Mainstreaming Green, Gender and Digital objectives in the EU Budget

21st ESDN Workshop

European Commission, Directorate General for the Budget

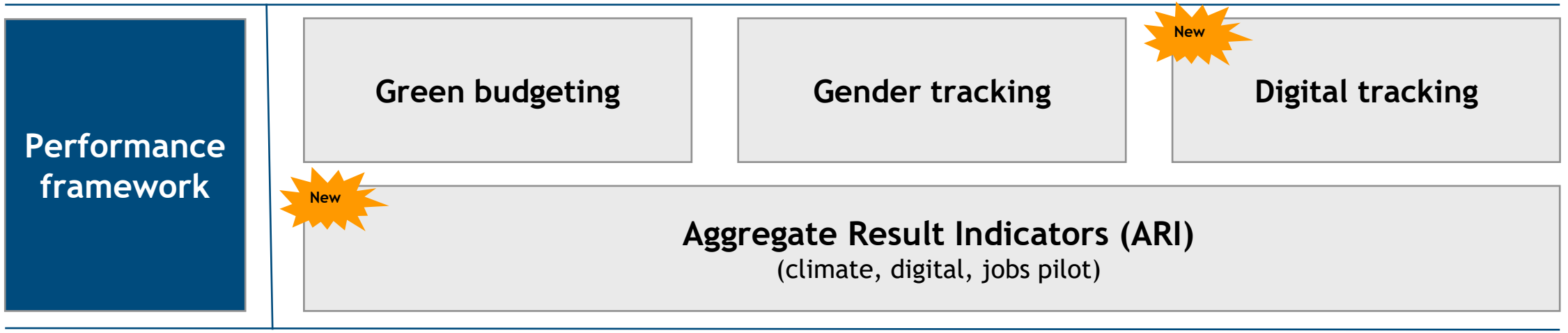
23 May 2023

Agenda

1. Introduction
2. Green Budgeting
3. Gender Budgeting
4. Digital tracking
5. SDG

European Commission

1 Introduction



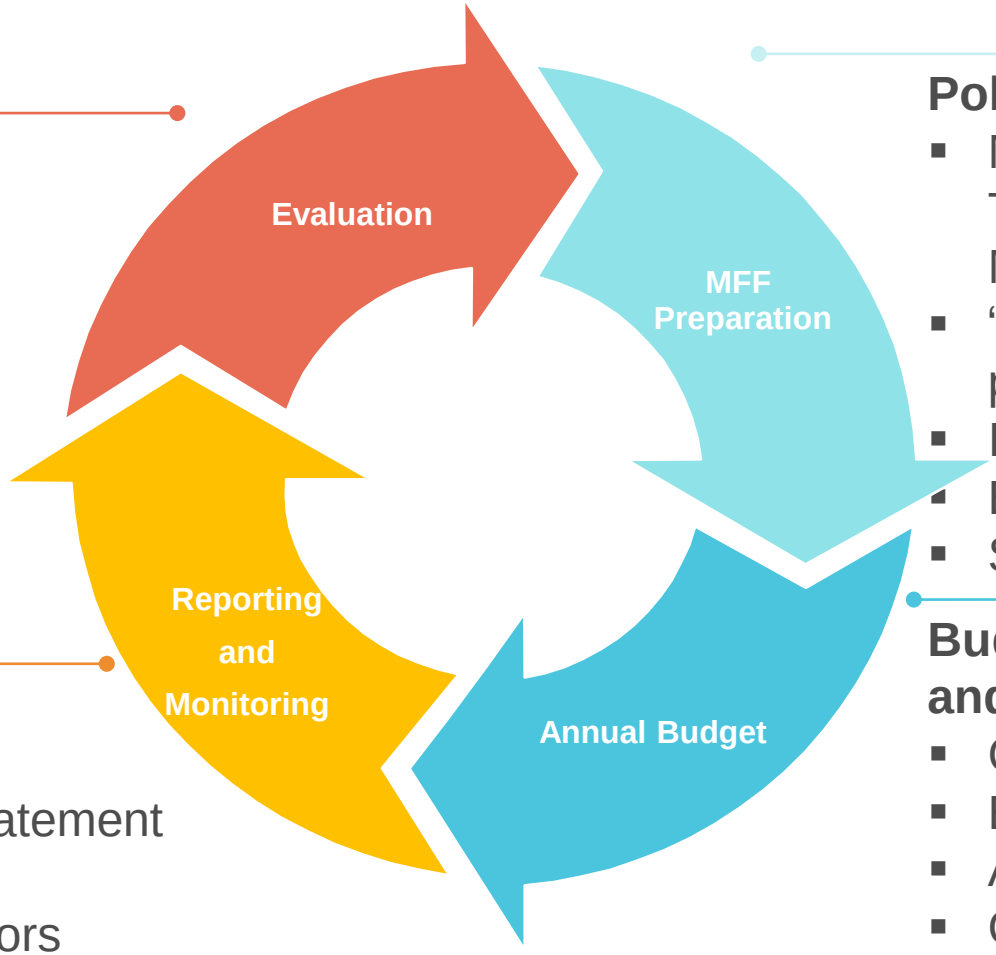
Policy mainstreaming in EU's budget: united but different

- Tracking included in accounting (Climate) vs. requests to DGs to contribute (Biodiversity, Clean air, Digital, Gender, SDGs)
- Tracking specific investments as relevant (Climate), tracking investments according to pre-formulated intervention fields (Digital), clustering the implemented budget according to scores of relevance (Gender), giving illustrative examples of contribution (SDGs)
- Currently ex-post, developing on in programming (ex-ante), some objectives how much must be spent on specific policies (Climate, Biodiversity)

1

Mainstreaming in the EU budget through the policy cycle

Evaluation
- Sectorial programme contribution
- EU Budget Spending Review



Policy Design
- MFF Target, Programme Target and Adjustment Mechanism
- “Do no significant harm” principle
- Investment Guidelines
- Enhanced conditionality
- Sustainability proofing

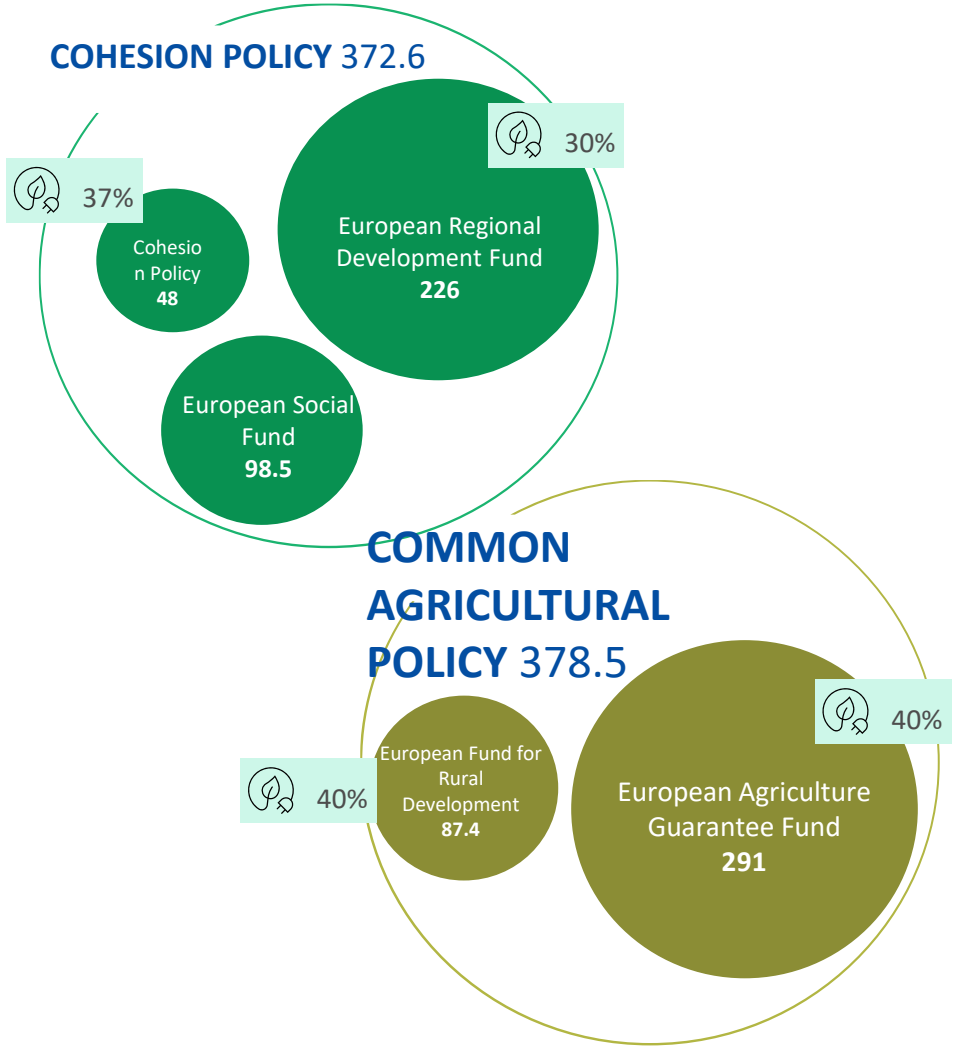
Budgetary Mainstreaming and tracking/tagging
- Climate
- Biodiversity
- Air Quality
- Gender
- Digital

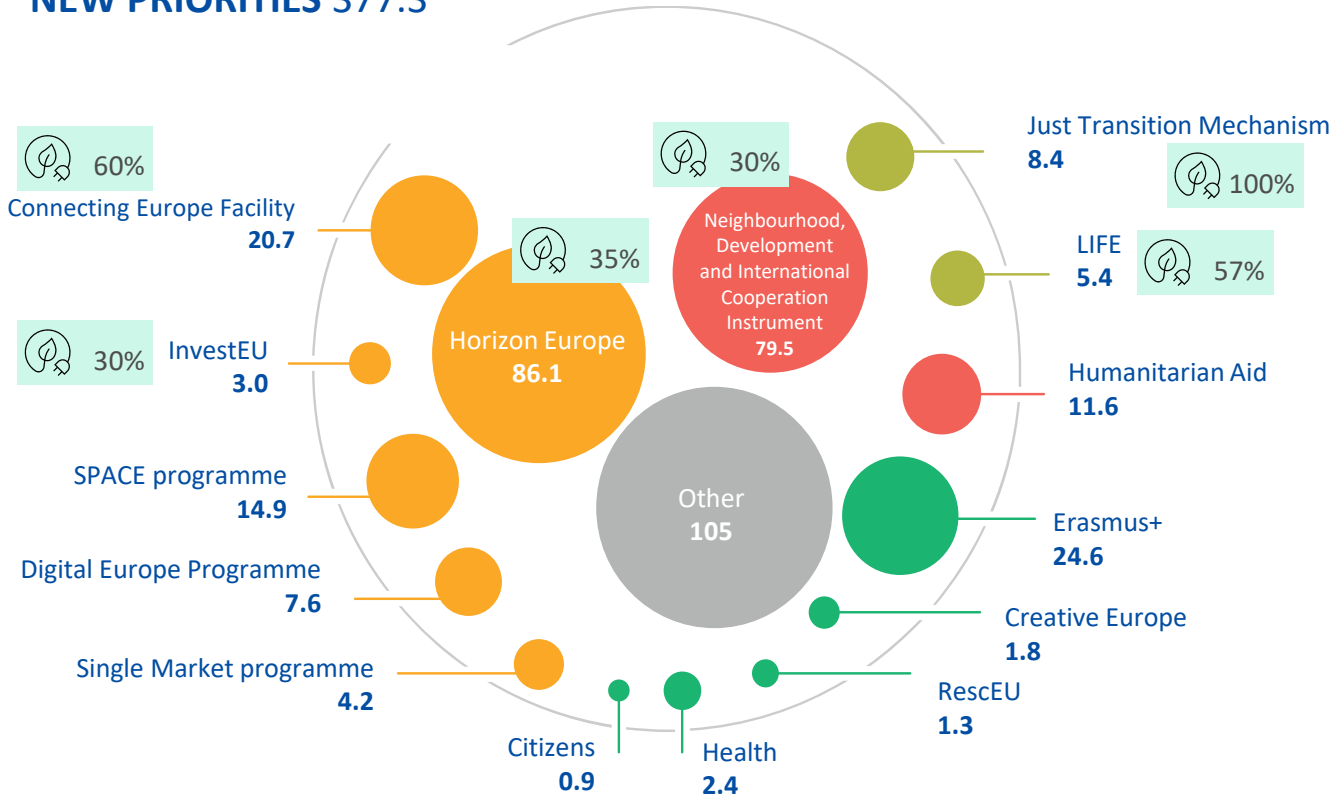
Performance
- Programme Performance Statement sectorial section
- Sectorial indicators
- Crosscutting indicators

European Commission

2

Green Financing: climate mainstreaming





All figures are in billion EUR

Explicit climate target in the regulation

European Commission

2 Green Budgeting

Green priorities (climate, biodiversity, clean air)

- Climate tracking: relevance of 0%, 40% or 100%, data for past years arriving from ABAC accounting system
- Biodiversity and clean air: to be done by the DGs manually
- Inter-institutional agreement commitments on climate (30%) and biodiversity (at least 7.5% in 2024)
- Focus on both, inputs and outputs

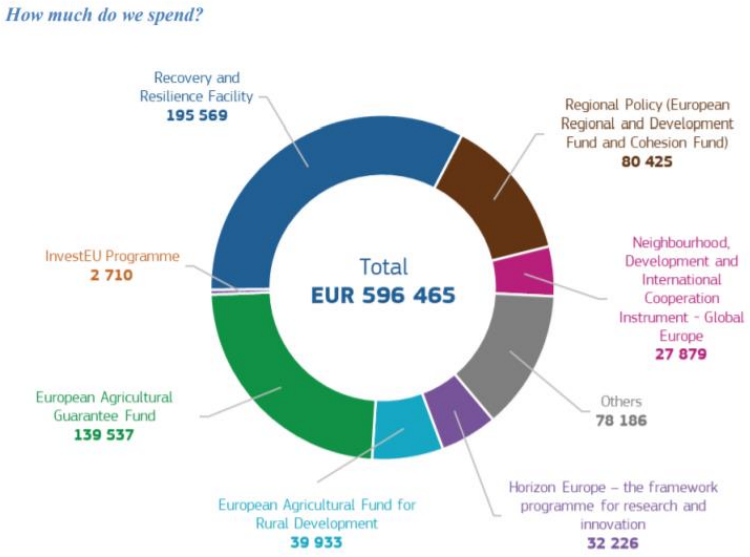


Chart 1 - Climate contribution in 2021 to 2027, in million EUR
Source: European Commission.

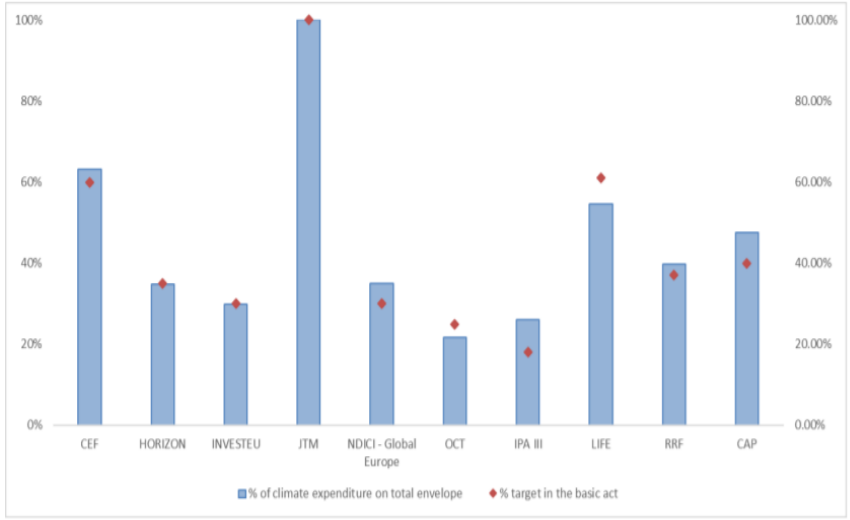


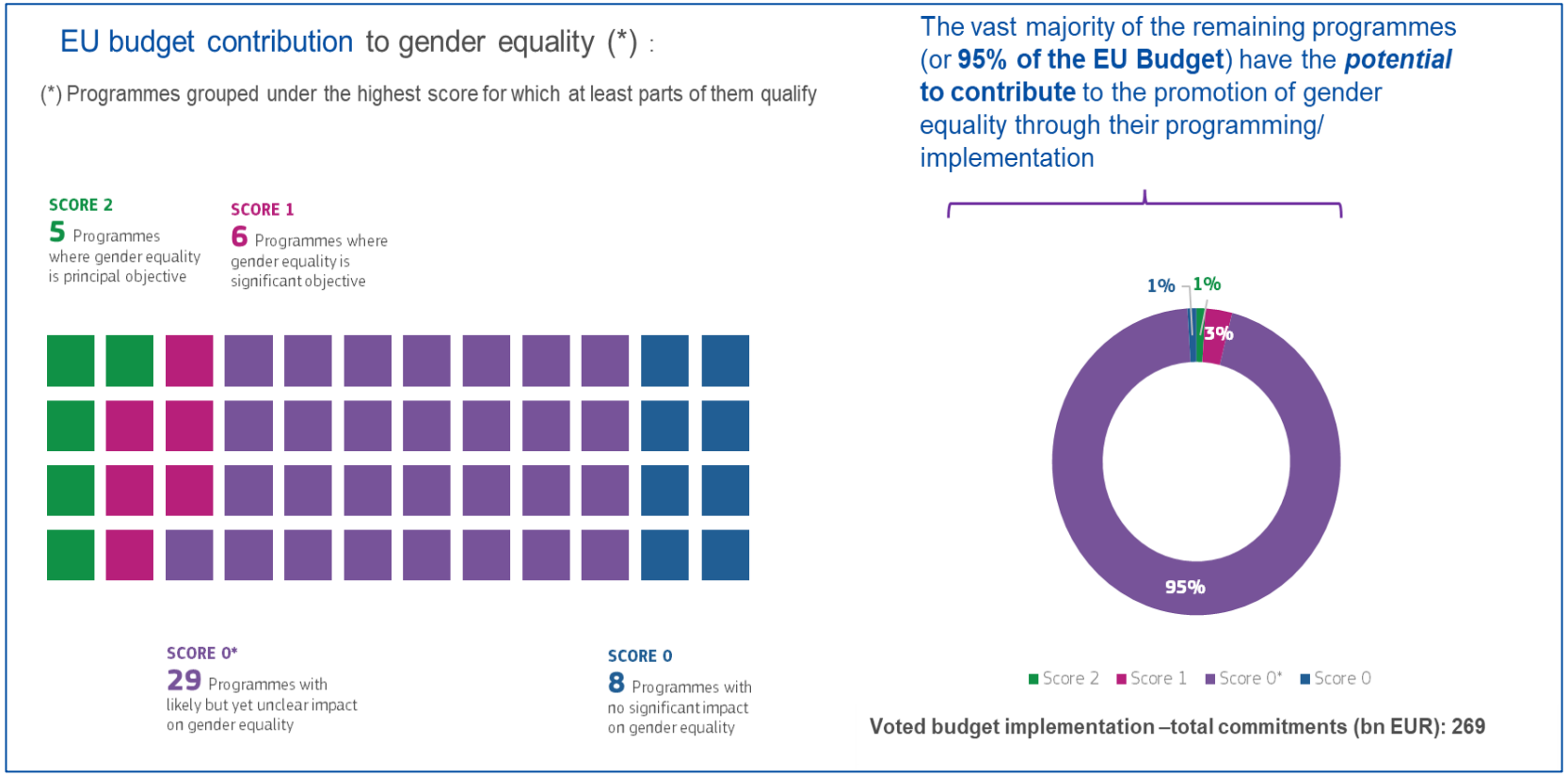
Chart 2 - Comparison of ex-ante targets and foreseen expenditures in 2021-2027
Source: European Commission.

European Commission

3 Gender Budgeting

Gender tracking pilot according to scores:

- Piloting gender tracking methodology in DB 2024 (for 2022) as already in DB 2023 (for 2021) to be done manually by the DGs ex-post; results for 2021 (for 2022 will be published until summer 2023):



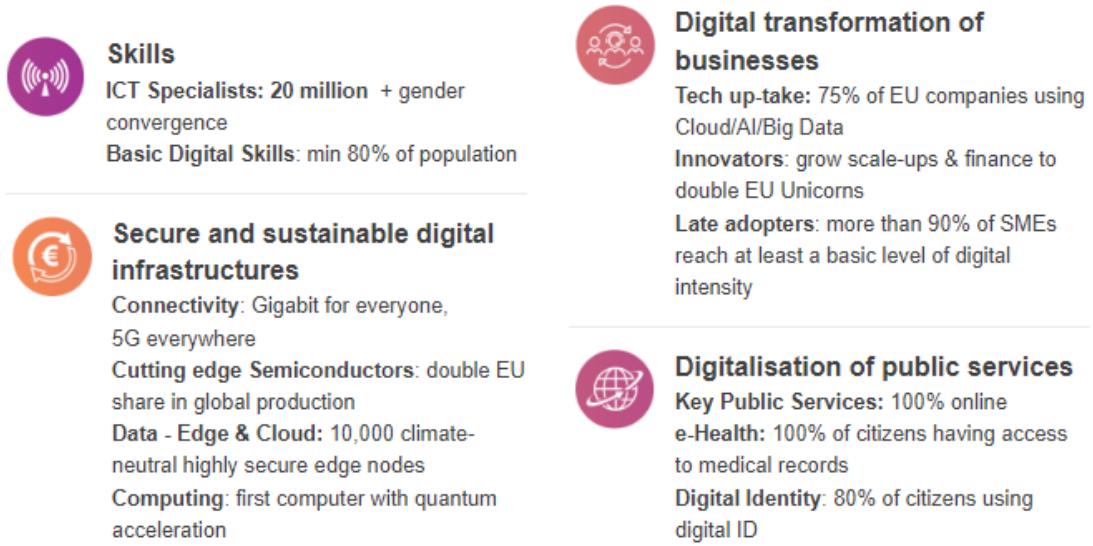
- Currently improving with in-depth analysis to shift 0* contribution to the other, more clear scores

European Commission

4 Digital tracking

Digital tracking pilot according to intervention fields:

- Led by DG CNECT and DG BUDG, coordinated with all DGs in an informal working group
- DGs must fill a form to compile the information of the current state of play concerning the programme's digital expenditure and it's tracking according to four digital dimensions, in detail: tagging investments with intervention fields
- The methodology to track digital expenditure and its results will be published in the main EU budget performance reports (AMPR and working document 1 attached to the draft budget link to methodology)



European Commission

5 SDG tagging: how we started

- 2016: response to the 2030 Agenda and the SDGs, sustainable development package
- 2017: Draft Budget 2018 Programme Statements: 'indicating how a specific programme, often in an indirect and not quantifiable way, contributes to SDG'
- Since 2018: Horizontal section in EU budget performance (overview) and in Programs' SDG-specific section: min. 1 illustrative example/ relevant SDG of the program's contribution to it
- Transition to MFF 2021-2027: Internal consistency check to verify each individual program's contribution to the indicated SDGs
- Since 2020: illustrative examples of how the EU budget contributes to SDGs
- Under President von der Leyen: “whole of government” approach to implementing the SDGs:

European Commission

5 SDG tagging: current status and outreach

- Since 2020: The Commission is exploring the possibility of developing an SDG expenditure tracking methodology for the EU budget.
- The methodology should capture the transversal nature of the SDGs and the simultaneous contribution of programs to different SDGs, in the light of interlinkages and co-benefits.
- The Commission follows closely developments at international level to establish a coherent and comparable statistical framework to track SDG-related investments.

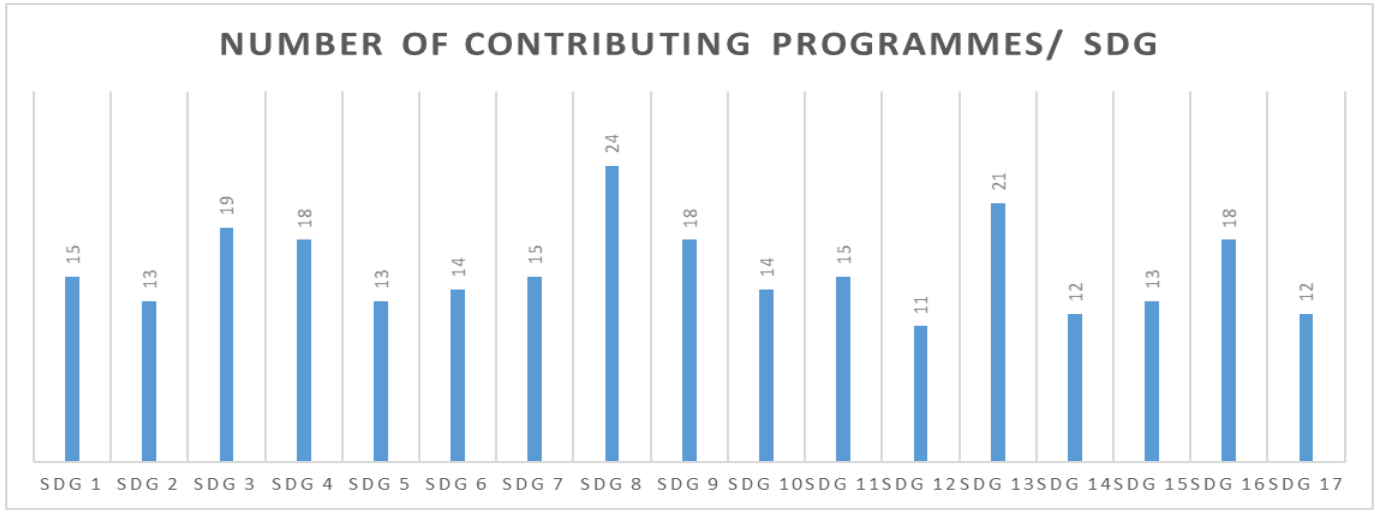
While no dedicated SDG expenditure tracking system is in place for the MFF 2021-27, the Commission's existing tracking methodologies for climate, biodiversity and gender equality cover significant aspects of the 2030 Agenda

- Indicative figures how much programmes contribute to these priorities
- More like examples, not comprehensive, only if there is a methodology like climate tracking (pointed out for the Green Deal)

European Commission

5 SDG tagging: examples 2021 (ex-post)

41 out of 48 programmes or 85% of the programs, corresponding to 97% of the overall EU budget, contributed towards at least 1 SDG in 2021



- **Example:** Horizon Europe budget performance 2021:

6.5. Contribution to the sustainable development goals

6.5.1. Goals

SDG 1 End poverty in all its forms everywhere

Training researchers towards a better understanding of poverty:

Since 1990, there have been considerable efforts to reduce absolute poverty in most developing countries. However, especially in Sub-Sahara Africa, progress has been slow. Literature shows that the academic debate on the determinants of poverty reduction takes place in disciplinary silos, where approaches that work well for high-income economies but ignore structural differences between high-income and developing countries are applied and deliver ambiguous results. The EU-funded ADAPTED project will address this apparent research gap by developing high-level training for early-stage researchers, aiming to avoid the existing silos, integrate developing country realities into poverty reduction approaches and bridge the attested knowledge gaps. The project will validate pathways towards poverty eradication, analyse interactions between poverty reduction and other policy areas and contribute to optimise the impact of poverty reduction policies.

European Commission

Thank you

Benedikt Gamillscheg
Policy Officer
DG BUDGET – Unit 02 Budget Performance & Policy Mainstreaming
Bruxelles – Montoyer 15 – 4e
+32 472 376 131

© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the CC BY 4.0 license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

European Commission

Annex: useful links to dive in

EU-Budget: landing page

- EU budget (europa.eu)

EU-Budget: performance and mainstreaming

- Programme performance overview (europa.eu)
- Mainstreaming (europa.eu)

EU and SDGs

- Sustainable Development: EU sets out its priorities (europa.eu)
- Sustainable Development Goals (europa.eu)
- KnowSDGs (europa.eu) (SDG policy mapping of the Commission)

European Commission