



### El nuevo programa LIFE 2014-2020

### LIFE medio ambiente 2014

JORNADA INFORMATIVA
"LIFE MEDIO AMBIENTE Y ACCIÓN POR EL CLIMA"
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# The sub-programme for Environment

- ► Three priority areas common goals
- ENV − traditional projects
- NAT − traditional projects
- GIE traditional projects
- NAT and ENV Integrated project
- NAT Financial instruments NCFF



### LIFE Sub-programme for Environment

- Three priority areas:
- Environment and Resource Efficiency (ENV)
- Nature and Biodiversity (NAT)
- Environmental Governance and Information (GIE)
- Common goals:
- Pursuit of the related **specific objectives** (Articles 10, 11, 12 of the LIFE Regulation), **thematic priorities** (Annex III to the LIFE Regulation), **project topics** (Heading 3. of the LIFE multiannual work-programme (MAWP) for 2014-2017), and **targets** (Heading 7 of the LIFE MAWP for 3014-2017)



### **Thematic priorities (ENV)**

- Water
- Waste
- Resource efficiency
- Environment and health
- Air



#### LIFE ENV - Tools

- "Traditional" projects bonus, if Project topic(s) fulfilled
- pilot = apply innovative technique/method, not applied/tested before or anywhere else, potential to be applied on larger scale later, but <u>not</u> research! <u>or</u>
- demonstration put into practice, test, evaluate and disseminate actions/methodologies/approaches that are new/unknown in the context; special bonus, if Project topic(s) fulfilled and new/unknown throughout the EU!
- Integrated waste, water, and air projects implementing Union environmental plans (Heading 5 MAWP 2014-2017) and related Technical assistance projects to prepare them
- Preparatory and "other" projects



### **Thematic priorities (NAT)**

- Nature contributes to the implementation of the Birds and Habitats Directives (Council Directives 79/409 EEC and 92/43/EEC) inside Natura 2000 network or contributing to its integrity
- Biodiversity contributes to the implementation of the objectives of the Biodiversity Strategy to 2020 must address wild fauna/flora



#### LIFE NAT - Tools

- "Traditional" projects full bonus, if Project topic(s) fulfilled
- Best practice: apply appropriate, cost-effective and state-of-theart techniques/methods/approaches taking into account the specific context of the project or
- pilot and demonstration (N.B.: there is <u>no special bonus</u>, if new/unknown throughout the EU; Biodiversity Project topics 4 and 5 have to be pilot or demonstration projects)
- Integrated nature projects implementing Union environmental plans (Heading 5 MAWP 2014-2017) and related Technical assistance projects to prepare them
- Projects financed though Financial instruments: NCFF
- Preparatory and "other" projects



### **Thematic priorities (GIE)**

- Information information/communication/ awareness raising campaigns in line with 7th Environment Action Programme priorities
- Governance effective control processes/ measures to promote compliance in relation to Union environmental legislation/support of information systems and tools on the implementation of Union environmental legislation.
- New focus: Support for better governance (promote cooperation networks and best practices for the application of environmental regulations and enforcement, knowledge sharing, NPOs)



#### LIFE GIE - Tools

- "Traditional" projects full bonus, if Project topic(s) fulfilled
- Information, awareness and Dissemination projects: aimed at supporting communication, dissemination of information and awareness raising and at improving governance in the fields of the sub-programmes for Environment



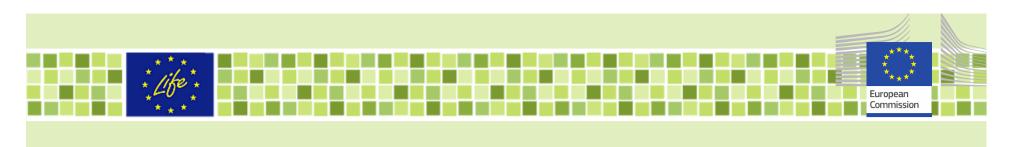
### NAT

- Thematic priorities nature and biodiversity
- LIFE NAT
- Nature strand
- Biodiversity strand
- Best practice
- Project example
- Project topic examples
- Indicator examples



# Thematic priorities (NAT)

- Nature contributes to the implementation of the Birds and Habitats Directives (Council Directives 79/409 EEC and 92/43/EEC) inside Natura 2000 network or contributing to its integrity
- Biodiversity contributes to the implementation of the objectives of the Biodiversity Strategy to 2020 including Natura 2000 must address wild fauna/flora



### LIFE NAT

- **Best practice:** apply appropriate, cost-effective and state-of-theart techniques/methods/approaches taking into account the specific context of the project <u>or</u>
- Pilot and demonstration
- N.B.: there is **no special bonus**, **if new/unknown throughout** the EU;
- Biodiversity Project topics 4 and 5 have to be pilot or demonstration projects
- full 10 point bonus, if a project topic is fulfilled



### **LIFE NATURE - strand**

- Objective: Contributes to the implementation of the Birds and Habitats Directives (Council Directives 79/409 EEC and 92/43/EEC)
- Approach: Must be best practice and/or demonstration projects and/or pilot
- Focus: Long-term sustainable investments in Natura 2000 sites and on the conservation of species and habitats targeted by the Birds and Habitats Directives
- Must contain <u>Concrete Conservation Actions</u> (CCA) (at least 25% of the LIFE project's budget)



### LIFE BIODIVERSITY - strand

- Objective: Contributes to the implementation of the objectives of the Biodiversity Strategy to 2020
- Approach: best practice, demonstration or pilot
- Focus: The demonstration of measures and practices that contribute to halting the loss of biodiversity in the EU, other than those related to the implementation of the objectives of the Birds and Habitats Directives
- Must contain <u>Concrete Conservation Actions</u> (CCA) (at least 25% of the LIFE project's budget)



### **Best practice project**

... applies appropriate, cost-effective, state-of-the-art techniques, methods and approaches taking into account the specific context of the project;.



Testing and evaluating of best practice techniques should NOT be part of the project as they are already state of the art. **Monitoring and dissemination of the project impact** is obligatory.





# LIFE – "best practice" - example

Preserve valuable habitats (meanders and oxbow lakes of Emajõgi River) and guarantee stability of priority fish species in a Natura 2000 area



- **2011**
- HappyFish (EE)

2013





### LIFE BIODIVERSITY

- Objective: Contributes to the implementation of the objectives of the Biodiversity Strategy to 2020
- Approach: best practice, demonstration or pilot
- Focus: The demonstration of measures and practices that contribute to halting the loss of biodiversity in the EU, other than those related to the implementation of the objectives of the Birds and Habitats Directives
- Must contain <u>Concrete Conservation Actions</u> (CCA) (at least 25% of the LIFE project's budget)





### LIFE BIODIVERSITY

- Proposals should focus on the project topics
- Proposals must be compatible with national and/or regional strategies for biodiversity where these exist
- Proposals must address <u>natural</u> habitats and/or wild fauna/flora
- European added value increases in case of innovative or demonstrative actions, with scope, transnational components, clear link to Union policy protecting wild biodiversity





# MAWP Project topics example Nature

- 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;



# **MAWP** Project topics example

### **□** Biodiversity

- 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) 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.



# MAWP indicator example Nature

- ➤ Quantitative outcomes: No. of ongoing or finalised projects targeting habitats or species in less than favourable/not secure conservation status
- ➤ Qualitative outcomes: 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

**≻ Target: 100%** 



# **MAWP** indicator example

### **□** Biodiversity

- ➤ Quantitative outcomes: No. of ongoing or finalised projects targeting the implementation of targets 2, 3, 4 and 5 of the Biodiversity Strategy to 2020
- Qualitative outcomes: Percentage of ongoing or finalised projects implementing replicable or transferable actions to improve or restore the targeted ecosystems
- ➤ Target: 80%



### Outline

- ■Peculiarities of ENVIRONMENT & RESOURCE EFFICIENCY (ENV)
- Project Topics
- ENV Award criteria (2014-2017)





# LIFE ENVIRONMENT & RESOURCE EFFICIENCY

- Objective: Implementation, updating and development of various Community environmental policy and legislation
- Approach: Must be demonstration and/or pilot



Focus: To bridge the gap between research and development results and widespread implementation, and to promote innovative solutions with a public dimension



# LIFE ENVIRONMENT & RESOURCE EFFICIENCY

### Projects contain:

- Demonstrative or innovative (i.e. pilot)
- Actions related to Union policy on water, air, soil, urban environment, noise, chemicals, environment and health, waste and natural resources, forests
- Preferably actions that are demonstrative wide and fulfil one of the project topics



# LIFE ENVIRONMENT & RESOURCE EFFICIENCY

LIFE Environment proposals should NOT focus on:

- ■Research and technological development activities
- ■Studies not specifically addressing the objective aimed at by the proposal
- ■Development of industrial capacity













### **Pilot Project**

applied or tested before, or elsewhere, that offers potential environmental or climate advantages compared to current best practice and that can subsequently be applied on a larger scale to similar situations.

Monitoring, evaluating and dissemination are integral parts of the pilot approach.



### **Demonstration**

... puts into practice, tests, evaluates and disseminates actions, methods or approaches that are to new or unknown in the project's specific (geographical, ecological, socio-economic) context and that could be applied elsewhere in similar circumstances.

If ENV and if project topic <u>and</u> new EU wide: extra points (up to 10)!



Monitoring, evaluating and dissemination of the project impact are integral parts of the demonstration approach.



### LIFE - "demonstration" - example

- Resource- and cost-efficient public housing -Extremadura
- Putting together elements tested elsewhere to a new entity/in a new context







# MAWP - Project topics An Example Water

- Water, floods and drought
  - ➤ Projects promoting **flood and drought risk management** through (a) extreme event
    prevention and protection tools for support of
    policy, land use planning and emergency
    management and (b) integrated risk assessment
    and management approaches based on resilience
    and social vulnerability, and ensuring social
    acceptance.



# **ENV Award Peculiarity**

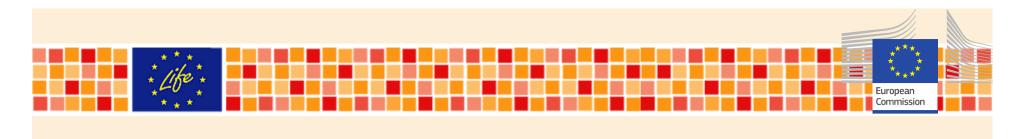
- → if project topic and new EU wide: extra points (up to 10)!
- ☐ If the project subject falls under the project topic: 5 extra points
- ☐ If the project is innovative or has demonstrative value at EU level:
  - 5 extra points



### ENV Award criteria (2014-2017)

	Minimum Pass Score	Total Possible
Technical coherence and quality	10	20
Financial coherence and quality	10	20
Extent and quality of the contribution to the objectives	10	20
Contribution to the project topics		10 (5+5)
Quality of multipurpose, synergies and integration	7	15
Replicability and transferability	5	10
Transnational, green procurement, uptake		5

Overall pass score: 55 of 100 possible points



# LIFE ENVIRONMENTAL GOVERNANCE & INFORMATION (GIE)

- Objective: New area: governance and compliance, information and communication actions, awareness raising campaigns and skills development for implementing, updating and developing European environmental policy and legislation.
- Character: Have to target a specific environmental problem.
- Do NOT have to be **pilot** or **demonstration**.



# LIFE ENVIRONMENTAL GOVERNANCE & INFORMATION (GIE)

#### **Thematic priorities** (Annex III of LIFE Regulation):

- ■Information information/communication/ awareness raising campaigns in line with 7th Environment Action Programme priorities.
- ■Governance effective control processes/ measures to promote compliance in relation to Union environmental legislation/support of information systems and tools on the implementation of Union environmental legislation.
- <u>New:</u> support for **better governance** (promote **cooperation networks** and best practices for the **application of environmental regulations and enforcement, knowledge sharing)**



# LIFE ENVIRONMENTAL GOVERNANCE & INFORMATION (GIE)

LIFE Governance & Information proposals should NOT include:

- Investments in major infrastructure
- Land purchase
- Research and technological development
- Marketing for products
- Lobbying activities of NGOs

- Forest fire prevention actions covered by the European Agricultural Fund for Rural Development (EAFRD)
- Forest fire extinction (see Civil Protection instrument)
- Protection of intellectual property



# "gov&info" - examples

- Bring poison cases to court
- Make governments create a legal framework

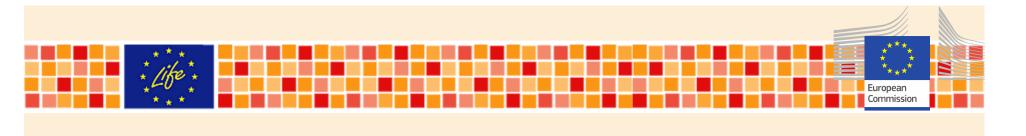


- Raise awareness about Natura 2000
- Create a Natura2000 day



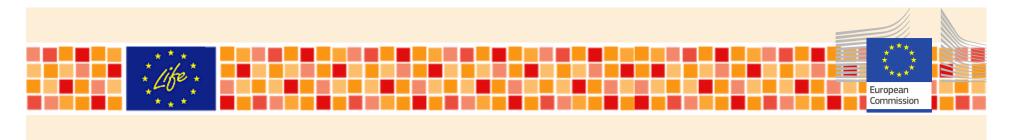
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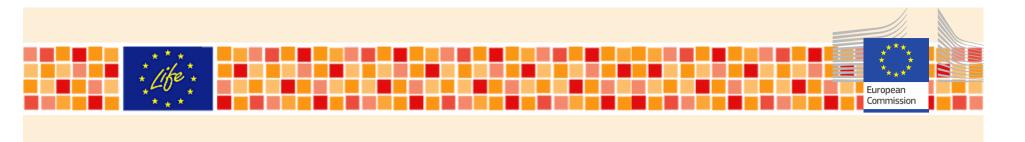
Recurring reasons for information, communication and awareness-raising project proposals failing in the past (1/2):

- ▶Poor identification and description/presentation of the environmental problem targeted, with limited or no background information and data.
- ▶Poor identification and description of the target audience of the project.
- ■Inappropriate target audience with respect to the environmental problem targeted.
- ▶Poor description of the current (baseline) situation in the target area and/or the target audience.



#### **Project Topics:**

- The thematic priorities are implemented through the project topics defined in the MAWP 2014-17 for LIFE Environmental Governance & Information there are **35** project topics.
- ■LIFE Environmental Governance & Information project proposals falling under one of the project topics will receive **10 more points** during the award phase of the evaluation.



#### "Information" project topic example

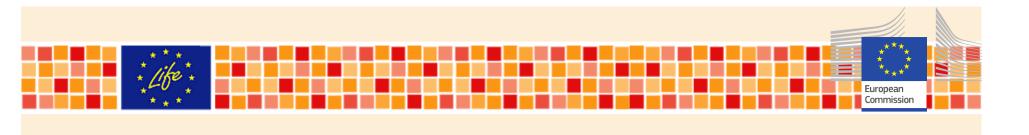
•National or transnational awareness raising campaigns with the objective of **raising public awareness on Natura 2000**. These campaigns should be conceived in a way to ensure a significant change in awareness of the natural values (including ecosystem services) for which Natura 2000 has been set up,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



#### "Governance" project topics

#### Sharing of best practice:

- •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.
- •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.
- •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.



#### "Governance" project topics

#### Governance and enforcement:

- •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.
- •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.



### Outline

- Concept of integrated projects
- Examples under the sub-programme for Environment
- Difference compared to "traditional projects"
- Financial instruments



# Concept of integrated projects

- Definition
- Purpose and means
- The concept
- The mechanisms

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### LIFE Integrated Projects (IPs)

#### What is it?

"projects implementing on a large territorial scale, in particular, regional, multi-regional, national or trans-national scale, environmental or climate plans or strategies required by specific Union environmental or climate legislation, developed pursuant to other Union acts or developed by Member States' authorities, primarily in the areas of nature, including, inter alia, Natura 2000 network management, water, waste, air and climate change mitigation and adaptation, while ensuring involvement of stakeholders and promoting the coordination with and mobilisation of at least one other relevant Union, national or private funding source"

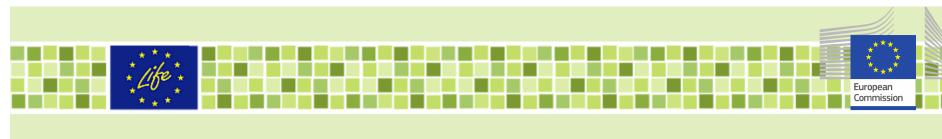
- Article 2(d) of the LIFE Regulation-





# IPs – purpose & means

- Integrate/mainstream environmental/climate policy in other EU policies
- Implementation of an EU Plan or Strategy
- Water: River Basin Management Plan (RBMP)
- Air: Air Quality Management Plans (AQMP)
- Waste: Waste Management Plans (WMP)
- Nature: Prioritised Action Frameworks (PAF)
- Climate Mitigation: greenhouse gases strategies
- Climate Adaptation: low carbon economy, climate resilient society plans and strategies
- Ensure supplementary funding sources for complementary actions, preferably EU funding
- Involve all relevant stakeholders and think BIG!



### IPs – For whom, what size...

#### For whom?

- Coordinating beneficiaries: Competent authorities or entities empowered to act for them capable of coordinating, besides the IP, complementary actions co-funded by additional private, public (preferably EU) funds.
- Associated beneficiaries: public and/or private commercial and/or non-profit organisation

#### **Average size and number?**

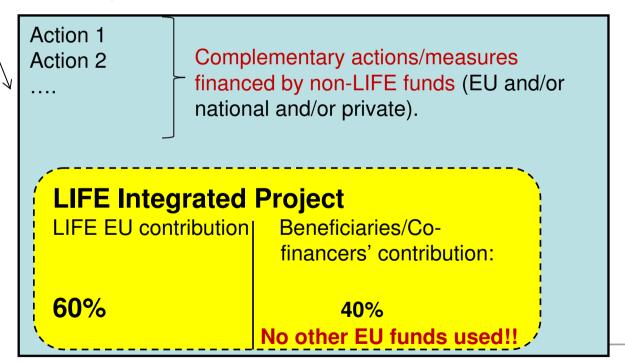
5 to 10 beneficiaries; EU contribution: €10 million; 3 IPs per Member State in 7 years (1 ENV, 1 NAT, 1 CCM/CCA).





# IPs – the concept

Illustration of a **plan/strategy** implemented by the IP and by complementary actions:





# LIFE – IPs – the concept (cont.)

#### Implementation of a Plan or Strategy means:

- **□Ultimate goal:** implementation of **all elements/actions of the plan** in question
- There have to be **longterm commitments** to implement the entire plan in the given geographical area / cities **by all relevant** actors
- ■Not all aspects have to be covered by the LIFE IP itself
- In a large geographical area/ covering a significant number of cities



# LIFE – IPs – the concept (cont.)

#### **Implementation of a Plan or Strategy means:**

■IPs provide examples of **good practice for efficient and well-coordinated implementation** of Union environmental and climate policy in Member States and regions.

IPs help competent authorities to fulfil their legal obligations!

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### Mechanisms

#### Submission (only for sub-programme for environment in 2014)

- Off-line (Word and Excel files)
- Two stage approach:
  - 1st stage: Concept Note, environmental plan/strategy and finance plan
  - 2nd stage: Full proposal including a letter of intent from at least one other funding source.

#### Implementation:

- A cyclical reporting/planning mechanism (not everything planned in detail from the beginning)
- More flexibility
- Payments following periodic planning
- Cascading grants (granting grants for ad hoc actions within the project)



# Examples of IP under the subprogramme for Environment

- Water
- → Air
- Waste
- Nature

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### Water IPs

- Implement a/parts of a River Basin Management Plan (RMBP) pursuant to Annex VII of the Water Framework Directive,
- Draw in and target **supplementary** funding **from EU sources** (e.g. EARDF), **public funding sources** (e.g. funds floods), **private finance** (e.g. water companies, local business) and commitments to implement the whole plan in a significant part of the catchment area,
- Involve local stakeholders and NGOs in decision making
- Offer a blueprint for how to integrate EU, national and local priorities on the ground



### Water IPs

- IP water projects should focus on **large scale** (eg. 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 'nature-like' oricesses.
- They should seek **synergies** to implement actions that will redress existing hydromorphological pressures and improve biodiversity and amenity value.

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# Water IP example

- Objective: to implement the target plan and thereby provide flood protection, environment's capacity for water retention, water quantity, water quality, biodiversity and/or recreation benefits
- Desired additional outcomes: contribute to improving ecosystem services; deliver also for N2000 in a whole river basin or large catchment resilience to future climate change
- Necessary elements: according to the target plan (incl. targeted infrastructure investment, use of low impact measures like green infrastructure for depollution, land management and land use change); supplementary funding and complementary actions outside the LIFE programme.

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# Water IP example

Target: whole river basin district

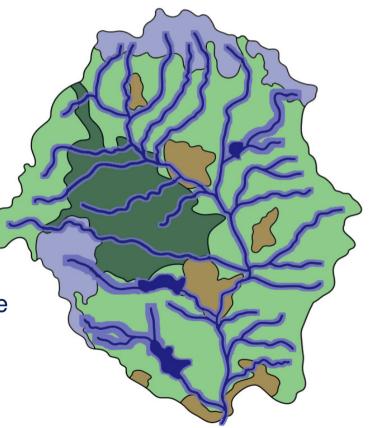
 Seek out synergies at the outset and plan for multiple benefits

 Plan and implement measures to restore to good status and achieve protected area objectives

 Focus on improving compliance with basic measures

• Targeted **land use change** to protect sensitive areas and achieve good status

• Remove hydromorphological barriers from source to sea







#### Water IP - example

Continuous 5 m buffer strips on all watercourses - protecting water and offering terrestrial biodiversity benefits Competent authority

Regular management & control: Local public authority

>> LIFE IP

**Bathing waters** (land hydrologically connected to bathing water):
Target uptake of measures that reduce likelihood of faecal

**Local authorities** 

pathogens entering waters

>> LIFE IP

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>> LIFE IP

Reduce pollutant loss from all agricultural land through targeted advice and inspections EU directive and WFD basic measures Competent authorities, staeholders

European Agricultural Fund for Rural Development (EAFRD)

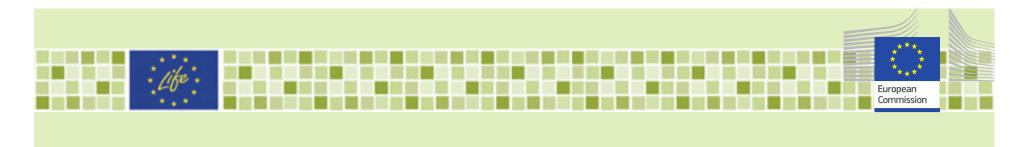
Remove all hydromorphological barriers

**European Structural and Investment Funds (ESIF)** 

#### Wetland creation/restoration

To reduce nutrients, recreate preexisting wetlands, store flood waters Pilot: NGO, competent authorities

Large scale: ESIF



### Air IPs

- Implement and monitor local and regional **Air quality management plans** pursuant to the Air Quality Directive 2008/50/EC
- Contribute to National Air Pollution Reduction Programmes
- Involve at least 5 cities
- Regional Air Quality Plan: coordination and cooperation between <u>all</u> local administrations and the regional administration

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### Air IPs

- Implement and monitor local and regional Air quality management plans pursuant to the Air Quality Directive 2008/50/EC Contribute to National Air Pollution Reduction Programmes
- **Local Air Quality Plans:** IPs should include coordination and cooperation between *at least 5* cities with such plans
- Regional Air Quality Plans: coordination and cooperation between <u>all</u> local administrations and the regional administration

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# Air IP example

#### 5 cities – 1 LIFE IP – 5 complementary projects

- The **coordinating beneficiary (CB)** is the regional authority for all 5 cities/the most representative city
- All cities are associated beneficiaries (AB) for dissemination and stakeholder involvement
- In the most representative city:
- The competent authority sets the legal framework
- All priority actions foreseen for one or several cities in the AQMP/demonstrative actions are implemented (filters, measuring, traffic management) under the LIFE IP
- Still, polluters take measures at the source/pay fines/fees



# Air IP example (cont.)

- The other cities commit to implement equivalent actions in their cities with their own funding/private polluter contribution /ESIF co-funding
- The coordinating beneficiary (CB) coordinates/follows-up on commitments of the actors of the complementary actions (outside of the LIFE IP).





### Waste IPs

- Implement Waste Management Plans (WMP) (Article 28 Waste Framework Directive 2008/98)
- Contribution to the implementation of the waste hierarchy (art. 4 of the WFD), the achievement of the recycling targets included in the EU waste legislation, as well as the implementation of necessary measures to support those objectives.
- Link with other sources of funding or initiatives: Structural funds for large investments (waste collection and treatment); private companies and households; utilities; local, regional and national funds
- Implementation of the Roadmap of recommendations arising from an upcoming compliance and assessment exercise.



### Waste IP example

#### Implementation of a Regional Waste Management Plan

- ■Contribution to the organisation of specific collection for household hazardous waste, furniture, textile, WEEE, construction waste in view of recycling/reuse: local authorities, NGOs >> LIFE IP
- Prevention campaigns for specific targets (citizens, retailers, offices, schools) or specific waste streams (food waste, reuse/repair, packaging, textile, etc.) >> LIFE traditional project
- Creation of reuse centres: ESIF, Local authorities



# Waste IP example (cont.)

- Implementation of PAYT (Pay-as-you-throw) schemes or landfill tax: competent authority>> LIFE IP
- Development of a monitoring system for waste collection and treatment (including waste composition analysis, generation, collection, treatment and costs) in one municipality; rolling out the system across all municipalities in the region: competent authorities, ESIF
- Development administrative and operational forces at public level, for the follow-up of implementation and inspections; setting up training courses: ESF
- The CB coordinates/follows-up on commitments of the actors of the complementary actions.



### Nature IPs

#### **Objective**

Natura 2000 (Article 8 Habitats Directive) and thereby contribute significantly towards achieving target 1 of the EU Biodiversity Strategy (Natura 2000) and the general objectives of the Habitats and Birds Directives

#### **Necessary elements:**

- Large geographic scale covered by the IP
- Link with other sources of funding or initiatives: Structural funds for large investments (restoration); private companies; households; visitors; NGO; local, regional and national funds
- ■Long-term commitments of all relevant actors(also of the complementary project(s)) to implement the whole PAF in the long term.

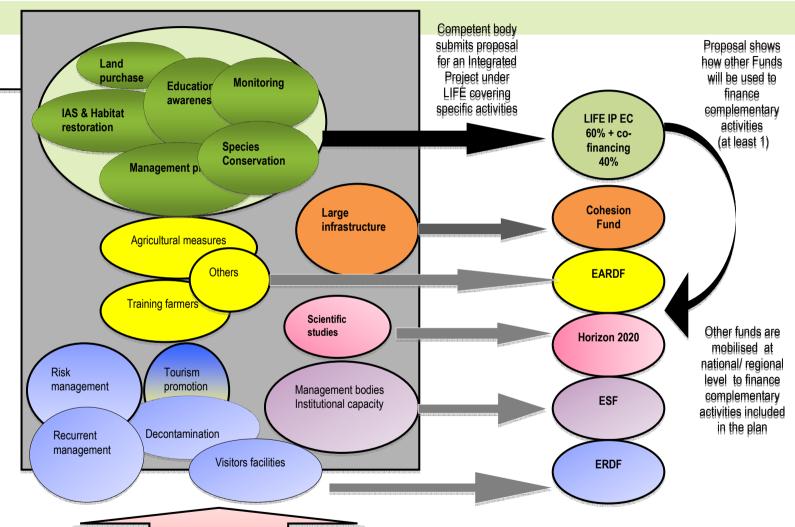
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# Nature IP – example









### IP vs "traditional"

- Catalyzer for (EU) Plan from A to Z
- Emphasis on coordination and collaboration with complementary actions
- More support and guidance



### IP versus "traditional"

#### **Implementation of a Plan:**

The IP serves as a catalyser for the implementation of an EU Plan from A to Z in a given region/number of cities by providing an example of good practice for an efficient and well coordinated implementation.

The traditional project is not directly linked to a Plan or is simply limited to the implementation of **only one** or several aspects of a Plan.

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# IP versus "traditional" (cont.)

IP: While a significant part need to be concrete implementing actions with actual environmental impact, emphasis is on co-ordinating and ensuring the commitment of all relevant actors to implement the whole plan (to a great part outside the IP).

"Traditional": Emphasis on concrete conservation actions/demonstration/piloting.

Stand-alone projects, with optional links to a Plan/Strategy



# IP versus "traditional" (cont.)

■ IP: more support and guidance from the Commission: all new for all!

- Preparation with the aid of the Technical assistance projects
- A handful per year versus hundreds...



### Tools: Technical Assistance Project (TAs)

#### For whom?

For those who would like to submit an IP, but need assistance in finalising the application

#### For what?

Support in drafting the IP application; should be applied for a year before the intended IP

#### Average size?

Maximum 1% of the allocation for IP's => maximum €100,000

#### **Co-funding rate?**

**60%** 



### Financial Instrument

- Why financial instruments?
- **NCFF**



### Why financial instruments under LIFE?

- Test new instruments to mobilise or "crowd in" private finance;
- Make optimal use of scarce public funds, i.e. identify ways of increasing leverage
- Address specific market barriers by investing in projects that are not considered commercially viable today but have the potential to be so in the future;
- 'Fill the gap' in the financial market and demonstrate the business case for 'higher-risk' projects
- Facilitate market uptake of climate/biodiversity friendly actions and greening of financial intermediaries
- Complement traditional action grants



## **NCFF**

- Objective of NCFF
- NCFF The setting
- Management: EIB + local banks
- The approach
- Examples





# The Natural Capital Financing Facility (NCFF)



#### Why?

- Financing gap for biodiversity and adaptation; emerging market opportunities for investments in natural capital
- Need to address barriers such as perceived high risks, lack of track record, long pay-back periods

#### **Objectives**

- Encourage investments in revenue-generating or cost-saving projects promoting the conservation of natural capital to meet biodiversity/adaptation objectives and support green growth;
- demonstrate to private investors the attractiveness of natural capital projects; build project pipeline 27/06/2014

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### NCFF - The setting

- Pilot phase (2014-2017) for testing approaches
- Investment facility (debt and equity, direct and indirect) and Support facility (building pipeline, project development)
- Actors: European Commission; EIB (matching amounts for investments; manager of facility);
- Size for pilot phase: €100M for investment facility + €10M for support facility; allocation from LIFE: €60M (€30M from the subprogramme for environment, 50% from the sub-programme for climate action)





# NCFF – Recipients and projects <a href="https://www.who?">Who?</a>

Utilities, SMEs, local public authorities, land managers/farmers



#### What?

- ▶Payments to secure critical Ecosystem Services.
- ■Green Infrastructure: generate revenues or save costs based on the provision of goods and services
- Offsets: voluntary compensation for the residual, unavoidable harm to biodiversity caused by development projects. No support for compensation to comply with article 6(4) of the Habitats Directive.
- Innovative pro biodiversity and adaptation businesses. 27/06/2014



# NCFF – A project example (1)

#### Payment for ecosystem services

#### **Issue:**

- Legal practices of upstream land managers affect the water quality
- Downstream brewery's production is affected

#### **Solution:**

- Land management upstream is improved (e.g. creation of a buffer strip and/or other management practices)
- This improves water quality for brewery, but also creates/maintains biodiversity and/or climate adaptation benefits

#### **Problem:**

The land managers do not have the funds to pay for the management measures





# NCFF – A project example (2)

#### **Financer:**

The brewery pays the land managers for the measures to improve the ecosystem services (contract)



#### **Final recipient**

Land managers (eco-system providers)

#### What is the role of the NCFF?

- ■Investment facility: Provide funding for the loan supporting the necessary investments.
- Support facility: Help coordinate between the brewery and land managers, therefore securing the business model of the approach.



# NCFF – The role of the national contact points



- Steer applicants who develop potentially revenue generating or cost-saving natural capital projects towards the NCFF to build a good pipeline of projects
- Facilitate interactions between EIB, national financial intermediaries and potential project beneficiaries
- Monitor effective implementation of the NCFF

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# LIFE – The new actors EIB/local banks

#### **NCFF**

- EIB (portfolio, experience)
- Intermediary banks (help reach potential beneficiaries across the EU)





## NCFF - Approach

- Investment facility (debt and equity, direct and indirect) + Support facility (building pipeline, project development)
- Two stages approach:
  - 1. Pilot phase (2014-2017) for testing approaches;
  - 2. Operational/roll out phase (2017-2020) planned outside LIFE
- Participants:
  - **European Commission**; **EIB** (matching amounts for investments; manager of facility); **Other investors** (only in operational phase)
- Challenges: testing the various financial mechanisms and project categories; ensuring a broad geographical scope in the EU.







### **Conclusions**

- EU faces significant challenges in reducing GHG emissions, adapting to inevitable climate change and to preserve natural capital;
- An optimal policy response requires the use of an array of regulatory and financial support tools, including action grants, integrated projects and financial instruments, that can adequately address different challenges and constraints;
- Inducing transitional change requires innovative ways of mobilising private finance in order to meet Europe's current and future climate and environment objectives;
- The two financial instruments to be implemented are linked to strategic areas of EU climate action, i.e. energy efficiency and adaptation, and complement other climate-related financing. NCFF is also linked to a strategic area of EU environmental policy, i.e. natural capital preservation and complements grant funding in this area.





## NCFF – applicants



#### Why applying?

- Funding is required for a natural capital management project to take off but financing institutions seem reluctant to invest
- Opportunities to generate revenue or save costs are expected, which would allow to pay back the initial investment costs

#### How to apply?

- Direct contact could be taken with EIB;
- If deemed difficult, national contact points can help in facilitating interactions with financing institutions

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# Thank you for your attention!

http://ec.europa.eu/environment/life/index.htm

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