

#### **Information, communication and awareness raising campaigns – Annex III, section C, point (a)**

The geographical scope of awareness information, communication and awareness raising campaigns will be taken into account in the assessment of the European added value of proposed projects.

#### **Water**

1. Awareness-raising on **WFD obligations and opportunities**, targeting authorities and other actors who can contribute to identifying cost effective solutions to be included in River Basin Management Plans and regarding flood protection, sediment management, hydropower, navigation, transport, spatial planning, chemical industry, and agriculture.
2. Projects to develop and test **water pricing policies** based on innovative approaches, where the over-user pays principle is added to the polluter pays principle, defining clear and measurable efficiency targets for each area of activity at the relevant level.
3. Projects aiming to initiate **beach and sea clean-up schemes** as a means to increase awareness of the impacts of marine litter, and thereby increasing awareness on issues related to the protection of the marine environment that are targeted by the Marine Strategy Framework Directive (2008/56/EC).
4. Awareness-raising on **MSFD obligations and opportunities** (other than marine litter, see point 3 above), targeting authorities and other stakeholders, in particular from within the fisheries and maritime sectors who can contribute to identifying cost effective solutions to be included in Marine Strategies and Programmes of Measures with a view to the achievement of ‘good environmental status’ in line with the 11 Descriptors set out in Annex I to the MSFD.
5. Projects where stakeholders and authorities collaborate **transnationally** across borders of national jurisdictions on implementing **Sea Basin Strategies**.

#### **Waste**

1. Awareness-raising and training on **phasing out landfilling of recyclable or recoverable waste** (so as to limit landfilling to residual i.e. non-recyclable and non-recoverable waste).
2. Information campaigns raising awareness and encouraging behavioural changes on key waste-related issues with a focus on **waste reduction, in particular regarding WEEE and plastic waste**.

#### **Resource Efficiency including soil and forests, and green and circular economy:**

1. Awareness raising and development of guidance material for **European users of genetic resources**, in particular researchers and SMEs, in order to facilitate compliance with the requirements of the Regulation on Access and Benefit Sharing, as well as support activities for European collections of genetic resources, for instance to improve the organisation and documenting of samples.
2. Awareness-raising campaigns promoting sustainable consumption with a focus on **food waste and optimal storage of food**
3. Awareness-raising campaigns promoting sustainable consumption with a focus on the **consumption of soil and land resources**.
4. Awareness-raising and active intervention information campaigns (both active interventions and general awareness-raising) on the **economic and financial benefits of resource efficiency, including soil**.
5. Capacity building campaigns to allow for **coordination and guidance on relevant and EU representative forest and forest fire information**. These projects should aim at coordinating national or transnational forest fire related information regarding forest fire emissions, the valuation of fire damages, including guidance on cost-efficient use of resources for forest fire prevention, and burnt areas, in particular Natura2000 areas. They should also give guidance regarding a common approach at Union level.

#### **Air quality and emissions, including urban environment**

1. Awareness-raising and training on **air quality in urban areas and its health effects** where people and ecosystems are exposed to high levels of pollutants.
2. Awareness raising by promoting low cost monitoring and evaluation systems for Air Quality.
3. Development and demonstration of integrated systems providing **easy access to publicly available information** on industrial installations, including permits, emission data and inspection reports:

#### **Environment and Health including Chemicals and Noise**

1. Awareness raising of citizens and consumers about **hazard information on chemicals in articles**.
2. Awareness raising of citizens and consumers about the **safe use of chemicals in products bearing a safety warning label**.
3. Awareness-raising of companies (importers, manufacturers, downstream users, retailers, including SMEs) about their **duties under REACH** to notify the presence of substances of very high concern in articles they produce or import, and/or companies' duties under the Biocidal Products Regulations with regard to treated articles.
4. Communication campaigns on **environmental noise data and the health effects of noise** on the population, as required by the Environmental Noise Directive 2002/49/EC.

#### **Nature and Biodiversity**

1. National or transnational awareness raising campaigns with the objective of raising public awareness on **Natura 2000**. These campaigns should be conceived in a way to ensure a significant change in awareness of the natural values (including ecosystem services) for which Natura 2000 has been set up, and, possibly, lead to positive behavioural changes in a large part of the target public and/or specific social, administrative or economic sectors.

2. Awareness raising campaigns on **large carnivores** at the relevant species' population level.
3. National and transnational information and awareness raising campaigns on the EU **Biodiversity Strategy**, aimed at increasing the awareness and understanding of citizens and key stakeholders, including policy makers, businesses, and local, regional or national authorities, of the Strategy's aims and objectives.
4. National and transnational awareness raising campaigns on **invasive alien species (IAS)** targeting the general public and key stakeholders including policy makers, businesses, and local, regional or national authorities.
5. Awareness raising campaigns regarding **Green Infrastructure** targeting key stakeholder groups, promoting best practice, and/or improving the generation, analysis and dissemination of technical and spatial data for the deployment of Green Infrastructure.

### **Governance and enforcement**

1. Awareness-raising and training on **access to justice in the field of environment**, including on how to ensure and measure the efficiency and effectiveness of judicial review procedures, for the judiciary, bodies responsible for the administration of justice, public administrations , and public interest lawyers.
2. Awareness-raising on the **Environmental Liability Directive (ELD)** for industrial operators, loss adjusters, risk assessment experts, decentralised competent authorities (in Member States where the designation of competent authorities is at local or regional level), and environmental NGOs, with regard to the rights and obligations of each stakeholder group.
3. Awareness raising and development of guidance material for researchers, SMEs, and public bodies as **European users of genetic resources**, in order to facilitate compliance with the requirements of the Regulation on Access and Benefit Sharing, as well as support activities for European collections of genetic resources, to improve the organisation and documenting of samples.

### **Activities in support of effective control process as well as measures to promote compliance – Annex III, section C, point (b)**

#### **Enforcement, inspections and surveillance**

1. Projects aimed at increasing the **efficiency and effectiveness of environmental inspections and surveillance**, through:
  - application of risk criteria in a strategic way with a view to assessing, evaluating and mitigating the most serious types of non-compliance with EU environment law;
  - fostering cooperation and coordination between different inspection and surveillance bodies with a view to streamlining and optimising the use of inspection and surveillance resources;
  - the creation and use of electronic records of inspection and surveillance work with a view to enabling the efficiency and effectiveness of such work to be more easily measured and evaluated; and/or
  - optimising the communication and active dissemination to the public of the results of inspection and surveillance work.
2. Projects aimed at increasing the efficiency and effectiveness of activities aimed at **combating environmental crime** through:

- fostering the sharing of experience and best practice between public bodies charged with investigating, prosecuting and adjudicating environmental crime;
- optimising the sharing of intelligence and other information between public bodies charged with investigating environmental crime, notably crime involving cross-border movements of waste, wildlife and timber trade or chemicals, including training for enforcement officers, financial investigation units, customs officers, police officers dealing with environmental crime, prosecutors and the judiciary.

### **Sharing of best practice**

1. Projects supporting the exchange of best practice and development of skills of **Natura 2000 site managers**, following recommendations from the new Natura 2000 bio-geographical seminars.
2. Projects aimed at developing and supporting the role of **networks of volunteers** with the aim of ensuring their long term contribution to the active management of the Natura 2000 network.
3. Projects enhancing **science-policy integration** through the transfer of results and/or best practices, to provide a solid technical background in support of REACH, the Test Methods Regulation<sup>23</sup> or other **chemicals legislation**, or the Directive on the **protection of animals used for scientific purposes**<sup>24</sup>.
4. Projects promoting the exchange of best practices in relation to **air quality legislation** focused on monitoring and modelling, emission inventories, management practices, source attribution, information sharing, coordination and support.
5. Exchange of knowledge and good practice on **green public procurement (GPP)** between public authorities covering at least two of the following elements: green elements in tender documents; evaluation of verification of green criteria; costs and benefits of green purchase; working with existing suppliers to reduce environmental impact and costs of contracts already awarded; monitoring of GPP activities; market consultation; information on market availability; setting up and functioning of central purchasing bodies with specific GPP competence.

### **Promoting non-judicial conflict resolution**

1. Projects aimed at promoting **non-judicial conflict resolution** as a means of finding amicable and effective solutions for conflicts in the environmental field, for example by activities and events aimed at training practitioners or sharing best practice and experience in the use of mediation in the field of the environment.

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<sup>23</sup> [Council-Commission](#) Regulation (EC) No 440/2008 of 30 May 2008 laying down test methods pursuant to Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), OJ L 142 of 31 May 2008, p.1.

<sup>24</sup> Directive 2010/63/EU of the European Parliament and of the Council of 22 September 2010 on the protection of animals used for scientific purposes, OJ L 276 of 20 October 2010, p.33.

#### **4. LINKING THE GENERAL OBJECTIVES TO ACTION GRANTS UNDER THE SUB-PROGRAMME FOR CLIMATE ACTION**

Thematic priorities and project topics are not foreseen as part of action grants implemented under the sub-programme for Climate Action. However, in line with the general objective of the LIFE Regulation, i.e. to improve the development, implementation and enforcement of Union climate policy and legislation and to provide for the required EU added value, the implementation of action grants, will be linked with the three priority areas - climate change mitigation, climate change adaptation and climate governance and information - as well as with the specific objectives as specified by Article 14, 15 and 16 of the LIFE Regulation.

The LIFE Programme will contribute to the transformation of the Union into a low carbon society, a central part of the Europe 2020 climate and energy package. Emerging climate mitigation technology will be facilitated through extended piloting and integrative demonstration. EU climate policy will be firmly linked to local impulse and initiatives and showcase examples of new and better approaches to implement this transition. The implementation of greenhouse gas accounting and climate change mitigation in the land use sector will also be developed.<sup>25</sup> LIFE will finally support the implementation of the EU climate change adaptation strategy so as to contribute to a more climate resilient Union<sup>26</sup>.

Based on these considerations, current and future EU policy could be supported by applications addressing the following areas:

- Support for implementation of adaptation strategies. This would include specific vulnerability assessments at regional or cross-border levels focusing on highly vulnerable areas as identified in the EU Adaptation Strategy such as urban, coastal, mountainous and islands areas, marine ecosystems, drought-prone areas or river-basins as well as implementing innovative adaptation approaches, preparation of specific investment plans.
- Support for pioneering a post carbon society. Pioneers and role-models are important to guide the transitory process to low carbon economies and societies. Many technologies, life styles or governance models are piloted in social groups, small communities and by innovators before they become mainstreamed. Support to the deployment of new approaches (model cities or regions) for producing, consuming and governing with a transformational impact, should reflect fully the objectives of the EU climate and energy package or the Roadmap 2050 targets. To succeed, existing low carbon technology should also be examined with regards to non-technology barriers which prevent market penetration.
- Demonstration at regional or sub-regional level of low carbon strategies or land use management plans. This would include mainstreaming of a range of emission reduction and resource efficiency measures across sectors and by using a range of measures to incentivise behavioural change. Support to the development of land management practices which have an impact on emissions and removals of emissions, e.g. as

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<sup>25</sup> Decision No 529/2013/EU of the European Parliament and of the Council of 21 May 2013 on accounting rules on greenhouse gas emissions and removals resulting from activities relating to land use, land-use change and forestry and on information concerning actions relating to those activities, OJ L 165 of 18.6.2013, p. 80–97.

<sup>26</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and social Council and the Committee of the Regions: An EU Strategy on adaptation to climate change (COM/2013/0216 final).

supplementary measures to ones supported under the European Structural and Investment Funds (ESIF).

## **5. TECHNICAL METHODOLOGY FOR THE PROJECT SELECTION PROCEDURE AND SELECTION AND AWARD CRITERIA FOR GRANTS (ARTICLE 24(2)(d) OF THE LIFE REGULATION)**

In the following, the technical methodology for the project selection procedure and, for grants, the main specific eligibility<sup>27</sup> and award criteria pursuant to Articles 2 and 19 of the LIFE Regulation are described. Since the methodology and the criteria are essentially the same for the same project types under both sub-programmes, explicit reference to one of the sub-programmes are made only where there are differences.

For all types of grants, complementarity and optimal use of EU funding, including funding for complementary activities from other financial instruments of the Union, as set out in Article 8 of the LIFE Regulation, will be evaluated and taken into account in the award criterion "EU added value: other aspects". To avoid undesirable overlaps, applicants shall justify why they chose to apply for LIFE funding rather than for other Union funding in case those could also support similar projects or actions.

Projects financed in one priority area that might undermine environmental or climate objectives in another priority area will not be funded unless this impact is clearly explained and justified in the proposal and the possible alternatives and mitigation and adaptation measures have been correctly planned if appropriate.

Further details will be provided in the application and evaluation guidelines, which will be published along with the related calls for proposal. Without prejudice to the LIFE Regulation and the indicative national allocations and to pursue simplification of administrative procedures, the technical methodology for the project selection may be subject to adaptation and to streamlining in each yearly call for proposals.

For projects under the sub-programme for Environment other than integrated projects, indicative national allocations have been established on the basis of Annex I to the LIFE Regulation and of the data available in December 2013 for the period covered by the present MAWP. They will be used in ranking these projects.

In case of an increase or decrease of 10% or more of one of the criteria listed in Annex I for one of the Member States or if a new Member State joins the European Union this will be considered a significant change of the basis for calculation. In case of a significant change the indicative national allocations will be recalculated for all Member States for the remaining period. Before each call, the Commission will verify, whether a significant change has taken place.

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<sup>27</sup> The meaning of the term "selection" in Article 24(2)(d) of the LIFE Regulation includes the meaning of the term "eligibility" in Article 19 LIFE Regulation and Article 131 of the Financial Regulation.

**Indicative national allocations for 2014-2017 for projects other than integrated projects under the sub-programme environment**

Member State	% of the budget						
BE	2.05	EL	3.27	LT	1.02	PT	2.51
BG	3.04	ES	9.33	LU	1.05	RO	4.29
CZ	2.03	FR	9.80	HU	2.42	SI	1.85
DE	10.82	HR	2.52	MT	0.90	SK	2.15
DK	1.61	IT	8.44	NL	2.94	FI	2.45
EE	1.20	CY	1.32	AT	1.85	SE	3.10
IE	1.43	LV	0.96	PL	6.37	UK	9.27

**5.1. ACTION GRANTS**

It will be ensured proposals of applicants who are to be excluded or do not fulfil the general eligibility criteria pursuant to Article 131 of the Financial Regulation will not be retained.

Furthermore, proposals have to fulfil the admissibility requirements (e.g. for some projects submission of the application only digitally) and eligibility criteria (e.g. conformity with Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards<sup>28</sup>) applicable to all LIFE action grants, which will also be explicitly stated in the respective application guidelines. The eligibility criteria applicable to the different project types are referred to under the relevant heading. Criteria that apply in the same way to different project types will only be mentioned under section 5.1.1 (Projects pursuant to Article 18(a), (b), (c) and (h) of the LIFE Regulation).

Pursuant to Article 6(2) of the LIFE Regulation, legal persons established outside the Union may participate in projects referred to in Article 18 of the LIFE Regulation, provided the beneficiary coordinating the project is based in the Union and any activity to be carried out outside the Union meets the requirements set out in Article 6(1) of the LIFE Regulation.

Pursuant to Article 7 of the LIFE Regulation cooperation with the relevant international organisations, their institutions and bodies shall be possible in the course of implementing the LIFE Programme where needed for the purpose of achieving the general objectives set out in Article 3 of the LIFE Regulation.

Moreover, proposals will only be selected if, based on specific supporting documents related to their applicant's performance during previous years, they can demonstrate

- operational capacity – the applicant must have the professional competencies and qualifications required to complete the project and

<sup>28</sup> Commission notice no. 2013/C-205/05, OJ C-205 of 19.07.2013, p. 9.

- financial capacity - the applicant must have stable and sufficient sources of funding to maintain his activity throughout the duration of the project and to participate in its funding.

Article 131 of the Financial Regulation will apply to the selection of public bodies and international organisations with respect to their financial capacity.

### **5.1.1 Projects pursuant to Article 18(a), (b), (c) and (h) of the LIFE Regulation**

The selection of pilot, demonstration, best practice, and information, awareness, and dissemination projects within the meaning of Article 18(a), (b), (c) and (h) of the LIFE Regulation follow the same technical methodology for project selection and are subject to similar eligibility and award criteria, as outlined in the following.

#### **5.1.1.1 Technical methodology for the project selection procedure**

The project selection procedure will be organised as follows:

- Evaluation of proposals

The Commission and/or EA will verify the compliance of each proposal with the eligibility and selection criteria and will evaluate them against the award criteria.

- Preparation of a "preliminary long list" of proposals

The Commission and/or EA will rank the eligible proposals based on merit and in compliance with the rule that at least 55 % of the budgetary resources allocated to projects supported by way of action grants under the sub-programme for Environment shall be allocated to nature conservation and biodiversity (Article 9(3) of the LIFE Regulation). The Commission and/or EA will also endeavour to ensure that at least 15% of the budgetary resources dedicated to the projects are allocated to transnational projects (Article 19(7) of the LIFE Regulation). In addition, regarding projects under the sub-programme for Environment, the Commission and/or EA will ensure geographical balance (Article 19(5) of the LIFE Regulation). The preliminary long list will include all proposals in order of decreasing ranking so that the total of the proposed project budgets equal approximately 130% of the available budget.

- Preparation of the final list of projects to be funded and of the reserve list

After a review phase successful projects will be proposed for funding, within the available budget. A reserve list will be constituted with the best-ranked projects that cannot be funded in view of the available budget. The reserve list will encompass an additional 20% of the available LIFE budget.

- Signature of the grant agreement

#### **5.1.1.2 Eligibility and award criteria**

The following eligibility and award criteria will be applied:

**(a) Eligibility criteria**

A proposal for a project within the meaning of Article 18(a), (b), (c), or (h) of the LIFE Regulation will not be retained for an evaluation of its merit, if the project proposal does not demonstrate that the project:

- contributes to one or several of the general objectives set out in Article 3 of the LIFE Regulation and of the applicable specific objectives in Articles 10, 11, 12 and 14, 15 and 16 of the LIFE Regulation,

- falls within the scope of the priority area of the LIFE sub-programme as set out in Articles 9 and 13 of the LIFE Regulation under which the project proposal was submitted, and
- corresponds to one of the following project types as defined in Article 2\_+(a), (b), (c) and (h) of the LIFE Regulation:

"Pilot projects" are projects that apply a technique or method that has not been applied or tested before, or elsewhere, that offer potential environmental or climate advantages compared to current best practice and that can subsequently be applied on a larger scale to similar situations.

"Demonstration projects" are projects that put into practice, test, evaluate and disseminate actions, methodologies or approaches that are new or unknown in the specific context of the project, such as the geographical, ecological, socio-economic context, and that could be applied elsewhere in similar circumstances.

"Best practice projects" are projects that apply appropriate, cost-effective and state-of-the-art techniques, methods and approaches taking into account the specific context of the project.

N.B.: For Pilot, demonstration and best practice projects in the area of nature conservation and biodiversity, at least 25% of the budget must be dedicated to concrete conservation action (limited exceptions will be possible in view of the specific policy needs and will be explicitly identified in the application guide).

"Information, awareness and dissemination projects" are projects aimed at supporting communication, dissemination of information and awareness raising in the fields of the sub-programme for Environment.

N.B.: Projects focused on **research**<sup>29</sup> or dedicated to the construction of **large infrastructure** do not fall within the scope of the LIFE programme and are therefore **not eligible**.

#### **(b) Award criteria**

The merit of all eligible proposals that fulfil the eligibility criteria, will be evaluated and scored according to the following award criteria and scoring system:

##### **– Technical coherence and quality**

This criterion will focus on the clarity, feasibility and sustainability of the actions proposed in the proposal. The sustainability of the project results in the medium and long term is the capacity to maintain them after project implementation. Successful sustainability presupposes a strategy including tasks to ensure the continuation of necessary project actions and the related funding after the end of the project.

##### **– Financial coherence and quality**

The proposed budget and its consistency with the actions proposed and with the applicable rules as well as the cost-effectiveness of the proposed approach will be evaluated.

##### **– EU added value: extent and quality of the contribution to the specific objectives of the priority areas of the two LIFE sub-programmes**

The extent to which each proposal contributes to one or several of the specific objectives of the priority areas of the two LIFE sub-programmes as set out in Articles 10, 11 and 12 of the LIFE

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<sup>29</sup> Proposals dealing with research may be addressed to the relevant programmes of Horizon 2020: <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/index.html>.

Regulation (for the LIFE Environment sub-programme) and Articles 14, 15 and 16 (for the LIFE Climate Action sub-programme) and the quality of this contribution will be evaluated.

– **EU added value: multi-purpose, synergies, and integration:** Projects that, while focussing on a specific area, include a well-conceived multi-purpose delivery mechanism and improve integration of specific environmental objectives in other policy areas and create synergies with the objectives of other Union policies without compromising the objectives pursued by the LIFE Regulation, will receive higher scoring.

– **EU added value: replicability and transferability:** Replicability and transferability is the potential of the project to be replicated and transferred during and after its implementation. Successful replication and transferability require a strategy including tasks to multiply the impacts of the projects' solutions and mobilise a wider uptake, reaching a critical mass during the project and/or in a short and medium term perspective after the end of the LIFE project. This goes beyond transfer of knowledge and networking, and involves putting the techniques, methods or strategies developed or applied in the project into practice elsewhere.

– **EU added value: other aspects**

Transnational: Transnational proposals shall be favoured, if transnational cooperation is essential to guarantee the achievement of the project's objectives. On the basis of this criterion, additional points may only be given to a proposal if there is sufficient evidence for an added value of the transnational approach.

Green procurement: Proposals that foresee a clear delivery mechanism to ensure an extensive application of green procurement concepts will receive a higher scoring.

Uptake of the results of EU Research and Innovation Programmes: Proposals that foresee to take up the results of environmental and climate-related research and innovation projects financed by Horizon 2020 or by preceding Framework Programmes will receive a higher scoring, if there is sufficient evidence for the added value of this uptake for the project.

➤ **Specific criteria and scoring system for Environment projects**

The specific criteria and scoring system under the sub-programme Environment reflect the fact that only under the sub-programme Environment thematic priorities (Annex III to the LIFE Regulation) and the related project topics (Heading 2 above) were defined.

– **EU added value: contribution to the project topics**

LIFE proposals clearly falling under the project topics implementing the thematic priorities set out in Annex III for the sub-programme Environment as defined in the multiannual work programme will receive additional points under this criterion.

<b>Award criteria</b>	<b>Minimum pass score*</b>	<b>Maximum score</b>
1. Technical coherence and quality	10	20
2. Financial coherence and quality	10	20
3. EU added value: extent and quality of the contribution to the specific objectives of the priority areas of the LIFE sub-programme for Environment	10	20
4. Contribution to the project topics	-	10
5. EU added value: multipurpose, synergies, and integration	7	15
6. EU added value: replicability and transferability	5	10
7. EU added value: transnational, green procurement, uptake	-	5
<b>Overall (pass) scores</b>	<b>55</b>	<b>100</b>

\*A project proposal has to reach at least the minimum pass score for each award criterion and also the sum of scores for criteria for which a minimum score has been fixed has to be equivalent to 55 points or more.

➤ **Specific criteria and scoring system for Climate Action projects**

– **EU added value: Contribution to an increased climate resilience and/or to the reduction of greenhouse gas emissions**

Projects under the sub-programme for Climate Action need to demonstrate a transformative impact on increased climate resilience and/or on the reduction of greenhouse gas emissions. This should contribute to the shift towards a resource-efficient, low-carbon and climate-resilient economy. It will be assessed at the level of the project itself and at the level of the potential of wider replication/transferability of the project's results achieved during the project or in a post-project stage.

<b>Award criteria</b>	<b>Minimum pass score*</b>	<b>Maximum score</b>
1. Technical coherence and quality	10	20
2. Financial coherence and quality	10	20
3. EU added value: Extent and quality of the contribution to an increased climate resilience and/or to the reduction of greenhouse gas emissions	7	15
4. EU added value: Extent and quality of the contribution to the specific objectives of the priority areas of the LIFE sub-programme for Climate Action:	7	15
5. EU added value: quality of multipurpose, synergies, and integration	7	15
6. EU added value: replicability and transferability	5	10
7. EU added value: transnational, green procurement, uptake	-	5
<b>Overall (pass) scores</b>	<b>55</b>	<b>100</b>

\*A project proposal has to reach at least the minimum pass score for each award criterion and also the sum of scores for criteria for which a minimum score has been fixed has to be equivalent to 55 points or more.

### **5.1.2 Integrated Projects pursuant to Article 18(d) of the LIFE Regulation**

The submission and selection process of Integrated Projects (hereinafter ‘IP’) has been designed based on a two stage procedure as foreseen in the LIFE Regulation. It should facilitate the work of potential applicants and ensure that they receive the best possible guidance from the Commission during the process. The workflow is structured in a way to accompany the progressive development and fine tuning of each proposal. Within the limits allowed for by thematic allocation and geographical distribution rules of the LIFE Regulation, the principle of equal treatment of all proposals will be strictly applied throughout all phases of the evaluation process.

#### **5.1.2.1 Technical methodology for the project submission and selection procedure**

##### **Stage 1:**

- Call for proposals
- Submission of a concept note

The applicant submits a short concept note outlining the project contents, and the plan or strategy it is intended to implement and a financial plan for the overall implementation of the plan or strategy.

- Concept note evaluation and question answer phase

On the basis of the concept note, the Commission identifies and lists the proposals that comply with the eligibility criteria. Applicants of proposals that comply with these criteria will be invited to participate in a written question and answer phase, during which they can submit questions related to the preparation of a full proposal. At the end of this phase the Commission will render public the questions and answers in an anonymised manner to equally assist all applicants prepare their full proposal. Where appropriate, the Commission will supplement the questions and answers with guidance regarding typical difficulties that applicants might have encountered and that became apparent in the concept notes.

**Stage 2:**

– **Submission of the full proposal:**

Applicants of eligible concept notes are invited to submit a full proposal.

– **Full proposal evaluation**

The Commission, following an in-depth evaluation, prepares a "preliminary long-list" of ranked proposals that may be considered for financing. The ranking is based on merit, and, under the sub-programme for Environment, also in compliance with the rule that 55% of the resources allocated to action grants have to be allocated to nature conservation and biodiversity, and with the geographical distribution criteria as set in Article 19(4) of the LIFE Regulation. The Commission also verifies the financial and operational capacity of the applicants to carry out the project.

– **Preparation of the final list of projects to be funded and of the reserve list**

After a review phase, successful projects will be proposed for funding, within the available budget. A reserve list will be constituted with the best-ranked projects that cannot be funded in view of the available budget. The reserve list will encompass an additional 20% of the available LIFE budget.

– **Signature of the grant agreement**

While the two stage approach will be applicable throughout the duration of the multiannual work programme, the Commission may adapt the process described above in view of the experience gained.

In ranking IPs, the Commission shall ensure geographical balance by indicatively allocating one to two IPs to each Member State during the duration of the present MAWP in order to ensure that over the entire funding period from 2014-2020 Article 19(4) of the LIFE Regulation is observed.

### **5.1.2.2 Eligibility and award criteria**

The following eligibility criteria will be applied to both the concept note and the full proposal.

**(a) Eligibility criteria**

A proposal is rejected, if it does not comply with one or several of the following criteria:

1. **Large territorial coverage:** Implementation of the targeted Union plan or strategy will cover a large territorial area, in particular, regional, multi-regional, national or trans-national. A multi-city approach may also be acceptable for IP dealing with air quality management, as well as for IP in the climate sub-programme.
2. **Mobilisation of other funds:** Complementary to the IP itself and to the specific co-funding required for it under the LIFE Regulation (Article 20(1)(a) and (c)), at least one

other relevant Union, national or private funding source will be mobilised for the implementation of the targeted Union plan or strategy.

3. Involvement of key stakeholders: The key stakeholders will be involved in the implementation of the targeted Union plan or strategy.

**(i) Specific eligibility criterion for projects under the sub-programme Environment**

The IP is not eligible if it does not aim at implementing one of the following environmental plans or strategies required by specific environmental Union legislation, developed pursuant to other Union acts or developed by Member States' authorities:

- a. Prioritised Action Frameworks pursuant to Article 8 of the Habitats Directive;
- b. Waste Management Plans pursuant to Article 28 of the Waste Framework Directive;
- c. River basin management plans pursuant to Annex VII to the Water Framework Directive; or
- d. Air quality plans pursuant to the Air Quality Directive.

**(ii) Specific eligibility criterion for projects under the sub-programme Climate Action**

The IP must aim at implementing one of the following climate plans or strategies required by specific climate Union legislation, developed pursuant to other Union acts or developed by Member States' authorities in one of the following areas:

- a. National, regional or local specific adaptation strategy or action plan
- b. Urban or community-based action plan pioneering the transition to a low carbon and/or climate resilient society
- c. National, regional or industry/sector specific greenhouse gas mitigation strategy or low carbon economy roadmap.

**(b) Award criteria**

The following award criteria will only be applied to the full proposal. All proposals that meet the eligibility (and selection) criteria are admitted to an in-depth evaluation of their quality in the award phase. A proposal admitted to this phase will be given scores on the basis of the following award criteria:

Award criteria	Minimum pass score*	Maximum score
1. Technical coherence and quality	10	20
2. Financial coherence and quality	10	20
3. EU added value: extent and quality of the contribution to the objectives	15	20
4. EU added value: extent and quality of mobilisation of other funds, in particular Union funds	-	10
5. EU added value: quality of multipurpose, synergies and integration	7	15
6. EU added value: replicability and transferability	5	10
7. EU added value: transnational, green procurement, uptake	-	5
<b>Overall (pass) scores</b>	<b>55</b>	<b>100</b>

\*A project proposal has to reach at least the minimum pass score for each award criterion and also the sum of scores for criteria for which a minimum score has been fixed has to be equivalent to 55 points or more.

The following award criteria are specific or contain elements that are specific to integrated projects:

– **EU added value: extent and quality of the contribution to the objectives**

The extent to which each proposal contributes to one or several of the general and specific objectives of LIFE as set out in articles 3, 10, 11 and 12 (LIFE Environment) and in articles 3, 14, 15 and 16 (LIFE-Climate Action) of the new LIFE Regulation will be evaluated.

The following specific aspects will be checked depending on the priority areas within which the project falls:

➤ **Specific criteria for projects under the sub-programme Environment**

– IP dealing with the implementation of Prioritized Framework Programmes (PAF) for NATURA 2000:

The EU added value will have to be argued with regard to the project's contribution towards achieving target 1 of the EU Biodiversity Strategy and the general objectives of the Habitats and Birds Directives, and in particular with respect to the contribution towards improving the conservation status of species and habitat types of Community Interest (Habitats Directive) and/or the status of bird species (Birds Directive).

– IP implementing river basins management plans:

The EU added value will have to be argued with regard to their contribution towards achieving WFD objectives. Proposed actions should target significant pressures affecting the environment's capacity for water retention and the use of low impact measures (e.g. green infrastructure) for depollution.

Such pressures should have been identified in the assessments carried out by MS for the preparation of implementation plans for relevant EU legislation and policies (e.g. WFD, MSFD, UWWTD, DWD, Bathing Water Directive, Flood directive and/or Drought plans).

The projects should focus on large scale (e.g. sub-catchment or river basin) planning and establishment of measures to increase water retention in urban and rural areas, enhance infiltration, increase water storage capacity and remove pollutants through natural or "natural-like" processes. They should seek synergies to implement actions that will redress existing hydro morphological pressures and improve biodiversity and amenity value.

– IP dealing with implementation of waste management plans:

The IP is designed to support the implementation of the Waste Management Plans (WMP) as required by article 28 of the Waste Framework Directive 2008/98 (WFD) and/or Waste Prevention Programmes (WPP) as requested by article 29 of the WFD.

Their EU added value will be assessed with regard to their contribution to the implementation of the waste hierarchy (art 4 of the WFD), the achievement of the recycling targets as foreseen in article 11 of the WFD and additional targets included in the EU waste legislation, as well as the implementation of necessary measures to support those objectives.

– IP dealing with the implementation of air quality plans and programs:

The IP is designed to support the implementation and monitoring of local and regional air quality plans as defined by Directive 2008/50/EC with the ultimate goal of contributing to National Air Pollution Reduction Programmes. If based on local Air Quality plans, projects should include coordination and cooperation between at least five cities with such plans; if based on a regional Air Quality Plan, projects should include coordination and cooperation between all local administrations and the regional administration. Large scale projects will be favoured.

➤ **Specific criteria for Climate Action projects**

– IP dealing with the implementation of climate change mitigation strategies, plans and roadmaps:

The IP supports the implementation of greenhouse gas mitigation strategies, plans or low carbon economy roadmaps and concern specific municipalities or regions (e.g. as announced in the Covenant of Mayors), industrial or agricultural (by analysing land use on a regional scale, the social and economic context) sectors, or other economic sectors by introducing technology and service based approaches in a sustainable and innovative way. The IP could be complemented with necessary infrastructure investments or the development and deployment of innovative technologies and services in cities, regions and/or communities supported through other relevant Union funding programmes, also specified in the strategy/plan/roadmap. Their EU value added will be assessed with regard to the contribution of the IP to the reduction of greenhouse gas emissions, the level of mainstreaming into different policies, the direct involvement of a

broad range of stakeholders, and the extent to which the IP is an operative part of the strategy/plan/roadmap.

- IP dealing with the implementation of climate change adaptation strategies, plans and roadmaps:

The IP is designed to implement climate change adaptation strategies, plans or address specific climate change vulnerabilities (e.g. coastal areas, drought-prone areas and other priority areas as identified under Action 2 of the EU Adaptation Strategy). Measures funded from national sources or measures funded from other relevant Union funding programmes should complement the measures to be funded via the LIFE programme in order to implement an overarching adaptation strategy or plan. Support could e.g. be given to flood management in a cross-border river/coastal area or to urban adaptation measures involving several cities. Synergies with other environmental and climate policies should be a central theme of adaptation projects, e.g. climate change adaptation and biodiversity should be promoted, wherever relevant. EU value added will also be assessed with regard to the contribution of the IP to meeting the EU Adaptation Strategy's objectives<sup>30</sup>, the level of mainstreaming into different sectors and the involvement of a broad range of stakeholders.

- **EU added value: Extent and quality of the mobilisation of other funds, in particular Union funds:** The quality of the coordination with other funding mechanism(s) and the level of mobilisation of other funds complementary to the LIFE foreseen (beyond the minimum necessary for eligibility) as well as the likelihood of their actual mobilisation and their functional link to the plan to be implemented will determine, whether an IP receives additional points under this criterion. IPs which are likely to mobilise Union funds with a functional link to the plan to be implemented and which foresee a satisfactory coordination mechanism will receive a higher score.
- **EU added value: Quality of multi-purpose mechanism, synergies and integration:** IP proposals will have to present particularly high quality multi-purpose delivery mechanisms (e.g. aiming at environmental and climate benefits and capacity-building) that make it possible to achieve results in other policy areas<sup>31</sup>, to create synergies with these policies and to integrate environmental and climate action objectives in them.

### 5.1.3 Technical Assistance Projects pursuant to Article 18(e) of the LIFE Regulation)

Technical assistance projects provide, by way of action grants, financial support to help applicants prepare integrated projects. A maximum of 1% of the yearly budget allocated to IP may be made available to technical assistance projects. The maximum EU contribution per technical assistance project is fixed at 100 000€.

#### 5.1.3.1 Technical methodology for the project selection procedure

The selection of technical assistance projects will follow the same technical methodology for project selection under both sub-programmes. A fast track approach will be applied.

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<sup>30</sup> [http://ec.europa.eu/clima/events/articles/0069\\_en.htm](http://ec.europa.eu/clima/events/articles/0069_en.htm)

<sup>31</sup> in particular the marine environment in accordance with the objectives of Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for Community action in the field of marine environmental policy (Marine Strategy Framework Directive), OJ L 164, 25.6.2008, p. 19.

The project selection procedure will be organised as follows:

– Evaluation of proposals

The Commission will verify the compliance of each proposal with the eligibility and selection criteria and will evaluate them against the award criteria.

– Preparation of the final list of projects to be funded and of the reserve list

After a review phase, successful projects will be proposed for funding, within the available budget. A reserve list will be constituted with the best-ranked projects that cannot be funded in view of the available budget. The reserve list will encompass an additional 20% of the available LIFE budget.

– Signature of the grant agreement

### 5.1.3.2 Eligibility and award criteria

The following main specific eligibility and award criteria will be applied:

**(a) Eligibility criteria**

A proposal for a technical assistance project is only retained for evaluation against the award criteria, if:

- the project proposal aims at the preparation of a future IP proposal.
- the applicant is not a Member State which receives financing for a capacity building project which covers at least a part of the period to be covered by the technical assistance project.

**(b) Award criteria**

The merit of all eligible proposals will be evaluated and scored according to the following award criteria and scoring system:

Award criteria	Minimum pass score*	Maximum score
1. Technical coherence and quality	30	60
2. Financial coherence and quality	20	40
<b>Overall (pass) scores</b>	<b>55</b>	<b>100</b>

\*A project proposal has to reach at least the minimum pass score for each award criterion and also the sum of scores for criteria for which a minimum score has been fixed has to be equivalent to 55 points or more.

– **Technical coherence and quality**

The clarity, coherence and feasibility of the proposal will be evaluated in view of the project objectives and its expected results. The nature and the scope of the future IP will be taken into account.

– **Financial coherence and quality**

The proposed budget and its consistency with the actions proposed and with the applicable rules as well as the cost-effectiveness of the proposed approach will be evaluated. The value for money of the proposal will also be assessed.

#### **5.1.4 Capacity-Building Projects pursuant to Article 18(f) of the LIFE Regulation**

Capacity-building projects provide financial support to activities required to build the capacity of Member States, including LIFE national or regional contact points, with a view to enabling Member States to participate more effectively in the LIFE Programme.

Interventions may include, but shall not be limited to:

- recruitment of new personnel and training for LIFE national or regional contact points;
- facilitating exchanges of experience and best practices and promoting the dissemination and use of results of projects under the LIFE Programme;
- 'train the trainer' approaches;
- exchange and secondment programmes between public authorities in Member States, in particular 'best in class' exchange activities.

The interventions covered by the capacity-building plan may include the procurement of experts to address ad-hoc gaps in technical and process capability, but may not include the procurement of experts whose primary function is the drafting of proposals for submission under the annual calls for proposals.

##### **5.1.4.1 Technical methodology for the project selection procedure**

Applications for capacity-building projects will follow a fast-track award procedure. Considering the fact that pursuant to Article 19 (8) capacity building projects can only be allocated to a predefined number of Member States and only one project per Member State can be subsidised, there is no competition among received applications. Therefore applications may be submitted on a rolling basis from the date of publication of the 2014 call for proposals for LIFE action grants, which will include the application package for capacity building projects. Applications must be submitted before the end of the 3<sup>rd</sup> quarter of 2015 in order to be considered for the financing period 2014-2017.

Applications will be assessed to ensure compliance with the eligibility criteria and award thresholds below.

Grants will be signed upon successful conclusion of the evaluation process.

##### **5.1.4.2 Eligibility and award criteria**

The following eligibility and award criteria will be applied:

###### **(a) Eligibility criteria**

The application has to fulfil the following eligibility criteria:

- The applicant is a **Member State** for which
  - The GDP per capita in 2012 was not above 105 % of the Union average, and either
  - the average absorption level of the indicative national allocation for the years 2010, 2011 and 2012, as established under Article 6 of Regulation (EC) No 614/2007, is below 70 % or
  - the GDP per capita in 2012 was below 90 % of the Union average, or
  - accession to the Union was after 1 January 2013.

- The application contains a **capacity-building plan**, in which the Member State **commits**:
  - to maintain resources dedicated to the LIFE Programme, including staffing levels, at levels no lower than those in place in 2012 for the duration of the present MAWP;
  - to not apply for a further capacity building project, if the capacity building project is granted.
- (b) **Award criteria**
- **Technical coherence and quality** in capacity building projects refers to the proposed interventions in order to develop the Member State’s capacity to submit successful applications for funding for projects under the sub-programmes for Environment and Climate Action.

The merit of all eligible proposals will be evaluated and scored according to the following award criteria and scoring system:

<b>Award criteria</b>	<b>Minimum pass score*</b>	<b>Maximum score</b>
Technical coherence and quality	15	30
Financial coherence and quality	10	20
Comprehensiveness of the approach in relation to the identified weaknesses leading to the Member State's low participation in LIFE+ 2010-2012 programmes	15	30
Presentation of the expected improvement of the ability to promote integration, complementarity, synergies and replicability of the Life Programme into policies, economic activities and other programmes	10	20
<b>Overall (pass) scores</b>	<b>55</b>	<b>100</b>

\*A project proposal has to reach at least the minimum pass score for each award criterion and also the sum of scores for criteria for which a minimum score has been fixed has to be equivalent to 55 points or more.

### **5.1.5 Preparatory Projects pursuant to Article 18(g) of the LIFE Regulation**

Preparatory projects address specific needs for the development and implementation of Union environmental or climate policy and legislation.

#### **5.1.5.1 Technical methodology for the project selection procedure**

Once a year the Commission makes an inventory of specific needs regarding the development and implementation of Union environmental or climate policy and legislation that need to be addressed during the following years and identifies among them the needs that could be addressed by preparatory projects. A maximum of 1% of the resources allocated to action grants (other than integrated and technical assistance projects) may be reserved for preparatory projects.

Before launching the annual call for proposals, Member States receive a draft list of specific needs that could be addressed by preparatory projects and will be asked to comment. Based on these comments, the final list is established.

The Commission defines specific selection and award criteria for the projects thus identified, the project duration, and the indicative budget to be allocated to each project.

The project selection procedure will be organised as follows:

– Evaluation of proposals

The Commission will verify the compliance of each proposal with the eligibility and selection criteria and will evaluate them against the award criteria.

– Preparation of the final list of projects to be funded and of the reserve list

After a review phase, successful projects will be proposed for funding, within the available budget. A reserve list may be constituted, if appropriate.

– Signature of the grant agreement

### 5.1.5.2 Eligibility and award criteria

The following eligibility and award criteria will be applied:

**(a) Eligibility criteria**

The specific eligibility and selection criteria will be defined in each call. They will be based on the specific needs to be addressed by preparatory projects defined by the Commission in collaboration with the Member States.

**(b) Award criteria**

Preparatory projects will be awarded to the person(s) or legal entity/ies which submit/s a proposal which surpasses the pass score and which reach/es the highest score/s regarding the following criteria:

<b>Criteria</b>	<b>Minimum pass score*</b>	<b>Maximum score</b>
Technical coherence and quality of the proposal in relation to the specific need addressed	22	45
Comprehensiveness of the approach in relation to the specific need addressed	15	30
Financial coherence and quality	12	25
<b>Overall (pass) scores</b>	<b>55</b>	<b>100</b>

\*A project proposal has to reach at least the minimum pass score for each award criterion and also the sum of scores for criteria for which a minimum score has been fixed has to be equivalent to 55 points or more.

### 5.1.6 Projects needed for the purpose of achieving the general objectives set out in Article 3 of the LIFE Regulation

Other projects (pilot, demonstrative or other) could be financed according to Art. 190 of the Rules of application of the financial regulation (hereinafter 'RAF') on the basis of the criteria described below.

#### 5.1.6.1 Technical methodology for the project selection procedure

If the Commission identifies a need for a specific ad hoc project for the purpose of achieving the general objectives set out in Article 3 of the LIFE Regulation, it may publish a call for proposal. The resources to be allocated to such projects will not count towards the minimum resources to be allocated to projects according to Article 17(4) of the LIFE Regulation.

#### 5.1.6.2 Eligibility and award criteria

##### (a) Eligibility criteria

Other projects shall:

- **contribute to** one or several of the **general** objectives set out in Article 3 LIFE Regulation **and** of the **applicable specific objectives** in Articles 10 to 12 and 14, to 16 of the LIFE Regulation,
- **fall within the scope of the priority area** of the LIFE sub-programme as set out in Articles 9 and 13 of the LIFE Regulation under which the project proposal was submitted.

##### (b) Award criteria

Other projects will be awarded to the person(s) or legal entity/ies which submit/s a proposal which surpasses the pass score and which reach(es) the highest score(s) regarding the following criteria:

Criteria	Minimum pass score*	Maximum score
Technical coherence and quality of the proposal in relation to the specific need addressed	22	45
Comprehensiveness of the approach in relation to the specific need addressed	15	30
Financial coherence and quality	12	25
<b>Overall (pass) scores</b>	<b>55</b>	<b>100</b>

\*A project proposal has to reach at least the minimum pass score for each award criterion and also the sum of scores for criteria for which a minimum score has been fixed has to be equivalent to 55 points or more.

## 5.2. OPERATING GRANTS

Article 21 of the LIFE Regulation provides for support for certain operational and administrative costs for non-profit making entities which pursue an aim of general Union interest, are primarily active in the field of environment and/or climate action and are involved in the development, implementation and enforcement of Union policy and legislation.

One call for proposals for annual operating grants will be organised for co-financing the 2015 financial year of the beneficiary. Starting from 2016, a system of biannual framework partnership agreements for operating grants will be put in place. This will ensure striking a balance between the need for more certainty and stability of the beneficiaries while maintaining a certain level of competition among non-profit making entities.

Operating grants outside the call for proposals may be awarded in duly justified exceptional cases as defined in Article 190 Commission Delegated Regulation (EU, Euratom) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (RAF)<sup>32</sup>, in particular where the characteristics of the beneficiary leave no other choice or where the beneficiary is identified as such in a legal basis.

Proposals will be checked for their compliance with eligibility and selection criteria. For proposals that comply with these criteria, the overall relevance and quality will be assessed in relation to the award criteria. Points will be given according to these criteria and a minimum quality level will be required. The final award decision will be taken based on the results of the evaluation process.

### **5.2.1 Selection criteria for operating grants**

The selection criteria shall assess the applicant's financial and operational capacity to complete the proposed work programme.

Applicants will only be selected if, based on specific supporting documents related to their performance during the two previous years, they can demonstrate

- **operational capacity** – the applicant must have the professional competencies and qualifications required to complete the proposed work programme, and
- **financial capacity** – the applicant must have stable and sufficient sources of funding to maintain his activity throughout the year for which the grant is awarded and to participate in its funding.

In certain exceptional circumstances, notably in the case of a new network created by experienced organisations, the Commission may grant derogation from the requirement of providing supporting documents covering the two previous years.

Article 131 of the Financial Regulation will apply to the selection of public bodies and international organisations with respect to their financial capacity.

### **5.2.2 Award criteria for operating grants**

#### **5.2.2.1 Annual operating grants / Framework partnership agreements for Non-Governmental Organisations (NGO)**

Article 12(d) of the LIFE Regulation lists as a specific objective for the priority area Environmental Governance and Information “to promote better environmental governance by broadening stakeholder involvement, including NGOs, in policy consultation and implementation”.

The following award criteria will apply to the selection of both the beneficiaries of annual operating grants and of framework partners' agreements:

1. Relevance of involvement in the Union’s environmental and climate action policy process:

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<sup>32</sup> OJ L 362, 31.12.2012, p. 1.

- under the thematic objectives of the 7<sup>th</sup> Environment Action Programme:
    - to protect, conserve and enhance the Union’s natural capital;
    - to turn the Union into a resource-efficient, green and competitive low-carbon economy;
    - to safeguard the Union’s citizens from environmental and climate-related pressures and risks to health and wellbeing,
  - under the climate and energy package, the roadmap for moving to a competitive low carbon economy in 2050 and the Union’s adaptation strategy.
2. Relevance and potential to contribute to:
    - maximising the benefits of the Union’s environment and climate action legislation by improving implementation and enforcement,
    - improving the knowledge and evidence base for Union environment and climate action policy,
    - securing investment for environment and climate action policy and address environmental externalities and
    - improving environmental and climate action integration and policy coherence.
  3. Relevance for enhancing the sustainability of the Union’s cities and increasing the Union’s effectiveness in addressing international environmental and climate related challenges.
  4. Relevance in addressing environmental and climate-related emerging issues and new policy priorities.
  5. Effectiveness of the partner's contribution to the Union policy process.
  6. Organisational development – potential to develop in order to become a more efficient stakeholder in the Union’s policy process.

The following additional criterion will apply only to the selection of the annual operating grants:

7. Technical and financial coherence of the work programme.

In the case of framework partnership agreements, the organisations chosen as framework partners will be invited to submit annually their work programme which will be analysed in view of the award of a specific annual operating grant.

For the award of annual specific grants under framework partnership agreements, the following criteria will apply:

1. Compliance of the work programme with the objectives and nature of activities specified in the framework partnership agreement
2. Relevance in addressing environmental and climate emerging issues and new policy priorities
3. Feasibility and internal coherence of the work programme within the time frame
4. Coherence between work programme and proposed budget, including efficient use of resources

### **5.2.2.2 Other operating grants**

The award of other operating grants to non-profit making entities which pursue an aim of general Union interest will be done on the basis of the following award criteria:

1. Relevance of the work programme on the objectives of the LIFE Regulation and, if relevant, the thematic priorities and the project topics;
2. Feasibility and internal coherence of the work programme
3. Cost-Effectiveness of the proposed activities;
4. Potential for a tangible impact on the target groups;
5. Consistency between the activities and the proposed budget.

### 5.3. FINANCIAL INSTRUMENTS

Funding, within the meaning of Article 17(4) of the LIFE Regulation, will be given to the following two pilot financial instruments for the purpose of achieving the general objectives set out in Article 3 of the LIFE Regulation:

- Natural Capital Financing Facility (NCCFF) – a new financial instrument to be piloted under both sub-programmes in order to test and demonstrate innovative financing approaches for projects promoting the preservation of natural capital in the priority areas Nature and Biodiversity and Climate Change Adaptation.
- Private Financing for Energy Efficiency instrument (PF4EE) – a pilot financial instrument under the sub-programme Climate Action, testing a new approach to address the limited access to adequate and affordable commercial financing for energy efficiency investments targeted by national priorities.

The provisions on financial instruments under Regulation (EU, Euratom) No 966/2012 (hereinafter ‘Financial Regulation’), in particular Articles 139 and 140 thereof, are fulfilled as outlined in the following.

Financial instruments supporting projects may take any of the forms referred to in, and shall be implemented in accordance with Title VIII of Regulation (EU, Euratom) No 966/2012 and may be combined with each other and with grants funded under the Union budget.

According to Article 140 (6) annual repayments, including capital repayments, guarantees released, and repayments of the principal of loans, shall constitute internal assigned revenue and shall be used for the same financial instrument for a period not exceeding the period for the commitment of appropriations plus two years.

In preparation of the Implementing Commission Decision on the adoption of the multiannual work programme for the years 2014-2017, the *ex-ante* evaluations of the two financial instruments were submitted to the LIFE Committee and the Commission as information documents.

The Commission will undertake a mid-term evaluations no later than 30 June 2017 (Article 27 of the LIFE Regulation), and will in this context also provide feedback on the implementation of the financial instrument implemented in 2014-2016. The required external evaluation report will assess the relevance and effectiveness of each financial instrument with respect to helping achieve LIFE policy objectives, their efficiency, their utility in addressing market deficiencies and sub-optimal investment situations, and the overall coherence of the financial instruments themselves, as well as providing recommendations for improvements.

The Commission will report at least on an annual basis to the LIFE Committee, while ad-hoc meetings can be called if the need arises. In the first two years of implementation the Commission will report at least three times (autumn 2014, spring 2015, and autumn 2015) to the LIFE Committee on the progress of the financial instruments.

#### 5.3.1 Natural Capital Financing Facility (NCCFF)

##### 5.3.1.1 Contribution to LIFE objectives

The financial instrument will contribute to meeting the LIFE objectives, in particular for the priority areas “nature and biodiversity” under LIFE Environment and “climate change adaptation” under LIFE Climate Action by financing upfront investment and operating costs for revenue-generating or cost-saving pilot projects which promote the conservation,

restoration, management and enhancement of natural capital for biodiversity and adaptation benefits, including ecosystem-based solutions to challenges related to land, soil, forestry, agriculture, water and waste. The NCFE is a new policy instrument for innovative pilot projects. It offers the potential to improve the cost-effectiveness of the LIFE Programme through leverage and complementarity. It contributes to building longer term capacity in an innovative, sustainable commercial finance activity. The NCFE complements and supports Member States' policy objectives in the field of biodiversity and climate change adaptation.

More specifically:

- Regarding nature and biodiversity, the NCFE contributes to implementing Union policy and legislation in the area of biodiversity, including the Union Biodiversity Strategy to 2020, Directive 2009/147/EC and Directive 92/43/EEC, in particular by applying, developing, and testing projects and demonstrating their viability. It also supports the further development, implementation and management of the Natura 2000 network set up in Article 3 of Directive 92/43/EEC, and increases its resilience through protecting and restoring ecosystems also outside the network. However, some types of projects may not apply in Natura 2000 areas.
- Regarding climate change adaptation, the NCFE contributes to implementing Union policy on adaptation, in particular by developing, testing and demonstrating ecosystem based approaches for climate change adaptation. It also contributes to developing and demonstrating innovative adaptation technologies, systems, methods and instruments that are suitable for being replicated, transferred or mainstreamed.

### **5.3.1.2 Structure of the financial instrument**

The implementation of the financial instrument will be entrusted to the European Investment Bank (EIB) by means of indirect management.

The NCFE will combine direct and indirect financing of projects through debt and equity. An expert support facility will be provided in order to ensure that projects reach a sufficient stage of maturity for financing. The NCFE will be developed in two phases: a pilot phase will allow testing different financing options, in order to focus on the most suitable approaches in a second - operational – phase. During the initial pilot phase, the NCFE is expected to execute 9-12 operations (including indirect operations), or 3-4 operations per year.

The European Commission would fund project finance and the expert support facility, with matching amounts by the EIB for project finance. No funding from third parties is planned during the pilot phase. For the second, operational phase, on the basis of the results of the pilot projects, the NCFE would seek additional resources from other public and private investors.

- The NCFE will provide mainly debt instruments (i.e. loans) to finance upfront project investments and operating costs. The loans would be repaid from the revenues generated by the project and/or the general business activity of the recipient. Equity would be used for specific cases, mainly for investments in funds.
- Indirect operations will be undertaken with intermediaries such as banks or investment funds which will then finance a portfolio of projects.

Different types of debt, including mezzanine debt, would be used. When lending to a final recipient, guarantees will be required in the form of a corporate guarantee when the final recipient is a company.

There is no fixed share foreseen for the repartition between debt and equity, at least for the pilot phase, as flexibility is necessary in order to cater the needs of the market and allow for experimentation. Yet, in view of the current market conditions, the facility will target a share of 70% of direct investments and 30% through intermediaries during the pilot phase, although the latter could be higher if demand from intermediaries increases.

The facility will include a risk sharing mechanism with the EIB because the projects supported by the NCFE will be projects that the EIB normally does not invest in, either because they are too small or because their perceived high risk is not compatible with the AAA rating of the bank. To overcome this, the facility will include a risk sharing mechanism whereby the EU funds would absorb first losses in case of project failure. The precise implementation mechanism will be established in a delegation agreement between the Commission and the EIB, which will also define precise exclusion/selection criteria for projects, ensuring that the correct priorities are built in the selection process and that there is sufficient sectorial and geographical coverage.

The financial interests of all participants in the facility are aligned towards reaching the overall objectives of the financial instrument because all participants, including the EIB and the European Union are committing funds to the facility. In addition:

- precise exclusion/selection criteria for projects will be designed, as well as an investment policy that will follow the priorities identified for natural capital management. Finally,
- performance fees will be given to the EIB based on specific indicators designed to ensure that the management of the facility is aligned with the objectives identified.

The allocation of funds will be valid until the last of the transactions under the programme is fully completed.

The initial pilot phase will last from 2014 to 2017. The operational phase would last from 2017-2020. After the end of the operational phase, the facility would need to remain in place with a lighter structure to manage the portfolio and receive the repayments for loans and equity. Since the loan duration would be typically 10 years, it is expected that this phase would last for 10 + 3 years, the three last years to allow for any delay in repayment, or dealing with e.g. the end phase of investment funds that the facility would have invested into.

The management of the financial instrument will be carried out by the EIB. A Steering Committee will review, on a regular basis, the progress on the implementation of the Financial Instrument. The Steering Committee comprises appointments made jointly by the Commission, including line Commission service such as DG ENV, DG CLIMA, DG ECFIN, and the EIB, supported by a secretariat provided by EIB.

A monitoring and reporting mechanism will be set up and the information shared with the LIFE Committee.

Monitoring of the financial instruments will be in line with the requirements laid down in the Financial Regulation (Article 140) and the Delegated Regulation (Article 225) and subsequently as interpreted in the Financial and Administrative Framework Agreement (FAFA) with EIB and consequent Delegation Agreement.

The EIB would be responsible for monitoring the implementation of activities under the financial instrument and for producing performance and financial reports in accordance with a format, content and periodicity to be agreed (initially on quarterly basis), to include regular and ad-hoc reports; site visits; audits. Performance Indicators for reporting from financial institutions to EIB would be used.

### 5.3.1.3 Technical methodology for the project selection procedure

The EIB, together with its network of partners across the EU, will work on identifying a pipeline of potentially relevant projects, also building on specific requests for financing received from potential recipients across the EU..

Projects fall into four broad categories:

- Payments for Ecosystem Services (PES): projects involving payments for the flows of benefits resulting from natural capital, usually a voluntary small scale bilateral transaction with a well identified buyer and seller of an ecosystem service. They are based on the beneficiary pays principle, whereby payments take place to secure critical ecosystem services.
- Green Infrastructure (GI): GI is a strategically planned network of natural and semi-natural areas with other environmental features designed and managed to deliver a wide range of ecosystem services. It incorporates green spaces (or blue if aquatic ecosystems are concerned) and other physical features in terrestrial (including coastal) and marine areas. On land, GI is present in rural and urban settings. GI projects have the potential to generate revenues or save costs based on the provision of goods and services including water management, air quality, forestry, recreation, flood/erosion/fire control, pollination, increased resilience to the consequences of climate change.
- Biodiversity offsets: these are conservation actions intended to compensate for the residual, unavoidable harm to biodiversity caused by development projects. They are based on the polluter pays principle, whereby offsets are undertaken for compliance or to mitigate reputational risks. Projects aimed at compensating damages done to Natura 2000 sites according to Article 6.4. of the Habitats Directive are not eligible for financing under the NCFE.
- Innovative pro biodiversity and adaptation investments: these are projects involving the supply of goods and services, mostly by SMEs, which aim to protect biodiversity or increase the resilience of communities and other business sectors.

The aim will be to identify and finance projects with a sufficiently broad geographical and sectorial coverage, while testing various financial mechanisms, to ensure replicability across the EU during the operational phase. Eligibility rules for projects and investment policy for the Facility (for example setting caps on sectors and geographical coverage, as well as minimum criteria to be met and/or principles to be adhered to, e.g. the mitigation hierarchy<sup>33</sup>) will be defined prior to its set-up and agreed contractually between the European Commission and the European Investment Bank (EIB).

Eligibility criteria will be in line with the nature and biodiversity and climate change adaptation objectives enshrined in the LIFE Regulation, while taking into account Member States' policy priorities in the field of biodiversity protection and climate change adaptation.

Eligible natural capital management projects should be justified by an economic assessment on the basis of a classic cost-benefit-analysis – i.e. that the net present cost of the project over its

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<sup>33</sup> The mitigation hierarchy involves: (1) Avoiding or preventing negative impacts on the environment in general and biodiversity in particular; (2) Minimising and rehabilitating on-site effects of development if impacts cannot be avoided; and (3) Offset/compensation measures that are undertaken as a last resort (on or off-site) for the residual adverse impacts.

life is less than the net present value of the expected benefits, including externalities. In addition to the standard criteria imposed by the EIB for all operations, there will be additional criteria defining the type of projects and sectors covered.

At a minimum, final recipients of the financial instrument must be legal entities and/or natural persons investing in natural capital management projects that can:

- demonstrate that they have a positive impact on ecosystem condition and resilience and on the provision of ecosystem services through a targeted environmental impact assessment;
- pioneer new business models for natural capital management, amongst the typologies identified above, i.e. green infrastructure, payments for ecosystem services, biodiversity offsets, or innovative pro-biodiversity/adaptation businesses or corporates;
- fulfil one of the following criteria:
  - o promote the conservation, restoration, management and enhancement of ecosystems, including through ecosystem-based solutions applied to the sectors of land, soil, forestry, agriculture, aquaculture, water and waste;
  - o promote ecosystem-based approaches that enable businesses and communities to address identified risks associated with current and projected impacts of climate change, including through urban, rural, and coastal green infrastructure projects.

Projects will need to be located in at least one of the EU Member States to be eligible.

When projects are indirectly financed via contribution to funds managed by intermediary financial institutions, the selection of such institutions would be driven by demand and in accordance with the principles of sound financial management, transparency, non-discrimination and the fulfilment, inter alia, of the following requirements:

- (i) to be a private sector or market-based financial institution;
- (ii) to commit and demonstrate operational capacity to distribute the financial instrument;
- (iii) to demonstrate capacity to reach final recipients targeted by the EU or Member State biodiversity or climate change adaptation policies;
- (iv) to undertake the obligations and requirements associated with the distribution of the Financial Instrument;
- (v) to comply with relevant standards and applicable legislation on the prevention of money laundering, fight against terrorism and tax fraud;
- (vi) to provide information required by the European Court of Auditors to allow the discharge of its duties; and
- (vii) to be acceptable as a borrower to the EIB in accordance its credit policy.

### **5.3.2 Private Finance for Energy Efficiency instruments (PF4EE)**

#### **5.3.2.1 Contribution to LIFE objectives**

The PF4EE contributes to meeting the general objectives of the LIFE Regulation as set out in Article 3 and further specified in the priority area “climate change mitigation”. In particular the PF4EE:

- Addresses a major climate policy issue, contributing to the achievement of the Europe 2020 objective to secure energy savings and the associated reduction in emissions;
- Provides the necessary level of piloting and demonstration of a new policy instrument, with major potential to deliver EU added value;
- Complements and supports Member States’ responsibilities under the National Energy Efficiency Action Plans (NEEAPs);
- Offers the potential to improve the cost-effectiveness of the LIFE Programme through leverage and complementarity;
- Builds longer term capacity in a sustainable commercial finance activity, thereby ensuring continuing and long-term support for sustainable development;
- Supports solidarity and burden sharing; and
- Offers the potential to mainstream the initiative into Member State programmes (through NEEAPs and potentially other programmes and initiatives).

#### **5.3.2.2 Structure of the financial instrument**

The implementation of the PF4EE instrument will be entrusted to the European Investment Bank (EIB) by means of indirect management.

The PF4EE instrument will have two core objectives:

- to make energy efficiency (EE) lending a more sustainable activity across European financial institutions, incentivising private commercial banks and other financial institutions (both together “financial intermediaries”) to address the energy efficiency sector as a distinct market segment, and
- to increase the availability of debt financing to projects supporting the energy efficiency priorities of Member States set in the NEEAPs.

The PF4EE instrument will provide (i) a risk participation mechanism (Risk Sharing Facility) for private sector financial institutions and (ii) expert support for financial intermediaries (Expert Support Facility) combined with (iii) EIB long-term funding (EIB Loan for Energy Efficiency).

- The PF4EE would provide a Risk Sharing Financial Instrument with functioning mechanics comparable to a capped guarantee to share the risk between the Commission (as funder) and financial intermediaries (as lenders).
- The RS Facility is designed to reduce the credit risk faced by financial intermediaries when lending to the EE sector and to encourage their participation. The impact will depend on the market conditions and specific characteristics of the projects. The RS Facility is expected to increase lending activity, access to finance and/or better financing conditions to the final recipients, including lower pricing, longer maturities, lower collateral or others.

- To leverage the LIFE contribution, EIB loans will be provided to financial intermediaries at preferential rates for on-lending. Preferential rates will be passed onto final recipients to encourage take-up;
- The recipients are also expected to make a contribution to project costs, which as a result will increase leverage calculated on investment costs;
- The credit risk protection is provided to the financial intermediaries because the objective of the PF4EE instrument is to increase financial intermediaries lending to EE investments. EIB does not normally need a credit risk protection to the extent that it lends to financial intermediaries complying with its credit risk policy, which at present is the assumption made given the pilot phase of the PF4EE.
- If a participating financial intermediaries has losses in the portfolio of loans to which it has on-lent EIB funding (EE loans portfolio), these losses would be partially covered by the Risk Sharing Financial instrument.
- LIFE funding would be used to provide the financial contribution required for the risk-sharing facility and expert support facility, as well as the administration and direct costs incurred by EIB for setting up and managing the instrument;
- A maximum amount of cash (Maximum Available Collateral) would be allocated to each financial intermediary to offset losses in the EE Loan portfolio, but capped at a percentage of the targeted total value of the loan portfolio to be created by the financial institution. This amount would be capped to a specific percentage of the targeted total EE loans portfolio, depending on the risk profile of the targeted final recipients and the agreed risk-sharing option.
- The target final recipients for the PF4EE instrument are expected to be defined in the context of the MS NEEAPs and will be primarily those targeted by the national/regional schemes developed by MS to implement their NEEAPs. They would comprise SMEs and mid-cap larger companies and private individuals, but could also include small municipalities or other public sector bodies undertaking small energy efficiency investments, capable of using energy savings to repay up-front borrowing
- The PF4EE instrument envisages 6-10 financing agreements (EIB Loans for EE and Risk Sharing / Expert support Facilities) signed with financial institutions over the first 4 years, with the potential to extend to 14-20 financing agreements in 7 years.

The PF4EE builds on the Debt for Energy Efficiency Projects (DEEP) Green initiative of EIB. DEEP Green aims at increasing the availability of debt financing for EE investment in the European Union.

The selection of financial intermediaries will be driven by demand and in accordance with the principles of sound financial management, transparency, non-discrimination and the fulfilment, inter alia, of the following requirements:

- (i) to be private sector financial institution;
- (ii) to commit and demonstrate operational capacity to distribute the PF4EE instrument;
- (iii) to demonstrate capacity to reach final recipients targeted by the relevant NEEAP priority and/or energy efficiency support scheme and/or EU Directives relating to energy efficiency within the MS concerned;

- (iv) to undertake the obligations and requirements associated with the distribution of the PF4EE instrument;
- (v) to comply with relevant standards and applicable legislation on the prevention of money laundering, fight against terrorism and tax fraud;
- (vi) to provide information required by the European Court of Auditors to allow the discharge of its duties; and
- (vii) to be acceptable as a borrower to the EIB in accordance with its credit policy and consistent with the geographical distribution targeted by PF4EE.

A broad geographical distribution of the financial instrument over the lifetime of the programme will be ensured by setting maximum geographical concentration ratios and by providing incentives to the EIB to encourage the participation of financial intermediaries across all Member States.

Depending on interest expressed by financial intermediaries, contract negotiations may prioritise those financial intermediaries seeking to operate in Member States where the investment needs (distance to target) are greatest. By negotiating the level of risk protection offered, the EIB will incentivise financial intermediaries to operate in Member States with higher risks reflecting for example significant under-development in the use of loan finance for EE or where the capacity to take-up loans is deemed likely to be especially low. Use of the Expert Support Facility can also be targeted to support financial intermediaries and reduce risk in higher risk Member States.

The PF4EE needs to be operational for as long as underlying loans covered by the RS Facility remain outstanding. Maximum tenor to be allowed under the RS Facility will be 20 years. Therefore the PF4EE will be in place for up to 20 years after the end of the implementation period (2042).

The allocation of funds will be valid until the last of the transactions under the programme is fully completed.

The management of the financial instrument will be carried out by the EIB. A Steering Committee will review, on a regular basis, the progress on the implementation of the Financial Instrument. The Steering Committee comprises appointments made jointly by the Commission, including line Commission services such as DG CLIMA, DG ECFIN and DG ENER, and the EIB, supported by a secretariat provided by EIB.

A monitoring and reporting mechanism will be set up and the information is shared with the LIFE Committee.

Monitoring of the financial instruments will be in line with the requirements laid down in the Financial Regulation (Article 140) and the Delegated Regulation (Article 225) and subsequently as interpreted in the Financial and Administrative Framework Agreement (FAFA) with EIB and consequent Delegation Agreement.

The EIB would be responsible for monitoring the implementation of activities under the financial instrument and for producing performance and financial reports in accordance with a format, content and periodicity to be agreed (initially on quarterly basis), to include regular and ad-hoc reports; site visits; audits. Performance Indicators for reporting from financial institutions to EIB would be used.

### **5.3.2.3 Technical methodology for the project selection procedure**

The recipients include private individuals, home-owner associations, SMEs, corporates and/or public institutions/bodies, undertaking EE investments in line with the NEEAP of each Member States.

The size of the EE loans provided to the recipients range from €40 000, which can be reduced to accommodate small investments within the residential sector, to €5M and in exceptional cases up to €15M.

Member States will be in a position to influence the project pipeline and hence indirectly the selection of projects through the priorities of the NEEAP. Recipients will be those legal entities and/or natural persons that:

- undertake an EE investment within the context of a Member State support scheme and/or in line with the priorities of a NEEAP and/or EU Directives relating to EE;
- borrow an EE loan granted by a participating financial intermediary;
- are eligible for EIB and financial intermediaries lending; and
- have passed an economic analysis which incorporates the costs of carbon externalities, so that the net present cost of the project over its life is less than the net present value of the energy saved.

**6. INDICATIVE TIMETABLES FOR THE CALLS FOR PROPOSALS (ARTICLE 24(2)(f) OF THE LIFE REGULATION)**

**6.1. INDICATIVE TIMETABLES FOR GRANTS**

Project types	Sub-programme	2014	2015	2016	2017
<b>Projects within the meaning of Article 18(a), (b), (c), and (h) of the LIFE Regulation</b>	ENV	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
	CLIMA	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
<b>Integrated projects (Article 18(d) of the LIFE Regulation)</b>	ENV	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
	CLIMA		2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
<b>Technical Assistance projects (Article 18(e) of the LIFE Regulation)</b>	ENV	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
	CLIMA		2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
<b>Capacity building projects (Article 18(f) of the LIFE Regulation)</b>	ENV and CLIMA jointly	Starting 2 <sup>nd</sup> quarter 2014 until 3 <sup>rd</sup> quarter 2015			
<b>Preparatory projects (Article 18(g) of the LIFE Regulation)</b>	ENV	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
	CLIMA		2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
<b>Operating grants (OG) (Article 21 of the LIFE Regulation)</b>	ENV and CLIMA jointly	2 <sup>nd</sup> quarter joint call for proposals for OG for the financial year 2015	2 <sup>nd</sup> quarter framework partnership agreements and OG for the financial year 2016	2 <sup>nd</sup> quarter OG for the financial year 2017	2 <sup>nd</sup> quarter OG for the financial year 2018

**6.2. INDICATIVE TIMETABLES FOR FINANCIAL INSTRUMENTS**

<b>Financial instrument</b>	<b>Sub-programme</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>NCFE</b>	ENV	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
	CLIMA	3 <sup>rd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter
<b>PF4EE</b>	ENV				
	CLIMA	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter	2 <sup>nd</sup> quarter

## **7. QUALITATIVE AND QUANTITATIVE OUTCOMES, INDICATORS AND TARGETS FOR EACH PRIORITY AREA AND TYPE OF PROJECTS (ARTICLE 24(2)(c) OF THE LIFE REGULATION**

In line with the **performance indicators** (Article 3(3) of the LIFE Regulation) and the **specific objectives** for the priority area concerned, for each **priority area and type of project**, qualitative and quantitative **outcomes, indicators and targets** are established (Article 24(2)(c) of the LIFE Regulation).<sup>34</sup>

By limiting the area of application of integrated projects to the implementation of specific strategies, plans and roadmaps under EU legislation in the areas nature, water, waste, and air, climate change mitigation and climate change adaptation, the expected outcomes and the targets to be reached by these projects can be narrowed down.

Under the sub-programme for Environment, the thematic priorities pursuant to Annex III to the LIFE Regulation and the project topics under point 3 of the present MAWP also increase the focus of the projects financed leading to a more tangible impact on the state of the environment. Based on the evaluation of the estimated impact of the LIFE programme some overall outcomes and targets have been defined, taking into account the catalytic function of the programme and hence, where linked to development and implementation, the importance of the replicability of successful projects (Article 3(3)(b) of the LIFE Regulation).

However, the number and scope of successful projects within a priority area mainly depends on the number of eligible applications submitted, that comply with the selection and award criteria, and on technical and socio-economic factors outside the influence of the Commission.

In view of the above, and in order to increase the measurability of the contribution of the LIFE programme to the objectives of the 7<sup>th</sup> EU Environment Action Programme (Article 3(d) of the LIFE Regulation), where possible, expected outcomes have also been defined as outcomes foreseen at project level. Project beneficiaries will have to define the baseline at the outset of their project and the final result in relation to the objectives aimed for. The environmental / climate objectives to be reached by each project should implement or even go beyond the targets, emission limits or objectives set by the relevant Union policies and legislation.

LIFE is a catalyst and replicability of the project content is therefore key to ensuring the programme's effectiveness in bringing about positive results on the environment and climate. While all project proposals aim for replicability in the respective environmental or climate change area, only 80% of pilot and demonstration projects can be expected to be replicable, since there is a risk that the techniques and methodologies to be tested and demonstrated will not bring about the expected results. In addition, in view of possible economic and administrative difficulties, independent of such technical impossibilities not all projects can be expected to be finalised successfully.

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<sup>34</sup> See also the Programme Statement in the Draft Budget for 2014, COM(2013) 450, p. 181ff. N.b.: Indicators and targets in the Programme Statement were drawn up by the Commission on the basis of its proposal from 2011. During the legislative procedure several changes were introduced: capacity and technical assistance projects were introduced, the total budget was lowered by 15% and the amount for Nature and Biodiversity was increased to 55% of the resources allocated to projects (i.e. reducing the amount earmarked for Environment and Resource Efficiency), the co-funding rate was raised to 60% or more for all projects for the period 2014-2020, thematic priorities were introduced, and the percentage of integrated projects was reduced to 30% of the resources allocated to action grants. The outcomes and targets were therefore adapted accordingly.

It should be noted that very few, if any, projects under the new LIFE programme will have finished by 2017, Thus the environmental or climate action targets foreseen will most likely not have been achieved, yet.

Therefore, where the targets refer to ongoing projects, they are actually rather milestones. These milestones consist in having set up the projects in such a way that they can reach the targets by 2020. The few projects that would be finalised by 2017 should naturally reach the target they were set up to meet.

In order to avoid duplication, under each priority area the project types within the meaning of Articles 2 and 18 of the LIFE Regulation foreseen to pursue the related objectives are grouped together, where possible. Project types independent of priority areas, like capacity-building projects, are listed separately.

The indicators are included in the description of the outcomes and targets and are therefore not mentioned separately in the tables below.

## 7.1. SUB-PROGRAMME FOR ENVIRONMENT

For the sub-programme for environment, the general objectives defined in Article 3(1), the specific objectives set out for each priority area in Articles 10, 11, and 12 as well as the performance indicators set out in Article 3(3) of the LIFE Regulation are taken into account.

<b><u>Environment and Resource Efficiency</u></b>			
<b>Projects according to Article 18(a) and (b) of the LIFE Regulation</b>			
<b>Thematic priorities</b>	<i>Quantitative outcomes</i> <sup>35</sup>	<i>Qualitative outcomes</i>	<i>Targets/Milestones 2017</i>
WATER (including the marine environment)	No. of ongoing or finalised projects addressing (inland/transitional/coastal) water bodies with bad ecological status	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards good ecological status at project level	80%
	No. of water bodies with poor ecological status targeted by ongoing or finalised projects	Water bodies (inland/transitional/coastal) covered by ongoing or finalised projects implementing replicable or transferable actions set up to improve their ecological status	100 <sup>36</sup>
WASTE	No. of ongoing or finalised projects aiming at the achievement of EU legal waste targets and the implementation of the waste hierarchy (adequate waste management).	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards adequate waste management	80%
	No. of additional municipalities or regions Union-wide with inadequate waste management targeted by ongoing or finalised projects	Municipalities or regions covered by ongoing or finalised projects implementing replicable or transferable actions set up to reach adequate management of waste	20

<sup>35</sup> Due to the bottom-up approach and the great variety of environmental and climate change challenges addressed by the LIFE programme and the limited funds available to address them, despite the introduction of thematic priorities and project topics, the uptake of projects in specific areas is uncertain and quantitative targets therefore cannot be defined ex ante for most of the priority areas covered and objectives pursued, with the exception of the thematic priorities for nature.

<sup>36</sup> It is expected that between 2015 and 2017, 6,900 waterbodies throughout the Union improve their ecological status, 1,4% of them (100) due to a LIFE contribution.

<b><u>Environment and Resource Efficiency</u></b>			
<b>Projects according to Article 18(a) and (b) of the LIFE Regulation</b>			
<b>Thematic priorities</b>	<i>Quantitative outcomes</i> <sup>35</sup>	<i>Qualitative outcomes</i>	<i>Targets/Milestones 2017</i>
RESOURCE EFFICIENCY (including soil, forests, and green and circular economy)	No. of ongoing or finalised projects implementing the targets of Union policy and legislation regarding in the area of <b>resource efficiency</b> (not including soil and forests).	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards implementing aspects of green circular economy	80%
	No. of additional companies Europe-wide targeted by ongoing or finalised projects	Additional companies covered by ongoing or finalised implementing replicable or transferable actions set up to implement green circular economy	10
	No. of ongoing or finalised projects implementing the objectives of the Union's policy in the area of <b>soil</b> protection.	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards maintaining or improving soil functions	80%
	Ha of land Union-wide targeted by ongoing or finalised projects	Land covered by ongoing or finalised projects implementing replicable or transferable actions set up to maintain and improve soil functions.	2 000
	No. of ongoing or finalised projects promoting the implementation of the European <b>Forest</b> Strategy.	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards implementation of the European Forest Strategy	80%
		Percentage of ongoing or finalised projects implementing replicable or transferable actions set up to provide data for the European Forest Data Centre (EFDAC)	80%

<b><u>Environment and Resource Efficiency</u></b>			
<b>Projects according to Article 18(a) and (b) of the LIFE Regulation</b>			
<b>Thematic priorities</b>	<i>Quantitative outcomes</i> <sup>35</sup>	<i>Qualitative outcomes</i>	<i>Targets/Milestones 2017</i>
ENVIRONMENT and HEALTH (including chemicals and noise)	No. of ongoing or finalised projects implementing Union policy on <b>chemicals</b> including projects promoting the substitution of substances and exposure minimisation	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards reaching or surpassing the relevant Union chemical substance target on project level	80%
	No. of persons Union-wide targeted by ongoing or finalised projects aiming at reducing chemicals	Persons covered by ongoing or finalised projects implementing replicable or transferable actions set up to reduce adverse effects of chemicals on health and environment, including estimates over the long term effects	50 000
	No. of ongoing or finalised projects funded targeting <b>noise reduction</b>	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards reaching or surpassing the relevant Union noise reduction target on project level	80%
		Percentage of ongoing or finalised projects implementing replicable or transferable actions targeting noise reduction progressing towards reducing noise exposure by at least 3 dB	80%
	No. of persons Union-wide targeted by ongoing or finalised noise projects	Persons benefitting from ongoing or finalised projects implementing replicable or transferable actions set up to reduce noise levels by at least 3 dB	10 000

<b><u>Environment and Resource Efficiency</u></b>			
<b>Projects according to Article 18(a) and (b) of the LIFE Regulation</b>			
<b>Thematic priorities</b>	<i>Quantitative outcomes</i> <sup>35</sup>	<i>Qualitative outcomes</i>	<i>Targets/Milestones 2017</i>
AIR quality and emissions (including urban environment)	No. of ongoing or finalised projects contributing to the achievement of EU legal air quality targets and to the implementation of the air quality management.	Percentage of ongoing or finalised projects implementing replicable or transferable actions and progressing towards reaching or surpassing the relevant Union air quality target on project level:  - in Air Quality zones where pollutant levels are above targets established by law: projects foresee to reach/surpass these targets on project levels;  - where Air Quality policies are being developed and implemented: projects foresee to develop new measures, methods or techniques that can serve as models for Union policy development.	80%
	No. of persons targeted by ongoing or finalised air quality projects	Persons covered by ongoing or finalised projects implementing replicable or transferable actions progressing towards reaching or surpassing the relevant Union air quality target.	1 million.

<b><u>Nature and Biodiversity</u></b>			
<b>Projects according to Article 18 (a), (b) and (c) of the LIFE Regulation</b>			
<b>Thematic priorities</b>	<i>Quantitative outcomes</i>	<i>Qualitative outcomes</i>	<i>Targets/milestones 2017</i>
NATURE	No. of ongoing or finalised projects targeting habitats or species in less than favourable/not secure conservation status	Percentage of ongoing or finalised projects set up to improve the conservation status within the meaning of Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora and Directive 2009/147/EC on the conservation of wild birds	100%
	No. of habitats targeted by ongoing or finalised projects in less than favourable/secure conservation status	Percentage of habitats or species or Natura 2000 sites targeted by ongoing or finalised projects that are progressing towards an improved conservation status	10% of the habitats targeted
	No. of species targeted by ongoing or finalised projects in less than favourable/secure conservation status		10% of the species targeted
	No. of the Natura 2000 sites/ha of Natura 2000 sites targeted by ongoing or finalised projects		10% of the Natura 2000 sites/ha of Natura 2000 sites targeted
BIODIVERSITY	No. of ongoing or finalised projects targeting the implementation of targets 2, 3, 4 and 5 of the Biodiversity Strategy to 2020	Percentage of ongoing or finalised projects implementing replicable or transferable actions to improve or restore the targeted ecosystems	80%
	No. of ecosystem types and ha of ecosystem surfaces targeted by ongoing or finalised projects	Percentage of ecosystem types or surfaces targeted by ongoing or finalised projects implementing replicable or transferable actions and progressing towards improvement or restoration	10 % of the ecosystem types targeted
10% of the ecosystem surfaces targeted			

<b><u>Integrated Projects (IPs) - according to Article 18(d) of the LIFE Regulation</u></b>			
<b>Thematic priorities</b>	<i>Quantitative outcomes</i>	<i>Qualitative outcomes</i>	<i>Targets/Milestones 2017</i>
WATER (including the marine environment)	No. of all river basin districts (RBD) Union-wide targeted by ongoing or finalised water IPs	Percentage of RBD covered by water IPs	3%
	No. of ongoing or finalised IPs targeting the implementation of river basin management plans (RBMP)	Percentage of IPs set up to implement compliant and efficient RBMP in the covered RBD, in conformity with the Water Framework Directive	100%
	No. of ongoing or finalised IPs targeting the implementation of RBMP	Percentage of IPs, where complementary funding mobilised through the IPs is greater than the total value of the budgets of these IPs	100%
WASTE	No. of regions Union wide covered by ongoing or finalised waste IPs	Percentage of regions covered by waste IPs	2%
	No. of ongoing or finalised IPs targeting the implementation of Waste Management Plans (WMP) and/or Waste Prevention Programmes (WPP)	Percentage of IPs set up to provide compliant and efficient WMP and/or WPP in the covered Region, in conformity with articles 28 and 29 of the Waste Framework Directive 2008/98.	100%
	No. of ongoing or finalised IPs targeting the implementation of WMP and/or WPP	Percentage of IPs, where complementary funding mobilised through the IPs is greater than the total value of the budgets of these IP	100%

AIR quality and emissions (including urban environment)	No. of persons from regions Union wide targeted by ongoing or finalised Air IPs	Percentage of total Union population from regions covered by air quality IPs	3%
	No. of ongoing or finalised IPs targeting the implementation of Air Quality Plans and Programmes (AQPP)	Percentage of IPs set up to implement compliant and efficient AQPP in regions covered, in conformity with article 23 of the Directive 2008/50 on ambient air quality and cleaner air for Europe.	100%
	No. of ongoing or finalised IPs targeting the implementation of AQPP	Percentage of IPs, where complementary funding mobilised through the IPs is greater than the total value of the budgets of these IPs	100%
NATURE	No. of Natura 2000 sites targeted by ongoing or finalised nature IPs	Percentage of Natura 2000 sites covered by nature IPs	4%
	No. of ongoing or finalised IPs targeting the implementation of Prioritised Action Frameworks (PAFs)	Percentage of IPs set up to implement PAFs to ensure adequate management of Natura 2000 sites	100%
	No. of ongoing or finalised IP targeting the implementation of PAFs	Percentage of IPs, where complementary funding mobilised through the IPs is greater than the total value of the budgets of these IP	100%

<b><u>Information and governance</u></b>			
<b>Projects according to Article 18(h) of the LIFE Regulation</b>			
<b>Thematic priorities</b>	<i>Quantitative outcomes</i>	<i>Qualitative outcomes</i>	<i>Targets/milestones 2017</i>
INFORMATION AND AWARENESS	No. of ongoing or finalised projects aimed at raising the awareness of citizens, enterprises, local authorities, registered non-governmental (NGO) and other civil society organisations (stakeholders and citizens)	Percentage of ongoing or finalised projects implementing replicable or transferable actions progressing towards covering more than two other areas beyond the project area and more than one language	80%
	No. stakeholders and citizens targeted by ongoing or finalised projects, unaware of the environmental objectives regarding which awareness is to be raised	Percentage of increase of stakeholders and citizens targeted by awareness raising projects implementing replicable or transferable actions becoming aware of the environmental policy objectives pursued by these projects as measured in ex-ante and ex-post surveys (carried out by LIFE projects or other entities)	25%
	No. of stakeholders and citizens targeted by ongoing or finalised projects	Active participation of stakeholders and citizens in awareness raising activities offered by projects implementing replicable or transferable actions (e.g. participation in surveys, volunteering, participation in guided tours, downloading of information, submission of questions)	> 500 000
ENFORCEMENT	No. of projects targeting improved compliance and enforcement of EU environmental law	Percentage of ongoing or finalised projects implementing replicable or transferable actions progressing towards an improved compliance or enforcement	10%
NGO	No. of interventions by NGOs receiving operating grants in consultations on EU environmental policy	Percentage of increase of interventions supporting EU policy	12%

<b>Other projects</b>			
<b>Projects according to Article 18(e) and (f) of the LIFE Regulation</b>			
	<i>Quantitative outcomes</i>	<i>Qualitative outcomes</i>	<i>Targets/milestones 2017</i>
Technical assistance projects	No. of ongoing or finalised technical assistance projects	Ongoing or finalised technical assistance projects preparing IPs.	10 preparing Nature IPs, 5 preparing Waste, Water or Air IPs
	No. of ongoing or finalised technical projects	Percentage of ongoing or finalised technical assistance projects leading to EU LIFE integrated projects of improved quality	90%
Capacity building projects	No. of projects dedicated to capacity building	Percentage of ongoing or finalised capacity building projects progressing towards an increase in uptake in the Member States concerned	90%
	No. of successful action grant applications originating from Member States with ongoing capacity building projects	Increased relative share of successful applications originating from Member States with ongoing or finalised capacity building projects compared to uptake between 2010 and 2012 (in percent)	5%

**7.2. SUB-PROGRAMME FOR CLIMATE ACTION**

<b>Mitigation</b>			
	<i>Quantitative outcomes</i>	<i>Qualitative outcomes</i>	<i>Targets/ milestones 2017</i>
Integrated Projects	<p>No. of projects</p> <p>No. and area coverage and citizens reached under climate change mitigation strategies or action plans implemented.</p> <p>No. and volume of complementary projects funded by other Union or other funds.</p>	<p>Increased no. of Member States/regions applying integrated approaches, with support from an IP or replicating the results from an IP.</p> <p>Increased no. of complementary measures in Integrated Projects financed by other Union Funds.</p> <p>Tons of greenhouse gasses reduced by new technologies, systems, instruments and/or other best practice approaches developed and taken up following LIFE examples.</p>	<p>7 Member States applying integrated approaches with support from an IP or replicating the results from an IP.</p> <p>Complementary finance mobilised through IPs is greater than the total value of the budgets of these IPs.</p>
Technical assistance projects	<p>No. of projects</p> <p>Percentage of technical assistance projects leading to a LIFE IP</p>	<p>Increased No. and improved quality of IP linked to technical assistance</p>	<p>100% of projects have led to a LIFE IP.</p>
Capacity building projects	<p>No. of projects.</p>	<p>Increased relative share of successful applications from Member States eligible for capacity building.</p>	<p>7 Member States have at least one mitigation project funded through LIFE climate sub programme.</p>
Other projects	<p>No. of projects.</p> <p>No. of funded projects promoting innovative technologies, systems and instruments and/or other best practice solutions for greenhouse gas emissions reduction.</p>	<p>Increased No. innovative technologies, systems and instruments and/or other best practice solutions for the reduction of greenhouse gas emissions.</p> <p>Increased percentage of updated or new approaches developed through LIFE that have been systematically used or improved by the private and public sectors.</p> <p>Tons of greenhouse gasses reduced by new</p>	<p>80% of all projects started set up lasting innovative technologies, systems and instruments and/or best practice solutions for the reduction of greenhouse gas emissions.</p>

		technologies, systems, instruments and/or other best practice approaches developed and taken up following LIFE examples.	
<b>Adaptation</b>			
	<i>Quantitative outcomes</i>	<i>Qualitative outcomes</i>	<i>Targets/milestones 2017</i>
Integrated Projects	<p>No. of projects</p> <p>No. and area coverage and citizens reached under adaptation strategies or action plans, or other adaptation plans with large territorial scope implemented through LIFE.</p> <p>No. of trans-regional or cross-border adaptation projects.</p> <p>Number and volume of complementary projects funded by other Union or other funds.</p>	<p>Positive impact on climate resilience in a region and economic sectors through actions funded under LIFE and other complementary projects.</p> <p>Increased No. of MS/regions applying integrated approaches with support from an Integrated Project or replicating the results from an IP.</p> <p>Increased No. of complementary measures financed by other Union Funds.</p> <p>Positive impact of LIFE projects on climate resilience of particularly vulnerable areas identified in the EU Adaptation Strategy.</p>	<p>7 Member States applying integrated approaches with support from an IP or replicating the results from an IP.</p> <p>Complementary finance mobilised through IPs is greater than the total value of the budgets of these IPs</p>
Technical assistance projects	<p>No. of projects.</p> <p>Percentage of technical assistance projects leading to a LIFE IP.</p>	<p>Increased No. and improved quality of integrated projects linked to technical assistance.</p>	<p>100% of projects have led to a LIFE integrated project.</p>
Capacity building projects	<p>No. of projects.</p>	<p>Increased relative share of successful applications from MS eligible for capacity building.</p>	<p>7 Member States have at least one adaptation project funded through LIFE.</p>
Other projects	<p>No. of projects.</p> <p>No. of funded projects promoting innovative technologies, systems and instruments and/or other best practice</p>	<p>Attributable increase in climate resilience, broken down by sector, due to the demonstrated new technologies, systems, instruments and/or other best practice approaches developed and taken up following LIFE examples.</p>	<p>80% of the projects started set up innovative technologies, systems and instruments and/or best practice solutions increasing climate resilience.</p>

	<p>solutions for climate resilience.</p> <p>No. of vulnerability assessments, climate change adaptation strategies or action plan developed through LIFE.</p> <p>No. of trans-regional or cross-border adaptation projects.</p>	<p>Positive impact of LIFE projects on climate resilience of particularly vulnerable areas identified for LIFE funding in the EU Adaptation Strategy.</p>	
<b>Governance</b>			
	<i>Quantitative outcomes</i>	<i>Qualitative outcomes</i>	<i>Targets/milestones 2017</i>
Information, awareness and dissemination projects	<p>No. of projects.</p> <p>No. of citizens, enterprises, local authorities, registered non-governmental (NGO) and other civil society organisations reached.</p> <p>Geographic spread and area covered.</p>	<p>Increased awareness regarding human-caused climate change and solutions, as measured by Eurobarometer surveys.</p> <p>Increased participation in stakeholder consultations or policy discussions related to climate policy and legislative acts.</p>	<p>A 25% increase in participation of stakeholders and citizens in awareness-raising activities.</p> <p>10 % increase of citizens targeted by LIFE projects considering human-caused climate change a very serious problem.</p>
Best practice projects and other projects	<p>No. of projects.</p> <p>No. of attributable consolidated practices using indicators or tools developed and tested following LIFE examples.</p> <p>No. of policy approaches or legislation proposals based on projects results.</p>	<p>Increased No. of best practices taken up by households, enterprises, authorities or incorporated into national/regional programmes or action plans.</p> <p>Reduced number of infringement cases of EU legislation attributable to LIFE interventions.</p>	<p>25% of project practices or approaches are incorporated into national/regional programmes or action plans.</p> <p>80% of LIFE projects targeting climate governance have resulted in improved climate governance.</p>

## **Specific outcomes, indicators and targets for financial instruments:**

### **Indicators common for all the financial instruments**

Outcomes, indicators and targets for the financial instrument will be agreed with the delivery entity. At a minimum, they should cover:

- Number of agreements (loans, guarantees etc.) with intermediary financial intermediaries (n);
- Volume of financing made available by the financial instruments (EUR m);
- Volume of private finance leveraged by the financial instruments (EUR m)
- Number of final recipients (n);
- Number of Member States in which projects were financed by the financial instruments (n);

### **Specific indicators for NCFE**

- Financing made available by intermediate financial institutions under the financial instrument as a result of the funded projects; (EUR m)  
Financing made available to Natura 2000 areas as a result of the funded projects; (EUR m)
- Impacts on climate resilience (exposure to climate change and sensitivity to its impacts) of regions and economic sectors, in particular in vulnerable areas identified as priority for LIFE funding in the EU Adaptation Strategy as a result of the funded projects;
- Impacts on ecosystem condition as a result of the funded projects;
- Employment creation: number of jobs created as a result of the funded projects (number of Full Time Equivalent jobs)

### **Specific indicators for PF4EE**

- Private financing leveraged (EUR m) as a result of the PF4EE loans;
- Energy savings generated (GWh) as a result of the PF4EE loans;
- Reduction of CO<sub>2</sub> emissions (tons of CO<sub>2</sub>) as a result of the PF4EE loans;
- Employment creation: number of jobs created as a result of the PF4EE loans (number of Full Time Equivalent jobs).

### **Expected outcomes specific to NCFE**

During the initial pilot phase, the NCFE is expected to execute 9-12 operations (including indirect operations), or 3-4 operations per year. Individual investments would remain below EUR 10-15 million.

The estimated leverage of the value of the facility to the LIFE provision is between 2.2 and 3.2 fold. Taking into account the possible contribution of final recipients to project costs in the order of 25%, the leverage of total of investment to the LIFE provision could be between 2.8 and 4.2 fold. The total investment in natural capital management projects over the pilot phase alone could be up to € 420m.

During the operational phase to follow, the expected leverage could go up to 6, especially if other investors join the facility and if more investments are being made through intermediaries and funds.

### **Expected outcomes specific to PF4EE**

Under the PF4EE approximately 6-10 financing agreements (EIB Loans for EE and Risk Sharing/Expert support Facilities) could be signed with financial intermediaries in the period 2014-2017. A financing agreement may cover the implementation of the financial instrument in more than one MS and a financial intermediary may sign more than one financing agreement.

It is expected that over the lifetime of the programme (2014-17), assuming an average investment cost of €300,000, up to some 1,800 final recipients and projects will receive a total loan financing of approximately € 430m. The total investment in EE over this period could be at around € 540m.

The estimate leverage of the value of the loan portfolio to the LIFE provision is 6 fold. Taking into account the possible contribution of final recipients to project costs in the order of 25%, the leverage of total investment to the LIFE provision could be at up to 8 fold.