

LIFE Programme 2021 – 2027

Programme design

LIFE is EU's funding programme dedicated to environmental and climate objectives. It is divided in two main portfolios - Environment and Climate Action. Each portfolio covers two main sub-programmes:

| ENVIRONMENT | CLIMATE ACTION |
|--------------------------------------|--|
| Nature and Biodiversity | Climate Change Mitigation and Adaptation |
| Circular Economy and Quality of Life | Clean Energy Transition |

The **Clean Energy Transition sub-programme** is a new feature of LIFE 2021-2027. It is the first time that the clean energy transition is specifically covered within LIFE programme. It will be a continuation of the market uptake activities that are currently funded under Horizon 2020. The aim is to support the shift towards a clean energy, especially in regions that lag behind and have difficulty to absorb funding from the European structural and investment funds. It will encourage investments in projects focusing in particular on energy efficiency and small-scale renewables.

Budget

The European Commission proposed in June 2018 a regulation¹ establishing a new LIFE programme for the period 2021-2027. Funding for this Programme comes from the EU's Multiannual Financial Framework (MFF). The current proposal is for €5.45 billion or 0.43 % to be used for the fund.¹ The final budget for the LIFE Programme depends on the outcome of the MFF negotiations. Comparing to the current LIFE 2014-2020 programme, the proposed budget will increase.

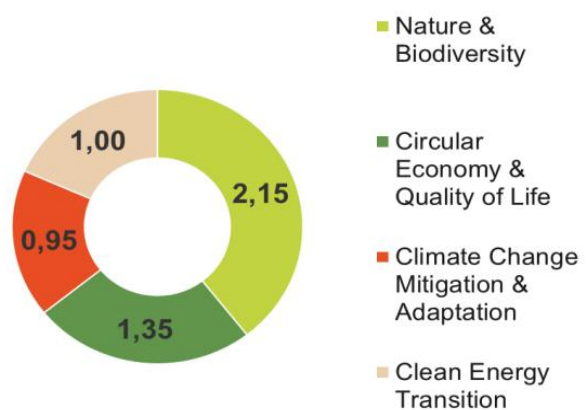


FIG.1: ALLOCATION OF LIFE BUDGET PER SUB-PROGRAMME

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With almost €2 billion (from €3.46 to €5.45 billion). The proposed allocation per sub-programme is represented in the Figure 11. Under the current proposal, the Clean Energy Transition sub-programme would benefit from €1 billion envelope.

Projects

LIFE Programme supports projects aligned to the following objectives:

- Contributing to the shift towards a clean, circular, energy-efficient, low-carbon and climate-resilient economy, including through the transition to clean energy;
- Protecting and improving the quality of the environment;
- Reversing biodiversity loss, thereby contributing to sustainable development.

It supports small-scale projects aiming to share best practices, test small-scale technologies, and accelerates the implementation of relevant EU legislation and policy. It also targets projects that bridge the gap between EU programmes supporting research and innovation and those financing large-scale deployment.

LIFE's final objective is to act as a catalyst for investment in projects that support market uptake of clean energy solutions and deliver a zero-carbon economy. The current proposal also aims to ensure a broader geographical access to the fund.

Currently, LIFE provides grants for the following types of projects:

- Traditional projects - best-practice, demonstration, pilot or information, awareness and dissemination projects, depending on the priority area
- Preparatory projects - addressing specific needs for the development and implementation of EU environmental policy and law
- Integrated projects - strategic projects supporting EU Member States to achieve full implementation of Strategies or Action Plans required by the EU environmental and climate legislation. These are implemented at national or regional scales, involving relevant authorities and significant budgets from several EU and national sources, lasting for 6-10 years on average
- Technical Assistance - provide, by way of action grants, financial support to help applicants prepare integrated projects

LIFE funds are dispersed through grants, including NGO operating grants, prizes and public procurement contracts. Financing could also be provided in the form of financial instruments within blending operations. The overall amount reserved for these operations would be set in the multiannual work programmes. The standard co-financing rate for LIFE projects is set at 60% of eligible costs. Organisations are required to source the remaining 40% themselves or from other funding sources. Enterprises, SMEs in particular, public bodies and private non-commercial organisations are eligible to benefit from LIFE funding.

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Opportunity for geothermal

LIFE programme will provide funding for small-scale actions that will:

- facilitate the development and exchange of best practice and knowledge
- build up the capacities and accelerate the implementation of environmental and climate legislation and policies that will facilitate the clean energy transition
- help stakeholders to test small-scale technologies and solutions
- mobilise funding from other available sources'

For geothermal projects, the Clean Energy Transition sub-programme opens up a new funding opportunity. As geothermal energy is one of the main components for a successful clean energy transition process, there is potential for funding.

Geothermal projects can apply for funding under the Clean Energy Transition sub-programme (Climate Action portfolio), that has a dedicated total budget of €1 billion under current proposal. As mentioned above, small-scale geothermal technologies can be funded within LIFE financial framework.

After the adoption of EU's next long-term budget and implicitly the budget for LIFE Programme, the European Commission will adopt LIFE's multiannual work programme where a more detailed overview of calls for projects and financing rates will be provided.

Notes:

¹ REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EU) No 1293/2013, https://eur-lex.europa.eu/resource.html?uri=cellar:ad186f8e-6587-11e8-ab9c-01aa75ed71a1.0001.02/DOC_1&format=PDF

² European Parliamentary Research Service, LIFE programme for 2021-2027: Financing environmental and climate objectives, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/628294/EPRS_BRI\(2018\)628294_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/628294/EPRS_BRI(2018)628294_EN.pdf)

³ Source: Presentation of François Delcœur, LIFE programme unit, DG ENVI, European Commission, file:///C:/Users/ReghinaDimitrisina/Downloads/DUN120618_OS_1_DELCEUILLERIE.pdf

⁴ LIFE multiannual work programme for 2018-2020, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018D0210&from=EN>