



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL REGULATION (EC)

**concerning the financial instrument
for the environment (*Life*)**

(presented by the Commission)

EXPLANATORY MEMORANDUM

INTRODUCTION

The second phase of the *Life* instrument established by Council Regulation (EEC) No 1973/92, which entered into force on 23 July 1992 and was amended by Council Regulation (EC) No 1404/96, ends on 31 December 1999.

Under the above Regulation, the Commission undertook to submit the following texts to the European Parliament and the Council:

- a report as provided for in Article 7(3) to enable the Council to examine the reference amount with a view to possibly revising it;
- a report on the progress made under Regulation (EC) No 1404/96 as provided for in Article 14 and
- a proposal for any adjustments to be made with a view to continuing the action beyond the second phase.

In the report as provided for in Article 7(3), which was sent to the Council in December 1997, the Commission gave an account of the implementation of the Regulation and outlined the following stages of the evaluation of *Life*. This report concluded that *Life* could usefully use more significant resources up to and even beyond the current reference amount of ECU 450 million for the period from 1996 to 1999. Nevertheless, the Commission considered that the budgetary perspective did not make it possible for the *Life* budget to attain the reference amount.

The report provided for in Article 14 on the implementation of the *Life* Regulation is being forwarded to the Council and the European Parliament together with this proposal. It reviews the experience gained and proposes a number of changes to improve the operation of *Life*. It was drawn up in the light of an external evaluation carried out in accordance with the approach defined by SEM 2000.

This proposal takes account of the conclusions of the report and complies with the request regarding the formulation of amendments to the initial Regulation for the continuation of the actions beyond 31 December 1999.

The Commission has considered it necessary to recast the basic Regulation for the sake of clarity and at the request of the candidates for funding. The major changes compared with the preceding Regulation concern the scope of the instrument and the improvement of the accompanying measures to ensure greater dissemination of the results of the projects financed.

THE DEVELOPMENT OF THE COMMUNITY ACTION

1. The Community's financial contribution in the field of the environment has followed the development of Community policy in this field.

In 1991, this took practical shape with the adoption of a series of initiatives to which modest means were allocated and which covered individual sectors or limited geographical areas. However, despite their limited means, initiatives such as ACE, MEDSPA, NORSPA and ACNAT have played an important part in promoting and raising awareness about Community action for the environment.

2. The adoption in 1993 of the 5th Community action programme on the environment, which was designed not to be a juxtaposition of sectoral activities, but to provide an overall strategy geared towards making an environmental approach covering all sectors (nature, water, waste, air) and the environmental dimension part of all policies and activities connected with economic development, also led to the re-designing of the measures calling for a financial contribution from the Community.
3. In the same spirit as the 5th Programme, *Life* brought together the specific, non-structural programmes for the environment which are intended to provide specific measures and actions in the field. This concentration was for the purpose of rationalisation and to ensure consistency with the development of environmental policy.
4. In parallel with the implementation of *Life*, the financial contributions for the environment, both at Community and national level, have increased significantly. At Community level, the environment has now become one of the main fields of intervention of the various funds:
 - the General Regulation co-ordinating the Structural Funds stipulates that the task of the funds is to contribute to the promotion of sustainable development. The Regulation also provides for an ex-ante evaluation of the environmental situation and of the provisions aimed at incorporating the environmental dimension into assistance from the funds; the Structural Funds are therefore the main sources of Community funds for environmental projects;
 - The Community even has a structural Cohesion Fund, which is intended, partly, to provide specifically environmental assistance;

- the common agricultural policy funds the management by farmers of semi-natural areas which have a high biological value, in particular through agro-environmental measures;
 - most Community initiatives (Interreg II, LEADER II, RESIDER II, Konver, Rechar II, Retex, Urban) include protection of the environment among their priority interventions;
 - in the field of research, several Articles of the Treaty, in particular Articles 130F, 130G and 130R, clearly show that the links between research and environmental policy have to serve as a reference for the model of sustainable development that the Community intends to promote in the years to come. Basic research has to be closely targeted on and directed towards fields which are particularly important for the model of sustainable development. The Commission and the Council have made a point of stressing that the main aim of the Community approach to environmental RTD is to continue to prepare the scientific ground to enable Community environmental policy to be defined and implemented with the aim of achieving a high degree of protection.
 - the co-operation programmes with third countries and loan investments (EIB) have also incorporated the environmental dimension into their approach.
5. Compared with this plethora of financial instruments and programmes to assist in the field of the environment, *Life* has specific features which justify its existence and show the added value it provides.

THE SPECIFIC FEATURES OF LIFE

6. Indeed, *Life* occupies a special place among the Community financial instruments because it is the only instrument which is entirely devoted to supporting and developing Community environmental policy and also enables assistance to be given throughout the Community territory and in bordering regions (the Mediterranean, Baltic and Central and Eastern European Countries (CEECs)). This wide scope is a very important asset for developing actions in the field of the environment (the search for common solutions to cross-border problems).
7. By the type of project that it finances, *Life* differs from traditional R&D and structural investment instruments. The number and diversity of the projects submitted in recent years show that this instrument responds to a need expressed by nature conservation managers, socio-economic operators as well as local authorities.

8. The external evaluation of the implementation of the instrument stressed the strength of the particular and specific characteristics of *Life*, which is flexible and presents fewer constraints in terms of eligible geographical areas, identity of the recipient or multinational partnership than other Community instruments.

Life is particularly appreciated by candidates for financing because it allows direct access to the Community institutions and offers a high potential for the return of experience to European political decision-makers.

Life is, finally, an important asset for environmental operators, who in general still lack political influence, because it allows new solutions or approaches to be tested and thus impacts on other Community policies and instruments.

THE PRINCIPLE OF SUBSIDIARITY

9. A horizontal action which covers the European Union as well as bordering regions can ensure a high level of added-value compared to a simple juxtaposition of national operations because:

- many environmental problems have a trans-national component and concern several or even all European Union countries;
- joint action at Community level makes optimum use of complementarity, avoids duplication, allows a better definition of priorities and therefore enables more effective use to be made of available resources;
- co-financing by several Member States makes it possible to cumulate and extrapolate the experience gained and thus ensures an added return on investments. This aspect is particularly important in the field of the environment, a sector in which practical experience is still often limited and where innovative methods often need to be checked, in particular their economic viability.

THE EXPERIENCE OF THE SECOND PHASE

10. The experience of the operation of the *Life* instrument during the first and second phases and during the implementation of the initiatives which preceded it have demonstrated the potential of this instrument.
11. Since 1992, almost 7500 proposals for projects have been received under *Life*, of which almost one third were eligible. Approximately half of the proposals eligible were co-financed with the total sum amounting to ECU 647 million. Approximately 900 projects are in progress.

12. Since 1996, 3 information booklets have been drawn up for *Life-Nature*, *Life-Environment* and *Life -Third Countries*. On the basis of experience, it was possible to define the field of action of the instrument more precisely. Similarly, the booklets and information meetings for potential proposers helped to improve the quality of the proposals from a technical and financial point of view.
13. Evaluation of the proposals for projects is adapted to the features of each area of activities:
 - for *Life-Nature*, the Commission, with the scientific support of external consultants, makes a first selection from among the admissible, eligible applications by reference to the criteria laid down in the Regulation. It then proposes a list of the best projects for approval by the Member States within the "Habitat" Committee.
 - for *Life-Environment*, a parallel evaluation procedure is carried out at Member State and at Commission level. By means of bilateral negotiations, a consensus is reached on a short list of projects which are then examined by groups of independent experts. On the basis of this three-fold evaluation, the Commission proposes a list of projects to be financed for approval by the *Life Management Committee*;
 - for *Life-Third Countries*, the evaluation procedure includes an initial selection by the Commission. The Commission then proposes a list of projects to be evaluated by independent experts. On the basis of this two-fold evaluation, the Commission submits a list of projects to be financed to the *Life Management Committee* for approval.
14. The separation of the decision-making process of the *Life Management Committee* from that of the *Habitats Committee* has brought more transparency and dispelled any confusion and tension during the decision-making process as regards the selection of the projects and the use of the appropriations. There is no reason to modify this procedure, which regularly leads to the adoption of measures by a very large majority or even the unanimous vote of the Member States.
15. The creation of a single instrument does not, however, always suffice to ensure the effectiveness of the action or the clarity of the procedures. The diversity of the fields of intervention, which is demanded by the Council, has reduced the impact of the measures and involved excessive bureaucracy compared with the benefits obtained.
16. To increase the effectiveness of the instrument and bearing in mind the modest financial resources available, it is advisable to direct demand towards priority areas and to keep the strict selection criteria. This should help to make it clear that *Life* is a specific instrument and should direct those who might otherwise apply under *Life* towards other Community financial instruments which have more substantial financial resources.

17. The proposed changes are based on the experience gained during the eight years of implementation of the instrument and the conclusions of the external evaluation. They are aimed at making the instrument more effective by taking account of its specific features and the principle of subsidiarity, a clearer definition, a greater concentration and a higher profile for the fields of intervention, simplification of the management and greater exploitation of the results in co-operation with the national authorities.

THE FIELDS OF ACTION

18. The *Life I* Regulation had an Annex containing a list of 20 priorities (2 for *Life-Nature*, 16 for *Life-Environment* and 4 for *Life-Third Countries*). For *Life-Environment* and *Life-Third Countries*, the Management Committee each year chose 5 to 10 priorities, which were published in the Official Journal, and the proposals had to correspond to one of the priorities for the year.
19. The *Life II* Regulation did away with these annual priorities and widened the field of actions. Instead, the emphasis was placed on the selection criteria for the actions. This change attracted projects in very different areas which are relevant and representative of the problems encountered in the Member States but which led to a dispersal of the means and reduced the impact of the instrument.
20. For the third phase of the *Life* Regulation, the Commission proposes targeting *Life* action for the next five years on the three essential fields *Life-Nature*, *Life-Environment* and *Life-Third Countries*. The 1992 Regulation, as amended in 1996, has been re-designed to set out the eligibility requirements and the criteria applicable to the three fields more clearly, as requested by the candidates for financing who found the 1996 Regulation difficult to understand.

21. LIFE-NATURE

In the field of nature conservation, *Life* will contribute to the implementation of the NATURA 2000 network as a matter of priority. The Commission considers that two new categories of accompanying measures should be included:

- measures for the preparation of projects involving partners in several States ("starter" measure), this being required to prepare complex international projects;
- measures for the sharing of experience between projects ("co-op" measure) to support the development of networks for projects on similar subjects (e.g. the same species or types of habitats).

The accompanying measures will help to underpin the evaluation and monitoring of the projects and the dissemination of the results.

Financial assistance is granted by co-financing of the projects. The maximum rate is 50% for nature conservation projects and, in exceptional circumstances, 75% for projects aimed at priority natural habitats or species (Directive 92/43/EEC) or species of birds who are in danger of extinction (Directive 79/409/EEC). The rate of financial support for the accompanying measures is 100% of the cost of these actions.

22. *LIFE*-ENVIRONMENT

In the field of the environment, *Life* will help both in incorporating the environment into other policies and in implementing and updating environmental policy.

The general objective of this process of incorporation is to augment the capacities and means available to the Commission and the Member States. The 5th action plan pinpoints eight fields into which the environment should be integrated. The third phase of *Life* will not cover all eight fields, but will be limited to two of them and for these two the interventions will be more effective than other Community financial instruments. These fields are: sustainable industrial production and the inclusion of environmental considerations in land-use and management.

With regard to the implementation and updating of environmental policy, Community action has identified thirteen priorities. Here too, the aim to make the *Life* instrument effective has led to two fields being chosen as areas of intervention in which Community environmental policy is being reviewed or developed. These are: waste management and sustainable product management.

These four priority areas very closely reflect the concerns of the citizens.

Concentrating *Life* intervention in the abovementioned fields will make the instrument more effective. A closer link should also be established between the fields of intervention of this instrument and the political priorities and technical concerns of Community environmental policy.

To this end, this proposal provides for the establishment of a frame of reference which will be approved by the Management Committee. This frame of reference is for informing parties interested in obtaining financial support under *Life* about the types of action which are of particular interest to the Community. It may be adapted after three years.

The establishment of such a frame of reference had been envisaged during the discussion of the second phase of *Life* but had not been followed through. Experience shows that this frame of reference is absolutely essential to guide candidates towards the instrument and to attract projects of better quality.

The *Life* Regulation 1404/96 also created the possibility of preparatory actions, these being defined as transnational actions for sharing experience and know-how. The provisions concerning the preparatory actions turned out to be inconsistent and in general difficult to implement. Apart from actions on the rational management of coastal areas, which were based on a Commission communication, there were few proposals and therefore few projects were adopted in this field. The Commission proposes reinstating the preparatory actions on a better basis by not regulating the topics to be covered and by attracting these projects through calls for an expression of interest independently of the other proposals.

The accompanying measures will help to underpin the evaluation and monitoring of the projects and the dissemination of the results.

Financial support is granted by co-financing of the projects. The maximum rate of support from the Community is 50% of the eligible cost. It is 30% of the eligible cost for actions which are expected to generate substantial income. The maximum rate for the accompanying measures is 100% of the cost of these actions.

23. *LIFE-THIRD COUNTRIES*

For certain third countries bordering the Mediterranean and the Baltic other than the applicant countries, the Commission proposes, in view of the considerable number of proposals received, the dispersal of the financial aid and the modest budgetary resources available, targeting *Life* more closely and reducing the fields of eligibility from three to one by only retaining technical assistance for the creation of environmental capacities and structures.

Financial support is granted by co-financing of the actions. The maximum rate of Community support is 70% of the cost of these actions.

24. *ACCESSION CANDIDATE COUNTRIES*

Life also remains open to the participation of the accession candidate Central Eastern Europe countries (CEECs) in accordance with the conditions set out in the Europe agreements concerning participation in Community programmes. They have access to *Life-Nature* and *Life-Environment* on the same terms as the Member States.

The other applicant countries will also be able to participate in *Life* as and when agreements allowing participation are concluded with those countries. This concerns in particular the accession candidate countries Cyprus and Turkey, and Malta which has requested to be included in the accession process.

STRATEGY FOR THE DISSEMINATION OF INFORMATION

25. An initiative that supports demonstration actions and exemplary projects cannot achieve its objective completely without activities to promote and disseminate the most important results.

Back in 1996, the Management Committee discussed an information strategy for the dissemination of *Life I* and *II* results that led to:

- the creation of a Web homepage on the Internet which is the most visited environment-related site on the Europe server and which contains all the information needed for presenting proposals as well as a database on funded projects;
 - the publication of various kinds of information in the Official Journal, in newsletters, booklets, etc;
 - participation in information meetings and international fairs to promote the presentation of the best projects and to disseminate the results achieved;
 - the stimulation of the establishment of networks among beneficiaries of similar projects by organising thematic seminars;
 - the production of a video catalogue that has been distributed to more than 400 TV stations.
26. Since the external evaluation report considered these actions insufficient, other actions will need to be undertaken, in particular a *Life* week in Brussels to network the ongoing projects. Thematic seminars will be organised on the priority fields of Community environmental policy, with more active participation by the national and regional authorities, with a view to improving the exploitation of results, in particular in the future regional development plans. Finally, the instrument will be given a higher profile by organising visits to projects for journalists of the international press. The Commission requests that the part of the budget available for the financing of these measures be increased from 3 to 5% of the total *Life* budget.

BUDGETING OF THE THIRD PHASE

27. Financing the third phase of implementation of *Life* will have to take account of the enlargement of the Union and the maintenance of the instrument's intervention capacity in real terms. The Commission therefore considers that the new Regulation should be established for five years, from 2000 to 2004.

An amount of ECU 613 million, which is within the limits of the financial perspective, is planned for the five years covered by this Regulation. This sum does not include the appropriations to cover enlargement. The distribution of the resources allocated to the three areas of activity is as follows:

- 47% *Life-Nature*
- 47% *Life-Environment*
- 6% *Life-Third Countries*

In each of the three areas, accompanying measures are limited to 5% of the available appropriations.

28. Part of the available budget (5%) has been earmarked for financing accompanying measures to monitor the implementation of activities financed by *Life*, to start *ex-ante* and *ex-post* evaluation analyses and for measures to transfer know-how and experience gained under *Life* to economic and social players and regional and local authorities likely to replicate the results, possibly with the help of other environment-related financial instruments. Increasing this part of the budget from 3 to 5% of the total *Life* budget will also help in improving the dissemination of results.

CONSULTATION OF THE INSTITUTIONS

29. As the proposal is based on Article 130S of the Treaty, the Economic and Social Committee must be consulted. Since the amended Regulation is addressed in particular to the regional and local authorities, the opinion of the Committee of the Regions is desirable.

STRUCTURE OF THE NEW PROPOSAL

30. This proposal sets out the provisions in more rationally structured and clearer Articles to provide candidates for financing with all the information required for the preparation and presentation of projects.

Article 1 of the proposal defines the general objective of the instrument, and Article 2 clearly establishes the three areas it covers and also includes the general criteria applicable to actions financed under *Life* which used to be in Article 9a(a).

Articles 3, 4 and 5 set out, for each of the three subject areas, the provisions which were contained in various Articles of the Regulation still in force and which covered the type of activities eligible, the rate of financial support, the procedure for collection, evaluation and decision-making and the criteria on which the evaluation is based.

With regard to *Life-Nature*, compared with the Regulation still in force, the new proposal envisages two new types of supporting measures: a "starter" measure and a "co-op" measure.

With regard to *Life-Environment*, eligible actions have been more clearly defined and the preparatory actions have been broadened. The new Regulation stipulates that, with the assistance of the Management Committee, the Commission will establish guidelines to create a closer link between the intervention of the instrument and the priorities for Community environmental policy.

For *Life-Third Countries*, the proposal reduces eligibility to actions for technical assistance to create the capacities and administrative structures required in the field of the environment. The rate of financial contribution of the instrument falls from 100 to 70%.

Article 6 specifies the conditions of access to the instrument for the applicant countries. The Regulation still in force stipulates that CEECs have access to the instrument on the same terms as the Member States. Since the Community legislation for *Life-Nature* is not yet in force in the applicant countries, specific criteria have been envisaged for this purpose.

Article 7 contains the unamended provisions of Articles 5 and 6 of the Regulation still in force.

Article 8 sets out the new budgetary provisions. The amendment primarily concerns the supporting measures, which rise from 3% to 5% of the appropriations available.

Articles 9, 10 and 11 contain the provisions of Articles 10, 11 and 12 of the Regulation still in force. However, the new Article 9(1) specifies that the technical reports on the state of progress of the actions must contain indicators.

Article 12 contains the provisions of the Article 13 still in force.

Articles 13 to 15 contain the usual provisions relating to the review and the implementation of the instrument.

Proposal for a Council Regulation (EC) No of
concerning the financial instrument for the environment (*Life*)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and in particular Article 130s(1) thereof,

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the Economic and Social Committee,²

Having regard to the opinion of the Committee of the Regions,³

Acting in accordance with the procedure laid down in Article 189c of the Treaty, in cooperation with the European Parliament,⁴

Whereas a financial instrument for the environment should be established to contribute to the development and implementation of Community policy and legislation regarding the environment;

Whereas Council Regulation (EEC) No 1973/92 of 21 May 1992 establishing a financial instrument for the environment (*Life*)⁵ was substantially amended by Regulation (EC) No 1404/96;⁶ whereas, for reasons of clarity, that Regulation should be recast when further amendments are made;

¹ OJ C...,, p. ...

² OJ C,, p. ...

³ OJ C,, p. ...

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⁵ OJ L 206, 22.07.1992, p. 1.

⁶ OJ L 181, 20.07.1996, p. 1.

Whereas the financial instrument for the environment, *Life*, is being implemented in phases; whereas the second phase ends on 31 December 1999;

Whereas, given the positive contribution of *Life* to the attainment of the objectives of Community policy on the environment and in accordance with Article 14 of Regulation (EEC) No 1973/92, a third phase for a period of five years ending on 31 December 2004 should be set in motion;

Whereas the efficiency and transparency of the implementation procedures for *Life* and the procedures for providing information to the public and potential beneficiaries should be improved by identifying clearly the three component parts which constitute the instrument;

Whereas the experience gained with *Life* during the second phase has highlighted the need to concentrate efforts by specifying more clearly the areas of activity able to benefit from Community financial aid, simplifying the management burden and improving the measures to disseminate information concerning the experience gained and the results achieved;

Whereas preparatory projects should concern the development of new Community activities in the field of the environment;

Whereas for third countries bordering on the Mediterranean and the Baltic Sea other than the accession candidate countries, technical assistance activities are needed to create capacities and administrative structures in the field of the environment;

Whereas the Europe agreements between the European Communities and their Member States, of the one part, and the accession candidate Central and Eastern European countries, of the other part, provide for the participation of those countries in Community programmes, in particular in the field of the environment;

Whereas, while the abovementioned Central and Eastern European countries should normally themselves meet the costs arising from their participation, the Community may decide, if necessary, for specific cases and in conformity with the rules applicable to the general budget of the European Communities and the relevant association agreements, to supplement the national contribution of the country concerned;

Whereas the other accession candidate countries may, where they make a financial contribution to *Life*, participate on conditions equivalent to those laid down for the accession candidate Central and Eastern European countries;

Whereas mechanisms should be established so that Community assistance may be adapted to the particular features of the projects to be supported;

Whereas it is necessary to establish effective methods of monitoring and evaluation as well as to ensure adequate information for potential beneficiaries and for the public;

Whereas a committee should be set up to assist the Commission in implementing this Regulation;

Whereas the Council should examine the advisability of continuing the *Life* action beyond the third phase, acting on the basis of a proposal from the Commission;

HAS ADOPTED THIS REGULATION:

Article 1

General objective

A financial instrument for the environment, hereinafter referred to as *Life*, is hereby established.

The general objective of *Life* shall be to contribute to the development of Community environment policy, in particular as regards the integration of the environment into other policies and the implementation and updating of environmental legislation.

Article 2

Thematic components and general criteria

Life shall consist of the three thematic components *Life-Nature*, *Life-Environment* and *Life-Third Countries*.

The projects financed by *Life* shall meet the following general criteria:

- a) be of Community interest by making a significant contribution to the development and, where appropriate, implementation of Community environment policy and legislation,
- b) be carried out by technically and financially sound participants,
- c) be feasible in terms of technical proposals, management (timetable, budget) and value for money.

Priority may be given to projects based on a multinational approach.

Article 3

Life-Nature

1. The specific objective of *Life-Nature* shall be to contribute to the implementation of Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds;⁷

⁷ OJ L 103, 25.04.1979, p. 1, as last amended by Directive 97/49/EC, OJ L 223, 13.08.1997, p. 9.

Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora,⁸ and, in particular, the Natura 2000 European network.

2. The following shall be eligible for *Life-Nature*:
 - a) nature conservation projects which further the specific objective set out in paragraph 1 and contribute to maintaining or restoring natural habitats and species populations to a favourable conservation status within the meaning of Directive 92/43/EEC.
 - b) accompanying measures required to:
 - i) prepare projects involving partners in several Member States ("starter" measure);
 - ii) exchange experiences between projects ("co-op" measure);
 - iii) monitor and evaluate projects and disseminate their results, including the results of projects decided upon during the preceding phases of *Life* ("assist" measure).
3. Financial assistance shall be provided by co-financing of projects. The maximum rate shall be:
 - a) 50% for nature conservation projects;
100% for accompanying measures.
 - b) By way of exception, the rate provided for in subparagraph (a) shall be a maximum of 75% for projects concerning priority natural habitats or priority species within the meaning of Directive 92/43/EEC or the species of birds referred to in Directive 79/409/EEC which are in danger of extinction.
4. Proposals for projects to be financed pursuant to paragraph 2(a) shall be submitted to the Commission by the Member States. Where projects involve more than one Member State, proposals shall be submitted by the Member State in which the project co-ordinating body is located.

Proposals shall be submitted to the Commission before 31 October of each year. The Commission shall decide on these proposals, in accordance with paragraph 7, before the following 30 April.

⁸ OJ L 206, 22.07.1992, p. 7, as last amended by Directive 97/62/EC, OJ L 305, 8.11.1997, p.42.

5. Proposals meeting the general criteria set out in Article 2(2) and the following specific criteria shall be taken into consideration:
 - a) projects in the European territory of the Member States relating to:
 - i) a site proposed by a Member State under Article 4 of Directive 92/43/EEC, or
 - ii) a site classified pursuant to Article 4 of Directive 79/409/EEC, or
 - iii) a species in Annexes II or IV to Directive 92/43/EEC or in Annex I to Directive 79/409/EEC;
 - b) projects in accession candidate countries to which Article 6 applies relating to a site of international importance hosting:
 - i) a type of habitat in Annex I or a species in Annex II to Directive 92/43/EEC; or
 - ii) a bird species in Annex I to Directive 79/409/EEC or a migratory bird species present in the Union; or
 - iii) a type of habitat or species not present in the Community but classified in Bern Convention resolutions as being in need of specific conservation measures.
6. A summary of the proposals received shall be submitted to the Member States by the Commission. Upon request, it shall place the original documents at the disposal of the Member States for consultation.
7. Projects considered for financial support under *Life-Nature* shall be subject to the procedure set out in Article 21 of Directive 92/43/EEC.

An outline decision by the Commission shall be sent to the Member States on the projects which have been accepted and individual decisions shall be sent to the beneficiaries laying down the amount of financial assistance, the financial procedures and controls, and the specific technical conditions of the project approved.

8. At the Commission's initiative, accompanying measures to be financed pursuant to paragraph 2(b) shall be the subject of calls for expression of interest published in the Official Journal of the European Communities which specify the specific criteria to be met.

Article 4

Life-Environment

1. The specific objective of *Life-Environment* shall be to contribute:
 - a) to the development of innovative techniques and methods which make it possible:
 - to integrate environmental considerations in land-use development and planning, in particular in urban areas;
 - to minimise, by means of a preventive approach, the environmental impacts of industrial production activities;
 - to recycle waste of all kinds and ensure the sound management of waste streams;
 - to reduce the environmental impact of products through an integrated approach to production, distribution and consumption.
 - b) to the development of new environmental actions.
2. The following shall be eligible for *Life-Environment*:
 - a) demonstration projects which further the objective set out in paragraph 1(a);
 - b) preparatory projects which further the objective set out in paragraph 1(b);
 - c) accompanying measures required to evaluate, monitor, and promote the actions undertaken during this phase and during the first two phases, for the exchange of experience between projects and for the dissemination of information on the experience gained and the results obtained with such actions.
3. Financial assistance shall be provided by co-financing of projects. The rate of Community financial support shall be a maximum of 50% of the eligible cost.

This rate shall be a maximum of 30% of the eligible cost for projects expected to generate significant income. In this case, the beneficiaries' contribution to the financing shall be at least as much as the Community support.

The rate of Community financial support for the accompanying measures shall be a maximum of 100% of the cost of these actions.

4. As far as demonstration projects are concerned, guidelines will be established by the Commission, after opinion by the Committee provided for in Article 11, and published in the Official Journal of the European Communities.
5. Proposals for projects to be financed pursuant to paragraph 2(a) shall be submitted to the Commission by the Member States. Where projects involve more than one Member State, proposals shall be submitted by the Member State in which the project co-ordinating authority or body is located.

Proposals shall be submitted to the Commission before 31 January of each year. The Commission shall decide on these proposals, in accordance with paragraph 10, before 31 July.

6. Shall be taken into consideration proposals submitted under paragraph 2(a) that meet the general criteria set out in Article 2(2) and the following specific criteria:
 - a) providing solutions to a problem which arises very often in the Community, or is of great concern to some Member States,
 - b) being innovative by virtue of the technology or the method applied;
 - c) setting an example and representing progress compared with the current situation;
 - d) being capable of promoting widespread application of practices and technologies conducive to environmental protection;
 - e) aiming at developing and transferring know-how which can be used in identical or similar situations;
 - f) promoting co-operation in the environmental field;
 - g) promoting sustainability of socio-economic activities from the environmental point of view.
7. The following costs shall be considered ineligible:
 - a) land purchase;
 - b) studies not specifically addressing the objective aimed at by the financed projects;

- c) investments in major infrastructures or investments of a non-innovative structural nature, including activities already confirmed on an industrial scale;
 - d) research and technological development activities.
8. At the Commission's initiative, preparatory projects and accompanying measures to be financed pursuant to paragraph 2(b) and (c) shall be the subject of calls for expression of interest published in the Official Journal of the European Communities which specify the specific criteria to be met.
 9. A summary of the main points and of the content of the proposals received under paragraph 2(a) and (b) shall be submitted to the Member States by the Commission. Upon request, it shall place the original documents at the disposal of the Member States for consultation.
 10. Projects considered for financial support shall be subject to the procedure set out in Article 11.
 11. An outline decision by the Commission shall be sent to the Member States on the projects which have been accepted and individual decisions shall be sent to the beneficiaries laying down the amount of financial assistance, the financial procedures and controls, and the specific technical conditions of the project approved.

Article 5

Life-Third Countries

1. The specific objective of *Life-Third Countries* shall be to contribute to the establishment of capacities and administrative structures needed in the environmental sector and in the development of environmental policy and action programmes in third countries bordering on the Mediterranean and the Baltic Sea other than the accession candidate countries to which Article 6 applies.
2. The following shall be eligible for *Life-Third Countries*:
 - a) technical assistance projects which further the objective set out in paragraph 1;
 - b) accompanying measures required to evaluate, monitor and promote the actions undertaken during this phase and during the first two phases, for the exchange of experience between projects and for the dissemination of information on the experience gained and the results obtained with such actions.

3. Financial assistance shall be provided by co-financing of actions. The rate of Community financial support shall be a maximum of 70% of the cost of the actions referred to in paragraph 2(a) and a maximum of 100% of the cost of the actions referred to in paragraph 2(b).
4. Proposals for projects to be financed under paragraph 2(a) from third countries shall be submitted to the Commission by the relevant national authorities. Where projects involve more than one country, proposals shall be submitted by the country in which the project co-ordinating authority is located or by the international organisation acting to protect the environment in the geographical area concerned.

Proposals shall be submitted to the Commission before 31 January of each year. The Commission shall decide on these applications in accordance with paragraph 7 before 31 July.

5. Proposals which meet the general criteria set out in Article 2(2) and the following specific criteria shall be taken into consideration:
 - a) be of interest to the Community, notably through its contribution to implementing regional and international guidelines and agreements;
 - b) contribute to an approach promoting sustainable development at international, national or regional level;
 - c) provide solutions to major environmental problems in the region and the relevant sector;

Priority will be given to projects which will promote co-operation at the trans-frontier, trans-national or regional level.

6. A summary of the main points and the content of the proposals received from the third countries shall be submitted to the Member States by the Commission. Upon request, it shall place the original documents at the disposal of the Member States for consultation.
7. Projects considered for financial support shall be subject to the procedure set out in Article 11. The Commission shall adopt a decision concerning the list of projects selected.
8. The projects approved shall give rise to a contract between the Commission and the beneficiaries setting out the amount of financial assistance, the financial procedures and controls, as well as all the specific technical conditions of the approved project. This list of proposals accepted shall be sent to the Member States.

9. At the Commission's initiative, accompanying measures to be financed under paragraph 2(b) shall be the subject of calls for expression of interest published in the Official Journal of the European Communities and setting out the specific criteria to be met.

Article 6

Participation of accession candidate countries

1. *Life* shall be open to the accession candidate Central and Eastern Europe countries in accordance with the conditions referred to in the association agreements concluded with those countries and on the basis of provisions of the decision of the Association Council competent for each country concerned.
2. Proposals for projects to be financed under *Life-Nature* and *Life-Environment* shall be submitted to the Commission by the national authorities of the countries concerned within the time limits indicated in Article 3(4) and Article 4(5) respectively. Where projects involve more than one country, proposals shall be submitted by the country in which the project co-ordinating authority or body is located.
3. Proposals which meet the general criteria set out in Article 2(2) and the specific criteria set out in Article 3(5) (b) and Article 4 (6) and (7) shall be taken into consideration for Community financial support.
4. A summary of the main points and of the content of the proposals received by the national authorities of the countries concerned shall be submitted to the Member States by the Commission. Upon request, it shall place the original document at the disposal of the Member States for consultation.
5. Projects considered for *Life* financial support shall be subject either to the procedure set out in Article 21 of Directive 92/43/EEC or to that set out in Article 11 of this Regulation according to the type of project proposed.
6. The projects approved shall give rise to a contract or an agreement between the Commission and the beneficiaries setting out the amount of financial assistance, the financial procedures and controls, as well as all the specific technical conditions of the approved action. The list of proposals accepted shall be sent to the Member States.

7. Where conditions and provisions equivalent to those referred to in paragraph 1 have been established for the other accession candidate countries, *Life* will be open for participation by those countries in accordance with paragraphs 2-6.

Article 7

Consistency between financial instruments

1. Without prejudice to the conditions for accession candidate countries set out in Article 6, projects receiving aid provided for under the Structural Funds or other Community budget instruments shall not be eligible for financial assistance under this Regulation.
2. The Commission shall ensure that actions undertaken in the framework of this Regulation are consistent with those undertaken under the Structural Funds, research, technological development and demonstration programmes or other Community financial instruments.

Article 8

Duration of the third phase and budgetary resources

1. *Life* shall be implemented in phases. The third phase shall start on 1 January 2000 and shall end on 31 December 2004.
2. The budgetary resources allocated to the actions provided for in this Regulation shall be entered in the annual appropriations of the general budget of the European Communities. The available annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.
3. The amount of resources to be allocated to each of the areas of activity shall be as follows:
 - a) 47% for actions undertaken under Article 3;
 - b) 47% for actions undertaken under Article 4;
 - c) 6% for actions undertaken under Article 5;

The accompanying measures shall be limited to 5% of the available appropriations.

Article 9

Monitoring of projects

1. For any project financed by *Life*, the beneficiary shall send the Commission technical and financial reports on the progress of work. A final report shall also be sent to the Commission within three months of completion of the project. The Commission shall determine the form and content of the reports. The report shall be based on the physical and financial indicators set out in the Commission Decision approving the projects or in the contract or agreement concluded with the beneficiaries. These indicators shall be such as to indicate the progress of the work and the objectives to be attained within a specified time limit.
2. Without prejudice to the audits carried out by the Court of Auditors in liaison with the competent national audit bodies or departments pursuant to Article 188c of the Treaty, or any inspection carried out pursuant to Article 209(c) of the Treaty, officials and other staff of the Commission may carry out on-the-spot checks, including sample checks, on projects financed under *Life*.

Before carrying out an on-the-spot check, the Commission shall inform the beneficiary unless there are good reasons to suspect fraud and/or improper use.

3. For a period of five years following the last payment in respect of any action, the beneficiary of financial assistance shall keep available for the Commission all the supporting documents regarding expenditure on the action.
4. On the basis of the results of the monitoring reports and sample checks referred to in paragraphs 1 and 2, the Commission shall, if necessary, adjust the scale or the conditions of allocation of the financial assistance originally approved and also the timetable for payments.
5. The Commission shall take every other step necessary to verify that the projects financed are carried out properly and in compliance with the provisions of this Regulation.

Article 10

Protection of Community financial interests

1. The Commission may reduce, suspend or recover the amount of financial assistance granted for a project if it finds irregularities, including non-compliance with the provisions of this Regulation or the individual decision or the contract granting the financial support in question, or if it transpires that, without Commission approval having been sought, the project has been

subjected to a major change which conflicts with the nature or implementing conditions of the project.

2. If the time limits have not been observed or if only part of the allocated financial assistance is justified by the progress made with implementing a project, the Commission shall request the beneficiary to submit its observations within a specified period. If the beneficiary does not give a satisfactory answer, the Commission may cancel the remaining financial assistance and demand repayment of sums already paid.
3. Any undue payment must be repaid to the Commission. Interest may be added to any sums not repaid in good time. The Commission shall lay down detailed rules for the implementation of this paragraph.

Article 11

Committee

1. For *Life-Environment* and *Life-Third Countries*, the Commission shall be assisted by a Committee consisting of the representatives of the Member States and chaired by the representative of the Commission.
2. The representative of the Commission shall submit to the Committee a draft of the measure to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in the abovementioned Article. The Chairman shall not vote.

The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee.

If the measures envisaged are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of one month from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

Article 12

Evaluation of the third phase and continuation of *Life*

1. Not later than 31 December 2003, the Commission shall submit a report to the European Parliament and the Council on the implementation of this Regulation and the use made of the appropriations, and shall, where appropriate, make proposals for any adjustments to be made with a view to continuing the action beyond the third phase.
2. The Council, acting in accordance with the Treaty, shall decide on the implementation of the fourth phase as from 1 January 2005.

Article 13

Repeal of Regulation (EEC) No 1973/92

1. Regulation (EEC) No 1973/92 is hereby repealed without prejudice to decisions taken and contracts concluded concerning the granting of financial assistance pursuant to that Regulation.
2. References to the repealed Regulation shall be understood as referring to this Regulation and are to be read in accordance with the table of equivalence in the Annex.

Article 14

Entry into force

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

ANNEX

TABLE OF EQUIVALENCE

Regulation (EEC) No 1973/92	This Regulation
Article 1	Article 1
Article 2.1) a)	Article 3.1, 2.a)
Article 2.1) b) i),ii)	Article 4.1.a)
Article 2.1) b) iii), first subparagraph	Article 4.1.b) and 2.b)
Article 2.1) b) iii), indents 1,2,3 and 4	-
Article 2.2) a)	Article 5.1., 2.a)
Article 2.2) b),c)	-
Article 2.3)	Articles 3.2.b), 3.9, 4.2.c), 4.8, 5.2.b) and 5.9
Article 4.a)	Articles 3.3, 4.3, 5.3
Article 4.b)	-
Article 5	Article 7.1
Article 6	Article 7.2
Article 7.1., first subparagraph	Article 8.1.
Article 7.1., second subparagraph	-
Article 7.1., third subparagraph	Article 8.2.
Article 7.2.	-
Article 7.3.	Article 12.1.
Article 8.1.	Article 8.3.
Article 8.2.	Articles 3.3., 4.3. and 5.3.
Article 8.3.	-
Article 9.1.	Articles 3.4., 4.5., and 5.4.

Article 9.2.	-
Article 9.3.	Article 5.4.
Article 9.4.	Articles 3.7., 4.9., and 5.7.
Article 9.5., first subparagraph	Article 3.5.a) first indent and 3.5.b) first indent
Article 9.5., second subparagraph, first indent	Articles 3.9. and 4.11.
Article 9.5., second subparagraph, second indent	Article 5.9.
Article 9.6	Articles 3.7, 4.10, 5.8
Article 9a 1.a)	Article 2
Article 9a 1.b) i)	Article 3.5.a) and b)
Article 9a 1.b) ii), indents 1, 2, 3, 4 and 5	Article 4.6. first and second paragraphs
Article 9a 1.b) ii), indent 6	-
Article 9a 1.b) iii), indents 1, 2 and 3	Article 4.6., indents 1, 2 and 3
Article 9a 1.b) iii), indent4	-
Article 9a 1.b) iv)	-
Article 9a 1.c), indents 1, 2, 3 and 4	Article 5.5
Article 9a 1.c), indents 5,6	-
Article 9a 2.	-
Article 9 b	Article 4.7., indents 2,3 and 4
Article 10.1	-
Article 10.2	Article 9.2
Article 10.3	Article 9.3
Article 11.1	Article 10.1
Article 11.2	Article 10.2
Article 11.3	Article 10.3
Article 12.1	-

Article 12.2	Article 9.1
Article 12.3	Article 9.4
Article 12.4	-
Article 13	Article 11
Article 13a	Article 6
Article 14	-
Article 15	-
Article 16	-
Article 17	-

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Financial instrument for the environment *Life*.

2. BUDGET HEADING INVOLVED

B4-32, B7-810 and B7-503 (in part)

3. LEGAL BASIS.

Article 130s of the Treaty.

4. DESCRIPTION OF OPERATION.

4.1. General objective

The financial instrument *Life* should contribute to the development of Community policy in the field of the environment, in particular in integrating the environment in the other policies and the implementation and updating of environmental legislation. It should enhance cohesion in the behaviour of the Member States with regard to environmental problems and ensure a better balance between environmental policy and other Community policies.

4.2. Period covered and arrangements for renewal.

The third phase of implementing the financial instrument covers the period from 2000 to the end of 2004.

The Council will decide on the possible implementation of a fourth phase from 1 January 2005.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE.

5.1. Non-compulsory expenditure

5.2. Differentiated appropriations

5.3. Type of revenue involved: use of reusable funds

6. TYPE OF EXPENDITURE OR REVENUE

Co-financing with other sources from the public or private sector in the form of a regulated financial contribution.

The *Life* Regulation specifies the eligible fields and criteria to be met in the financing of measures. The measures receiving Community aid may be demonstration schemes, technical assistance or preparatory measures. They are adopted by the Commission after consultation of the habitats committee or the management committee set up under Article 11 of the Regulation. Community support usually amounts to a maximum of 50% of the eligible cost. However, the maximum support level is 30% of the eligible cost for measures involving the financing of revenue-generating investment, 70% of the total eligible cost of technical assistance projects in third countries, 75% for certain nature conservation projects, and 100% for accompanying measures.

The rate of Community funding varies between ECU 0.2 million and ECU 1.5 million depending on the type of measures proposed. The accompanying measures - ex-ante evaluation, monitoring of implementation of projects, and dissemination of results - vary between ECU 100 000 and ECU 300 000

7. FINANCIAL IMPACT

7.1. Method of calculating the cost of the operation relating to this communication (link between individual and total costs)

ECU 613 million are earmarked for the implementation of the third phase so as to maintain the intervention capacity of the instrument in real terms.

Moreover, the additional protocols to the Europe agreements concluded or in the process of being concluded between the European Union and the associated CEECs provide for opening certain Community programmes to the CEECs, including *Life*. A budget heading has been created for this purpose. As this period marks the start of participation of the CEECs in Community programmes, the appropriations required cannot be estimated with any accuracy. The way in which the appropriations available will be distributed will be decided in due course in accordance with the requirements to be specified by the countries concerned. The eventual allocation will comply with the conditions laid down in Article 3 of the additional protocols to the Europe agreements.

7.2. Breakdown into components of the operation (in ECU)

Breakdown of the appropriations according to the different fields of action of the instrument for the years covered by the third phase:

Breakdown	Nature	Environm.	Third countries	CEECs	TOTAL
Budget 2000	52.65	52.65	6.7	token entry	112
Budget 2001	54.50	54.50	7.0	token entry	116
Budget 2002	57.80	57.80	7.4	token entry	123
Budget 2003	59.70	59.70	7.6	token entry	127
Budget 2004	63.45	63.45	8.1	token entry	135
TOTAL	288.10	288.10	36.80	token entry	613

These appropriations do not include those intended to cover enlargement.

7.3. Indicative timetable of appropriations (in ECU)

	2000	2001	2002	2003	2004	TOTAL
CA	112	116	123	127	135	613
PA						
Budget 2000	44.8	0	0	0	0	44,8
Budget 2001	22.4	46.4	0	0	0	68.8
Budget 2002	22.4	23.2	49.2	0	0	94.8
Budget 2003	22.4	23.2	24.6	50.8	0	121.0
Budget 2004	0	23.2	24.6	25.4	54.0	127.2
Budget >2004	0	0	24.6	50.8	81.0	156.4
TOTAL	112	116	123	127	135	613

8. FRAUD PREVENTION MEASURES

Articles 9 and 10 of the draft Council Regulation provide for verification of the proper execution of the operations financed. Pursuant to these provisions the Commission organises on-the-spot checks to ascertain that the projects are properly carried out. These measures enable the Commission to keep informed of the technical progress of the operation and the proper use of the funds made available. If there is a presumption of fraud, Financial Control is asked to visit the site, if possible, and then contact the departments concerned to take any measures necessary in collaboration with DG XI. Moreover, the individual decisions require each beneficiary to submit, prior to any financing, a bank guarantee covering 40% of the Community contribution for beneficiaries in the private sector and oblige all other beneficiaries to have a financial audit carried out by a chartered accountant before the dossier is closed.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific objectives linked with the general objective

In nature conservation the specific objective will be to contribute to the implementation of Community legislation and in particular the creation of the Natura 2000 network.

With regard to the environment the objective will be to

- minimise the environmental impact of industrial production
- integrate the environment in town and country planning
- support the implementation of water policy
- develop recycling techniques
- promote an integrated approach to product management.

In the case of third countries other than the CEECs, the objective is to assist in creating skills and structures for management of the environment.

In the first two phases, *Life* beneficiaries fell into the following categories:

- private sector: 42%
- public sector: 46%
- mixed partnerships: 4%
- associations: 6%
- universities: 2%.

The report compiled in accordance with Article 7(3) and adopted by the Commission on 12 December 1997 describes the type of projects financed, their geographical spread and information on financial management.

The report under Article 14 supplements this analysis.

9.2. Grounds for the operation

Need for Community financial aid

In the explanatory memorandum to its proposal for a Regulation, the Commission gives detailed grounds for the need for a third phase of *Life* with regard to subsidiarity, experience acquired in the second phase and choice of areas for priority action.

It is not possible to formulate a coherent and efficient strategy in the field of the environment without having recourse to a combination of three forms of action, i.e. the legislative approach, economic and fiscal tools, and use of financial instruments.

The use of a combination of means will make it easier to achieve the consensus necessary to further develop Community policy.

The *Life* instrument occupies a special position among Community financial instruments. It is the only instrument entirely devoted to the support of Community environmental policy covering the whole of the European Union. On account of the type of actions it finances - innovative demonstration schemes, original approaches with regard to new partnerships and measures preparatory to new environmental action - *Life* differs from traditional instruments for R&D and support for structural investment. For instance, demonstration projects for new technologies come chronologically at the end of the research phase and before investment in large-scale field tests. Between these two phases it is useful to verify the implementation of a new technique or process or carry out an experiment that is particularly well suited to serve as an example. This phase is extremely important as it makes it possible for tests to be carried out and, where appropriate, to reap the fruits of the research, undertake a cost/benefit analysis of the process developed, but also to focus investment, in full knowledge of the facts, by channelling it towards new technologies that are more favourable for the environment.

Selection criteria

For selecting the operations qualifying for financial assistance, the *Life* information brochures reproduce the provisions of the Regulation concerning admissibility and eligibility (as regards form and content and financial aspects) and the criteria for selecting projects. The standardised evaluation system is as follows:

The Commission's departments verify whether the projects received meet the criteria of admissibility and technical and financial eligibility in accordance with the criteria laid down in the Regulation. The projects that are considered eligible are then assessed in an ex-ante evaluation whereupon they are listed in order of merit.

Finally the Commission, taking account of the resources available, compiles the final list of projects which is referred to the management committee for an opinion.

For the determination of the percentage of Community financing the Regulation sets limits to the level of support by reference to the type of operations. There is also a specific verification of the financial aspects, in most cases leading to a reduction of the actual percentage of Community participation requested by the proposers as certain items of expenditure are regarded as ineligible.

9.3. Follow-up and evaluation

Ex-ante evaluation

For the present proposal an ex-ante external evaluation has been undertaken in accordance with the principles of SEM 2000. This evaluation, covering the first two phases of implementation of the instrument, produced a number of conclusions and suggestions that were taken into account in the report under Article 14 and in the proposal for an amended Regulation.

As this is a financial instrument supporting highly diverse demonstration schemes, the ex-ante evaluation of each individual action is subject to the criteria laid down in the Regulation and is carried out in accordance with the procedure set out in point 9.2 above.

The selection of proposals is further guided by reference frameworks provided for in the Regulation, intended to better gear the actions covered by the instrument to the political and technical priorities of Community activity in the field of the environment.

Monitoring of current operations

On-the-spot checks are carried out on average once or twice a year by the Commission and/or experts acting on its behalf in order to assess the technical quality of projects. These checks have a preventive purpose intended to make the beneficiaries aware of their responsibilities and to detect in time any technical or management problems that may jeopardise the project. As suggested in the external evaluation report and in order to enhance the synergy between the various projects, there are plans for establishing a network among the beneficiaries of similar projects in preparation for the transfer of the results.

Ex-post evaluation

As regards the instrument itself, there will be an overall evaluation similar to that carried out in accordance with the SEM 2000 principles at the end of the third phase.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

The following staff are required for this operation:

A: 12 regular officials + 1 seconded national expert

B: 3 regular + 1 temporary

C: 5 regular

These needs are covered by the existing resources within the Directorate-General. No additional personnel is envisaged.

Other operating expenses are covered partly by the accompanying measures financed within the framework of the instrument itself and partly by mission expenses and the costs of organising meetings. This expenditure currently amounts to ECU 100 000 a year for missions and ECU 40 000 a year for management committee meetings.

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