

PART II

PRESENTING A LIFE-ENVIRONMENT PROJECT PROPOSAL

I. Project proposals – Who can submit a project? Who may participate?

- (1) Project proposals may be presented by all legal entities established in the Member States of the European Union e.g. individuals, industrial and commercial firms, local authorities, etc. The participation of Small and Medium Enterprises (SMEs) is in particular encouraged.
- (2) Participation to LIFE is also open to any legal entities established in the accession countries that participate to the LIFE-Environment programme (for the call LIFE-Environment 2005, Romania).
- (3) Proposals must be presented by a single applicant. Proposals may envisage the collaboration of many participants in the context of a partnership implementation.
According to their roles and obligations LIFE-Environment may have four types of participants sharing in the implementation and/or providing the funds needed:
 - (a) Beneficiary,
 - (b) Partner(s),
 - (c) Co-financier(s),
 - (d) Subcontractors

A brief description of their roles and obligations is given hereafter. Please refer to Annex 1 of Part II –the Common Provisions attached to the Standard Grant Agreement - for more details.

I.1. Participants to a LIFE project – roles and obligations

- Roles and obligations of the beneficiary

A LIFE-Environment project may be proposed by a single applicant, who, should his proposal be selected becomes the **beneficiary** of the Community financial support. The beneficiary is solely legally and financially responsible for the implementation of the project before the Commission. The beneficiary is the single point of contact for the Commission and will be the only participant to report directly to the Commission on the technical and financial progress achieved.

The beneficiary receives the financial contribution of the Commission and assures, in the case of a partnership, the distribution of this financial contribution as specified in the agreements established with the partners.

The beneficiary must contribute financially to the project. In the case of a 30% maximum contribution request, the beneficiary must contribute to the financing of the project by at least as much as the Community support requested. The beneficiary will be directly involved in the technical implementation of the project and the dissemination of the project results and is expected to bear a part of its costs. This means that the beneficiary can not be reimbursed 100% for the costs incurred to carry out the LIFE project, thus the beneficiary is expected to bear a part of its costs. The beneficiary will not act, in the context of the project, as sub-contractor to the partners.

- Role and obligations of the partners

A project may be proposed by an applicant who has established collaboration agreement(s) with one or more **partners**. Partnership is encouraged where a meaningful collaboration can be expected. In particular when the partnership strengthens the innovative and/or demonstration character of the project, its dissemination and/or transferability of the techniques and/or methods demonstrated by the project. Partnerships maybe established at any level (local, regional, national and international, etc.). It should be borne in mind that partners must be established as legal entities in the Member States of the European Union or in the accession candidate Central and Eastern European countries participating to LIFE-Environment (Romania).

The partner/s must contribute financially to the project. The partners contribute to one or several of the tasks involved in implementing the project and consequently share the costs incurred. They will not act, in the context of the project, as sub-contractors to the beneficiary or other partners. This means that partners can not be reimbursed 100% for the costs incurred to carry out the LIFE project, thus each of them is expected to bear a part of its costs. They have the obligation to provide the beneficiary, in charge of the technical and financial reporting to the Commission, with all necessary documents required for this activity.

- Co-financiers to the project (other than Community funding)

Co-financiers only contribute with financial resources to the project and shall not benefit from the Community contribution except in those cases where they are also partners to the project. They are not required to be directly involved in the technical implementation of the project.

- Role and obligations of subcontractors

For specific tasks of a fixed duration, a project may also include subcontractors, who are not considered as partners. Subcontractors provide external services to the beneficiary and/or partners who fully pay for their activity. The beneficiary and his eventual partners may, for the implementation of the project, rely for a limited extent on external services provided under contracts by subcontractors.

II. WHERE AND WHEN TO SUBMIT A PROPOSAL

Each project must be submitted, in 3 identical, complete, hard copies, each copy bearing original hand-written signatures where requested to the competent national authority (see list Annex 2 of Part II), except in the following case:

- **Germany** : to the competent Länder ministries, who will then forward them to the Federal Ministry.
- ☞ *The national authorities will then submit two copies of the proposals to the Commission at the latest by **14th January 2005**.*
- ☞ *Proposals should be submitted to the Member States and candidate countries associated to LIFE by **30th November 2004**. Member States and candidate countries may change the national submission deadline and the total number of copies required. It will be up to them to inform the public consequently.*
- ☞ *When a project concerns several Member States it must be addressed to the Member State in which the applicant is legally established.*

III. THE STRUCTURE OF THE PROJECT PROPOSAL

- ☞ ***Before applying, much attention should be paid to the preparation of a project proposal. LIFE-Environment has only limited resources, priority is therefore given to very carefully prepared proposals.***

In summary:

- The first phase, preliminary to the formulation of the project, should consist of identifying the **problems to be solved**.
- Once this is done, the **objective** of the project must be set. This should directly address the problems identified and should be precise and clearly set out.
- The next step is to identify the **results** or 'end products' of the project which are to be achieved to meet the objective. Wherever possible these should be set out in quantifiable terms.
- Next, consider which **actions** are needed to obtain these results. For each one clearly identify how, where and when it will be undertaken, who will do it and how much it will cost. Any action which does not contribute directly to the objective must be discarded.
- Carefully plan how the project will be **organised and managed**, who is responsible for carrying out which actions, who reports to whom and which management structure is necessary.

- Make sure the **budget** is coherent with the actions proposed.
- Consider, at each stage of writing the application, which **assumptions** you are making. Outside factors, authorisation of measures by public authorities, support from third parties etc are essential for the success of the project and should be fully described, as should any potential difficulties that might arise.
- Establish how the planned actions and expected results can be verified (**indicators**) and list these in the application. This will make it possible to monitor the project.
- Finally, a simple procedure must be foreseen to evaluate, during and at the end of the project, the results in relation to the initial objective.
- Useful lessons which could be passed on to other LIFE-environment projects should be identified. Conversely, the experience of similar projects should be used during the preparation of projects. Please visit the LIFE-Environment data base at :

<http://europa.eu.int/comm/environment/life/project/index.htm>

There you will find a brief description of all LIFE- Environment projects financed so far.

- ☛ *A vague project, insufficiently negotiated between partners, where foreseeable difficulties have not been taken into account, has little chance of being considered as a priority for funding at Community level. A proposal should be a realistic project and not merely a declaration of intent.*
- ☛ *Before starting to complete the forms read carefully the Common Provisions attached to the model Grant Agreement (see annex 1). This will help you to clearly understand the “rules of the game”.*

III.1. INTRODUCTION TO THE 4 SECTIONS OF THE PROPOSAL

(1) The following sections briefly introduce the summary, administrative and technical section of the proposal. Detailed information is given regarding the mandatory annexes and the financial section of the proposal. In particular, an explanation is given on the rate of Community co-funding a project may request, as well as an overview of those items and types of expenditure that are considered eligible/ineligible for funding under LIFE-Environment. A proposal to LIFE environment entails:

- (a) A summary section
- (b) An administrative section
- (c) A technical section
- (d) A financial section

Plus Annexes

- **Declaration(s) of technical and financial commitment by the partner(s)**
- **Declaration(s) of financial commitment by the co-financer/(s)**

For a private organisation (applicant only) :

- **1) the profit and loss account and the balance sheet of the last financial year for which the accounts have been closed**
- **2) where the EU contribution requested exceeds €300 000, an external audit report produced by an approved auditor. That report shall certify the accounts of the applicant for the last financial year available. In case the auditor has a doubt about the applicant's financial viability through the project period, his/her opinion in that respect should be explicitly expressed in the report.**

Important Note:

Those organisations that declare their status as public must comply with the following criteria:

1/ The organisation has been created by a public authority or is officially recognised as an organisation of public interest. Note the 'public interest' must be explicitly mentioned in the relevant legal or administrative act/s.

2/ The internal procedures and accounts are submitted to control by a public authority (on a day to day basis).

3/ The organisation is financed totally or to a large extent (i.e. more than 50%) by public sources.

4/ In the event that the organisation stops its activities, all rights and obligations including financial, will be transferred to a public authority.

This means that only central and local public authorities and the structures that act on their behalf and under their full responsibility may be considered as public.

In the event that your organisation does not comply with any of the criteria mentioned above then it should be declared a private structure and should provide the necessary annexes.

Please note that proof may be requested at a later stage. Failure to deliver sufficient evidence will lead to a re-classification from public to private.

- (2) In order to be considered eligible proposals must be structured according to the predefined proposal submission forms and must include the above mentioned annexes where applicable.
- (3) Part III of the application file consists of the proposal forms and explanatory notes for the preparation of these proposal forms. The financial forms are presented in a separate Excel document (Part III – financial forms). It is important that applicants refer to the explanatory notes given in Part III when completing the forms.

(a) The summary section of the proposal

- (1) The summary section consists of a general overview of the project, containing general data, and a project summary
- (2) The applicant is required to present a short, concise summary of the project outlining its objectives, a description of the work and the expected results in English.

(b) The administrative section of the proposal

- (1) The first part of the administrative section consists of a formal declaration of the applicant (Form A0). This form needs to be signed and dated. All hard copies must have original signatures.
- (2) The second part of the administrative section provides detailed information on the applicant and the eventual partners and co-financiers.

(c) The technical section of the proposal

- (1) The technical section of the proposal consists of a series of predefined forms used to collect information on the technical aspects of the project and profiles of the beneficiary and eventual partner(s).

(2) The technical proposal should allow the Commission to assess the conformity of the project to the general and specific objectives of LIFE-Environment.

(3) The applicant is required to present a summary of the different project tasks.

This summary is followed by a detailed description of every task including:

(4) An overview of who is involved in the particular task and a description of his role within the task,

(5) A description of the tasks' goals, actions and assumptions made.

(6) A timeline of the task and progress indicators

(7) A description of the deliverables which will be developed, and their time schedule.

(8) An identification of the most important milestones, and their time schedule.

Further information to be provided:

(9) description of the state-of-the-art in the field of activity of the project and the anticipated level of innovation,

(10) an elaboration of the demonstration character of the project with an emphasis on the dissemination of results the project plans to undertake,

(11) an assessment of the potential for reproducing the projects in other geographical areas and/or sectors and the possibilities, and eventually planning, for transferring the techniques or methods developed,

(12) an evaluation of the value for money the project aims to achieve and an assessment of the environmental benefits in relation to the costs of the project,

(13) an assessment of the implications on employment, such as the creation of jobs during the project and beyond/or as a consequence of the results achieved,

(14) the added value of establishing an international partnership, should it be envisaged by the project.

It is important to note that the technical section of the proposal may be presented in the national language of the applicant. The Commission nevertheless strongly recommends to submit the technical part of the proposal also or only in English. Several internal Commission, and eventually, external experts participate in the evaluation of the proposals. Experience shows that having an English version available generally leads to a more efficient evaluation of the proposals.

(d) The financial section of the proposal

- (1) In the financial section the applicant is requested to detail:
 - (a) how the costs of the project are broken down over a series of predefined categories of expenditure. A global financial overview and details on a task/action level are requested. Note assets and services donated including voluntary work should not be included as costs.
 - (b) how the project will be funded, A global overview and details per participant are requested. A project is generally financed from the own contribution of the applicant, those of his eventual partners and a Community contribution. Other sources of funding provided by (other than European Community) co-financing organisations or persons are to be presented. Note assets and services donated including voluntary work should not be included as financing.
- (2) It is important to note **that all costs or co-funding declared in the financial proposal needs to be expressed in EURO.**
- (3) It is understood that the financial proposal presents a provisional estimation of the project budget and costs. The level of detail provided (description of cost items, names of suppliers etc.), and the level of confirmation of participation by partners and co-financiers, will be used by the Commission to assess the merits of the project proposal.

(e) ANNEXES

- **DECLARATION(s) OF TECHNICAL AND FINANCIAL COMMITMENT FROM PARTNER(s)**
 - **DECLARATION(s) OF FINANCIAL COMMITMENT FROM CO-FINANCERS**
1. In the case of partnerships and/or co-financing from other sources of funding, the proposal must include, official, signed and dated declarations from each of the partners and co-financiers. At least one (1) original signed declaration/s must be submitted. In these declarations, the partners and co-financiers should clearly present their level of technical and financial commitment to the project. The Commission should be informed in particular on the status of these commitments. A few examples: 'funding pending approval of board of directors', 'participation in principle, pending adoption by public authority council', 'co-financing from national subsidy pending acceptance of the national application foreseen for <specify date>', 'funding fully confirmed', etc.
 2. **Partners must provide financial and technical input to the project. Failure to do so will lead to the elimination of the project proposal.**

Important remark: the applicant should be aware that before a positive final selection the funding must be fully confirmed. This means that during the selection procedure all the commitments will have to be brought from a 'initiating' level to a 'confirmed' level. Applicant should be aware that the omission of formal signed and dated declarations from partners/co-financiers leads to the exclusion of the project from further evaluation (eligibility check).

For a private organisation (applicant only) :

- **1) the profit and loss account and the balance sheet of the last financial year for which the accounts have been closed**
- **2) where the EU contribution requested exceeds €300 000, an external audit report produced by an approved auditor. That report shall certify the accounts of the applicant for the last financial year available. In case the auditor has a doubt about the applicant's financial viability through the project period, his/her opinion in that respect should be explicitly expressed in the report. .**

See III.1. for criteria concerning public bodies.

IV. Community co-financing and the eligibility of costs

General considerations

(1) In conformity with the EC Community regulation on LIFE-Environment, the Community financial contribution is determined by the following conditions:

- (a) The rate of Community financial support shall be a maximum of 50% of the eligible costs of the project.
- (b) This rate shall be a maximum of 30 % of the eligible cost for projects "expected to generate significant income".

Income can be actual revenue, but also includes reduction of operational costs. The condition applies to a larger time-scale than the limited timeframe of the project. Projects that could lead to future revenue or cost reduction are consequently only eligible for LIFE funding at the maximum 30% rate. Moreover, the potential for income generation refers to the project and not only to the beneficiary; if other interested parties, partners or other, can expect revenue of cost reductions from the project, the 30% rate is applicable. **In the case of a 30% contribution, the beneficiary contribution to the financing shall be at least as much as the Community support, the proposal will be eliminated if this is not the case.**

- (2) Projects proposed to LIFE may not benefit from other sources of Community funding. This also applies to proposals that partially overlap with Community funded projects. Before presenting a proposal applicants should always check the possibility of obtaining financing under other Community financial instruments (Structural and Cohesion Funds, agri-environmental measures under the Rural Development Scheme, etc). Obviously, actions within a project that benefit or will benefit from aid under other Community financial instruments are not eligible under LIFE. It is therefore essential that all applicants check thoroughly that the actions proposed under LIFE cannot be funded through other EU funds (Structural funds, Rural Development Plans, etc...).

It may be possible that, at the moment of introducing the LIFE proposal, the decision to grant the financing requested has not yet been taken by the authorities responsible for the implementation of these financial instruments (usually national/regional authorities). If the project is pre-selected, the Commission will verify if the financing has been granted in the meantime. The final decision will only be taken once the Commission is sure that there will be no double financing

- (3) Applicants should avoid presenting to LIFE-Environment any costs related to the following activities or items (non-exhaustive list please refer to Annex 1 - Common Provisions, Articles 21 and 22 attached to the model Grant Agreement) since they are considered **ineligible** for financing:

land purchase or any other costs related to the purchase;

studies not specifically addressing the objective aimed at by the financed projects;

investments in major infrastructures or investments of a non-innovative structural nature, including activities already confirmed on an industrial scale;

research and technological development activities;

costs for intellectual property right protection (e.g., patents).

- (4) To be considered **eligible**, costs must:

be provided in the provisional budget of the project,

be directly linked to and necessary for carrying out the project covered by the decision. Note salary costs of a civil servant shall be declared only to the extent that they relate to the cost of activities that the relevant public authority would not carry out if the project concerned were not undertaken

be reasonable and comply with the principles of sound financial management, in particular value for money and cost-effectiveness,

be actually **incurred during the lifetime of the project**, as it will be defined in the decision, and be recorded in the beneficiary's and eventual partners' accounts or tax documents, and be identifiable and controllable.

The Commission prefers to have projects starting after the date on which the decision of the Commission is notified. Should a project have started before this date then it should be noted that the earliest starting date acceptable for the Commission is 15th January 2005. Any cost associated with the project between 15th January 2005 and the date of the Commission decision may be eligible but they are incurred at the risk of the applicants.

The financial proposal to LIFE-Environments entails the presentation of cost estimates of various kinds. The Commission applies different methods for calculating the eligibility of funding depending on the type of cost involved.

Please refer to the Common Provisions attached to the model Grant Agreement (Annex 1) for a detailed presentation of the conditions under which costs can be considered eligible in each cost category.

V. Proposal evaluation - eligibility, selection and award criteria

General principles

- (1) The evaluation of proposals is based on the fundamental principles of transparency and equality of treatment. The following section gives a short overview of the process and describes in more detail the criteria on which the proposals will be evaluated.
 - (2) The Commission will carry out the evaluation without linguistic or geographic bias, if required, this evaluation could rely on panels of independent, external experts.
 - (3) The proposal evaluation consists of four consecutive steps:
 - (a) the eligibility check,
 - (b) assessment against the selection criteria,
 - (c) assessment against the award criteria
 - (d) the award of the financial Community contribution.
- Note the Evaluation Guide used in the procedure will be made available as a reference document on the LIFE web site <http://europa.eu.int/comm/environment/life/home.htm>.

(a) Eligibility check

On receipt by the Commission services, all proposals will be subject to a validation process to ensure they conform to the requirements outlined in this information package and the call for proposals.

Proposals are considered eligible under the following conditions:

- (1) The proposal was sent via the competent national authorities and received by the Commission before the deadline for submission.
- (2) Of the three (3) copies submitted to the competent national authorities, two copies are available for the Commission services.
- (3) The standard LIFE-Environment proposal forms were used.
- (4) The LIFE-Environment proposal forms were not hand-written.
- (5) The LIFE-Environment proposal forms are complete and all forms are present even when their content is not directly applicable to the proposal.
- (6) Where required, the proposal forms are completed with dated signatures whereby status and full name of the signatory(ies) is clearly in evidence. This is of particular importance for the applicants' original signature (Form A0), as well as those of all the possible partners and co-financers to the project for whom declarations of commitment to the project are expected. These signed declarations (at least 1 original signature/s) are considered very important and failure to deliver them with the proposal will lead to the exclusion of the project from further evaluation.
- (7) The mandatory annexes are present

Only proposals meeting the above eligibility conditions will be subject to evaluation on the selection and award criteria.

(b) The Evaluation Process

Selection of projects is the sole responsibility of the Commission services. They may benefit from the advice of Member States' administrations. The Commission may also engage specialist independent experts from various sectors.

(1) Evaluation phase (Selection Criteria)

- Two selection criteria:

(1) Reliability of the participants

The legal technical and financial soundness of the participants should be adequate. In order to assess the participants' financial viability the Commission will use any information in its possession.

Beneficiaries and partners must absolutely give a financial contribution to the project. If they do not, projects are eliminated on the basis of this criterion

(2) Conformity with the scope of Life-Environment, as defined in the Regulation (articles 2.a., 4.2 and 4.4)

Only projects satisfying the selection criteria are admitted to evaluation on the award criteria.

(2) Evaluation phase (Award Criteria)

The evaluation of the award criteria enables grants to be awarded to actions which maximise the overall effectiveness of the LIFE programme and which are coherent with the specific objectives given in the Guidelines (Part I of the Application Guide)

The Commission services, assisted by panels of independent experts, assess the proposals for each award criteria. A score is awarded.

Projects which have obtained the threshold score for each award criterion are put on a list in order of merit. Projects with a score below the threshold in any of the award criteria will be excluded. The threshold score is given in the evaluation guide.

(3) Bonus:

The Commission services assess the projects for each bonus criteria and may decide to give additional points to projects meeting these criteria.

(4) Ranking:

Projects obtaining the threshold in each award criterion are ranked according to merit. Scores given for each award criterion and the bonus criteria are taken into account to obtain the ranking order.

The ranked list of projects is considered as a preliminary selection of projects which may receive Community financing.

The award criteria

The following 5 criteria will be applied during the evaluation of the award criteria:

(1) Innovatory nature and progress. Technical feasibility

Projects should be innovative by virtue of the technology or method applied, and represent progress over the current situation. Projects must be feasible from a technical perspective.

(2) Transferability of results, demonstration character and dissemination of results

Projects must have a clear transferability potential, as regards the know-how, practices, technology or products developed, to similar situations. Projects should be carried out at an appropriate scale for demonstration purposes and be capable of promoting widespread application of practices and technologies conducive to environmental protection. Dissemination is considered an important part of the project and failure to provide an adequate dissemination plan may lead to elimination of the proposal.

(3) Coherence and quality of the proposal, integration

Projects should be feasible from a management and organisation point of view (timetable, budget...). The presentation should be clear, coherent and precise.

Projects should promote integration of environmental considerations into activities whose main aims are economic and social.

Please note that proposals with more than 35% External Assistance may be eliminated if an adequate justification is not presented.

(4) Financial coherence and quality

Projects must be carried out by financially sound participants and be feasible and reasonable in terms of budget. Budgetary allocations for the different headings should follow the indications given in the Common Provisions attached to the model Grant Agreement (Annex 1 to this document).

(5) Community interest and environmental problem

Projects should be of Community interest i.e. make a significant contribution to the development and, where appropriate, implementation of Community environmental policy and legislation.

Projects should provide solutions to problems which frequently arise in Community and/or candidate countries, or that are of great concern to some Member States and/or candidate countries.

Projects should show a satisfactory environmental cost-benefit.

Applicants are advised to take account of the adapted Guidelines for LIFE Environment project (Part I of the Application Guide) and the policy documents referred to.

- Two bonus criteria:

(1) Multinational approach

Up to 4 bonus points will be given to projects with a multinational approach (e.g transboundary pollution problem tackled through active involvement of entities from different countries and/or including specific activities in different countries). This approach should contribute more efficiently to the implementation of the project objectives bearing in mind its feasibility and its costs.

(2) Creation of employment and Small and Medium Enterprise¹

Up to 2 bonus points will be given to projects that have a clear and positive impact on employment (e.g. creation of permanent employment) and/or are presented by Small and Medium Enterprises (SME).

(c) Awarding the Community financial contribution

- (1) In function of the available financial budget, the proposals ranked on merit on the preliminary selection list will be classified either as “**preliminary selected**” or “**preliminary reserve**” for those projects not falling within the financial envelope available.
- (2) The preliminary selected/reserve projects will be informed in writing of the status of their proposal. **This communication however does not ultimately commit the Commission to fund the projects classified as “preliminary selected/reserve”.**
- (3) In close collaboration with the Commission services and the Commission’s external project monitoring teams, a **revision of the project proposal** will be made.
- (4) The revision is not meant to alter the objectives of the proposals, yet it may address specific aspects of the project as identified in the evaluation phase.

¹ An SME (small and medium-sized enterprise) is defined as a business that has fewer than 250 full time equivalent employees, an annual turnover not exceeding EUR 40 million or an annual balance sheet total not worth EUR 27 million, and is a maximum 25% controlled by a non SME company.

- (5) The revision may involve a partial revision of the project's proposed budget. Yet, it must be emphasised that the total eligible project costs of the revised project in no cases will be higher than the original eligible proposed project costs. In any case, the contribution of the EC will never exceed the initially requested contribution in the original proposal after the revision.
- (6) Projects failing to provide before a fixed deadline a commonly agreed revised proposal will be classified as **“non-retained after revision”**. In particular, the projects will have to demonstrate that they have all the necessary resources and the organisational structure for carrying out the project. The Commission will check these, and may seek to safeguard its interest by asking a bank guarantee (mandatory for non-public beneficiaries) or by other measures such as requiring the establishment of formal partnership agreements.
- (7) Following the revision phase and in function of the available budget, the Commission will present to the LIFE Committee the **final selection list including a list of projects in reserve**.
- (8) Based on the opinion of the Committee **the Commission will decide on the projects to be financed**. A grant agreement will then be sent to the beneficiaries. The beneficiaries are invited to formally countersign the agreement.
- (9) Any proposal, which is finally not taken up, due to a lack of available funding for example, will be subject to a “non-retained” communication by the Commission.

Timeline of the evaluation-selection procedure

For proposals submitted for the evaluation-selection procedure of the year 2005, the following timeline is anticipated:

Period	Actions / Milestone Events
14 th January 2005	Proposals received by Commission
02/2005-06/2005	Commission services evaluation
06/2005	Establishment of Preliminary selection list.
06/2005	Proposal revisions Member State consultation
07/2005	Approval of final selection list
08/2005-09/2005	Beneficiaries receive grant agreement by the Commission
11/2005	Latest date for return of signed grant agreement (three copies) by beneficiaries