LIFE II: financial instrument for the environment (amend. regul. 1973/92/EEC)

1995/0093(SYN) - 11/09/2003 - Court of Auditors: opinion, report

Special Report No 11/2003 on the Financial Instrument for the Environment (LIFE). This audit focused in particular on the second phase (1996 to 1999, LIFE II). EUR 435 million was used during the period for which it was allocated. The Court observes that LIFE's overall objective is very broad and inadequately defined. Of the individual strands, however, the objective of LIFE Nature is more precise because it is linked to the application of the Directive on the conservation of natural habitats and of wild fauna and flora. The Commission's criteria for assessing proposals are different for each programme strand. It only calls on independent experts for the "Environment" and "Third Country" strands. The complementarity between environmental projects financed under LIFE and those financed from other Community sources (e.g. the Structural Funds or research) is still poor, and the interdepartmental consultation procedure does not wholly eliminate the risk of double funding. The Court identified many difficulties affecting the implementation of LIFE II, in particular staff expenditure that was not backed up by reliable records and which included the salaries of officials usually already met from public funds, as well as serious delays in the execution of payments and deficiences in the financial arrangements for projects and in the accounting systems. There was considerable outlay to purchase land for actions under LIFE Nature, insufficiently matched, however, by guarantees that this land would continue to be used for nature conservation once the implementation period for these actions was over. As regards the monitoring and control of projects, the Commission has increased the number of on-the-spot visits, the findings of which reveal several types of error at beneficiary level. The tasks of the Technical Assistance Offices, which act as the external project monitoring teams, have not been clearly defined, and the monitoring of actions has suffered as a result. Since 2001, as part of the departmental reorganisation of the Directorate-General for the Environment, the Commission has made considerable efforts to tackle the shortcomings in the management of the LIFE programme. These efforts must be kept up. To this end, the Court recommends that: - LIFE's role should be clarified in the context of the multiannual environmental action programmes, and its objectives better defined and, if possible, quantified; - the Commission should examine whether it would be expedient to separate the management of the "Nature" and "Environment" strands; - the evaluation of project proposals should be carried out by outside experts for all the strands of the programme and these experts must be selected by a public call-for-proposals procedure; - the administrative provisions concerning the implementation of actions should be reviewed in order to achieve a better definition of eligible costs, especially as regards project accounting, staff expenditure, depreciation and land purchases for LIFE Nature projects; - the Commission's on-the-spot checks should be stepped up, if need be by employing outside auditors; - the results of the projects should be disseminated. The Commission underlines the fact that the efforts made have been effective, as the results obtained since 2001 show. However, the Commission recognises that there is room for improvement where LIFE-Environment is concerned.