

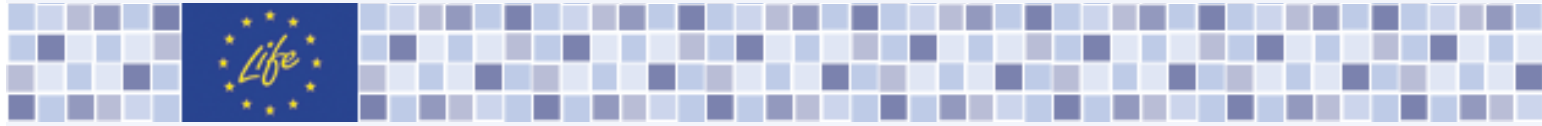
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The LIFE Programme - a A brief history of EU environmental financing



During the late 1980s, public consciousness about environmental threats grew rapidly. Large scale environmental disasters such as the Chernobyl catastrophe focused attention on the need for higher levels of environmental protection. Issues such as the holes in the ozone layer over the poles and global warming prompted an acceleration in European environmental policy-making and institution-building.

However, EU action on the environment can be traced back even earlier. European Community financial assistance for nature conservation was first made available in the early 1980s, following on the heels of initiatives dating back to the 1970s. From 1972, measures to limit pollution and improve waste management were adopted. Then, 1979 saw the adoption of the Birds Directive, hailed by Birdlife International as 'one of the soundest pieces of bird conservation legislation worldwide' (1). The Directive called for co-financing for the management of Special Protected Areas dedicated to birdlife preservation.

This recognition of the importance of providing financial assistance for habitat protection was taken forward in 1982 when the European Parliament succeeded in introducing a small budget line for nature conservation, enabling financing of a dozen or so projects. This funding was repeated in 1983 and provided support for small-scale, preparatory projects that nevertheless had a significant impact. In respect of the later ACE Regulations (Action Communautaire pour l'Environnement or Community Actions for the Environment), this support was known as pre-ACE.

ACE - Action Communautaire pour l'Environnement

From the mid-1980s, two Regulations broadened the scope of Community assistance for the environment by establishing the ACE financial instrument. Firstly, Regulation No 1872/84 ran from July 1984 to June 1987 and opened the door for the Community to grant financial support to projects in three fields:

- Development of new clean technologies
- Development of new techniques for measuring and monitoring the natural environment

- Help to protect habitats of endangered species of particular importance to the Community, as defined by Directive 79/409/EEC

The first Regulation was superseded by Regulation No 2242/87 - ACE II - which ran until July 1991. Its scope was widened to include the financing of demonstration projects in the fields of waste, contaminated site restoration and remedial action for land damaged by fire, erosion and desertification.

In all, the ACE programme funded 53 nature protection and 55 clean technology projects. The total cost of these projects during the lifetime of the programme (1984-1991) was ECU 98 million, with the EU providing ECU 41 million, or 44.5 percent of the total cost.

In addition, a different budget line was made available from 1988 onwards for 'urgent actions for endangered species'. It was not supported by a Regulation but was included in the annual budget of the Commission by the European Parliament. In total, 50 projects were financed with assistance totalling EUR 3 million under this budget.

MEDSPA and NORSPA

Running concurrently with ACE were two programmes supporting environmental projects in two specific regions: MEDSPA (Mediterranean), and NORSPA (Northern European maritime regions).

MEDSPA ran from 1986 to 1991, supporting 198 projects to the tune of ECU 38 million. Projects financed covered water resources, prevention of water pollution, waste disposal and - more than 25 percent of supported projects - conservation of habitats and endangered species.

NORSPA had a shorter life, running from 1989 to 1991. It was a special fund set up in response to particular concerns about the Northern European maritime regions, and provided ECU 16 million in funding for 38 projects. It prioritised conservation of marine life and integrated management of biotopes, with a particular emphasis on international cooperation and coordination. Projects financed included a programme for return of large migratory species such as salmon to the Rhine, which received nearly ECU 5 million, and recolonisation of eelgrass in shallow coastal waters around Denmark (Community funding of ECU 252 500).

The ACNAT interlude

As the ACE programme concluded in 1991, a separate fund for nature, Actions by the Community for Nature (Council Regulation 3907/91, known as ACNAT) was adopted. This was designed to help support the implementation of the newly adopted Habitats Directive in May 1992 at a time when the Community was expanding its competence in the field of habitat conservation. The intention of ACNAT was that actions for bird species and sites could continue to receive support in the context of the Birds Directive and in addition funds would be made available for the conservation of other endangered species and habitats.

In the event, however, ACNAT was quickly superseded by the adoption of a new, all-encompassing environment funded targeting five main priority fields and with a first phase budget of ECU 400 million. LIFE I (Council Regulation 1973/92) was born.



The LIFE Programme

The first phase of LIFE ran from 1992 to 1995. It coincided with the first time that EU environmental policy was given a firm

Treaty basis, in the Single European Act, and with the Fifth Environment Action Programme, which was adopted in 1992. This was to set the pace of environmental reform for the next decade and the LIFE programme was one of its essential tools.

During its first phase, LIFE had a number of components:

- Promotion of sustainable development and quality of the environment (new monitoring techniques, clean technologies, waste disposal, restoring contaminated sites, land-use planning and management, aquatic pollution, urban environment) - indicative allocation: 40 percent of the programme budget
- Protection of habitats and of nature (protecting endangered species and threatened habitats; combating desertification, erosion, etc.; marine conservation; freshwater conservation) - indicative allocation: 45 percent of the programme budget
- Administrative structures and environment services (cooperation and network development) - indicative allocation: 5 percent of the programme budget
- Education, training and information (professional training, environmental education and understanding, dissemination) - indicative allocation: 5 percent of the programme budget
- Actions outside Community territory (third country assistance) - indicative allocation: 5 percent of the programme budget

The rates of Community assistance for projects ranged from 30 percent for income-generating investments to 100 percent for technical assistance measures. For most projects in the first two categories described above, the level of assistance was limited to 50 percent of project cost. These rates of assistance remained in place through subsequent phases of LIFE.

Detailed priorities were set each year. For example, in 1993, the sustainable development and environmental quality component of LIFE I focused on projects relating to the textile, tannery, paper and agro-food industries; waste reduction and recycling demonstration projects; decontamination of polluted sites; sustainable development in agriculture, transport and tourism; urban transport; and modernisation of environmental monitoring networks.

During its lifetime, LIFE I funded a total of 731 projects, rising from 105 in 1992 to a high point of 245 in 1994 (in 1995, slightly fewer - 237 projects - were funded).

LIFE II (1996 - 1999)

The first phase of LIFE was succeeded by LIFE II, also running for four years but with an increased budget of ECU 450 million, covering an enlarged EU (Austria, Finland and Sweden joined in 1995). During LIFE II, the split of the programme into three categories - LIFE-Nature, LIFE-Environment and LIFE-Third countries - was completed.

The amended Regulation (2) stated that 46 percent of the programme budget should be dedicated to nature conservation actions - this programme strand became LIFE-Nature. A further 46 percent was dedicated to 'other actions designed to implement Community environment policy and legislation.' (3) This strand of the programme became LIFE-Environment.

A third strand (5 percent of the budget) addressed actions in Mediterranean and Baltic Sea countries - later LIFE-Third countries - and accompanying and technical assistance measures (3 percent of the budget).

The scope of the restructured programme was broad. LIFE-Environment projects had to contribute to innovation or policy implementation in the fields of environmental monitoring, clean technologies, waste management, the identification and rehabilitation of contaminated sites, the integration of environmental concerns in town and country planning, aquatic pollution reduction and the improvement of the urban environment.

The objective was to demonstrate new methods and techniques that would have the potential for pan-European application and would pave the way for implementation of existing policies in different environmental fields, or for the future development of policy. Contrary to LIFE-Nature, for LIFE-Environment guidelines were formally foreseen in the Regulation; it was an important change compared to LIFE I, during which priorities were set on annual basis.

LIFE-Nature meanwhile sets out specifically to contribute to the implementation of the Birds and Habitats Directives, in particular the Natura 2000 network, which promotes the conservation of natural habitats and the habitats of wild fauna and flora while taking into account the economic, social and cultural requirements and specific regional and local characteristics of each Member State.

Nature conservation projects that contribute to maintaining or restoring natural habitats and/or species populations to a favourable conservation status within the meaning of the Habitats Directive are eligible for financial support. Projects must concern Special Protection Areas or Sites of Community Importance and the species listed in the Directives.

Projects were chosen purely on their quality and potential conservation impact and not according to national quotas which ensured that only the very best projects got funded every year.

Examples of actions supported include protection of wolves, bears and bats in Italy, restoration of coastal meadows and wetlands on Baltic Sea islands, and removal of non-native species such as American mink in the Scottish Hebrides.

The objective of LIFE-Third countries is to contribute to development of environment policy and action programmes in the applicable countries. Projects must be of interest to the Community, promote sustainable development and provide solutions to major environmental problems.

As LIFE II came to a close in 1999, participation was opened to EU accession countries. The first to get involved was Romania, followed by Slovenia, Hungary, Estonia, Latvia and Slovakia. In June 1999, 'LIFE week' was held, to bring together those involved in LIFE projects. This was a one-off event but was considered a success and led to the European Commission establishing an annual 'Green Week' in Brussels.

■ LIFE III (2000-2004) and the extension of LIFE III until the end of 2006

The third phase of the LIFE programme ran for a five year period, though it was implemented in four rounds due to late adoption of the legal base. Its budget was increased to EUR 640 million.

Under LIFE-Nature, conservation of natural habitats and wild fauna and flora, in particular the Natura 2000 network, was continued, new accompanying measures were introduced to encourage more multinational projects, and networking amongst projects ('starter' measures to support the preparation of projects involving several Member States; 'coop' measures to support the exchange of experience).

In September 2004 with the publication of Regulation (EC) No 1682/2004, LIFE III was extended for a further two years (2005 and 2006), with an additional budget of EUR 317 million. The intention of the extension was to avoid a legal gap between the close of LIFE III at the end of 2004, and the adoption of new Community financial perspectives in 2007 .

Also in September 2004, the European Commission adopted a proposal for a new phase of LIFE, to be known as LIFE+, for the period 2007-2013. This proposes a budget of EUR 2 190 million for the seven year period, and a simplified structure for the programme involving two components:

- LIFE+ implementation and governance (75 to 80 percent of the budget)
- LIFE+ information and communication (20 to 25 percent of the budget)

Third country actions will no longer be financed under LIFE, but instead will be financed under the EU's external assistance programmes.

The thematic priorities of the programme, which supports the the priorities of the Sixth Environmental Action Programme, are as follows: climate change, nature and bio-diversity (including the Natura 2000 network), environment and health, sustainable resource use, strategic approaches to policy development, and ex-post evaluation. However, rather than being dealt with thematically as in the past, these issues will be handled horizontally under the two divisions shown above.

In total, between 1992 and 2004, the LIFE programme spent **EUR 1.36 billion** on **2478 projects covering 40 countries and territories**. The total estimated cost of projects to which LIFE contributed financially represents a huge environmental investment in Europe and neighbouring states. **Between 1992 and 2004 the total estimated cost of projects supported**

by LIFE was EUR 3.6 billion. LIFE therefore provided around 38 percent of the total investment, stimulating additional investment in excess of EUR 2 billion up to the end of 2004.



Notes

1. http://www.birdlife.net/action/awareness/eu_birds_directive/ (25 February 2005)
2. Regulation (EC) No 1404/96
3. Ibid

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