



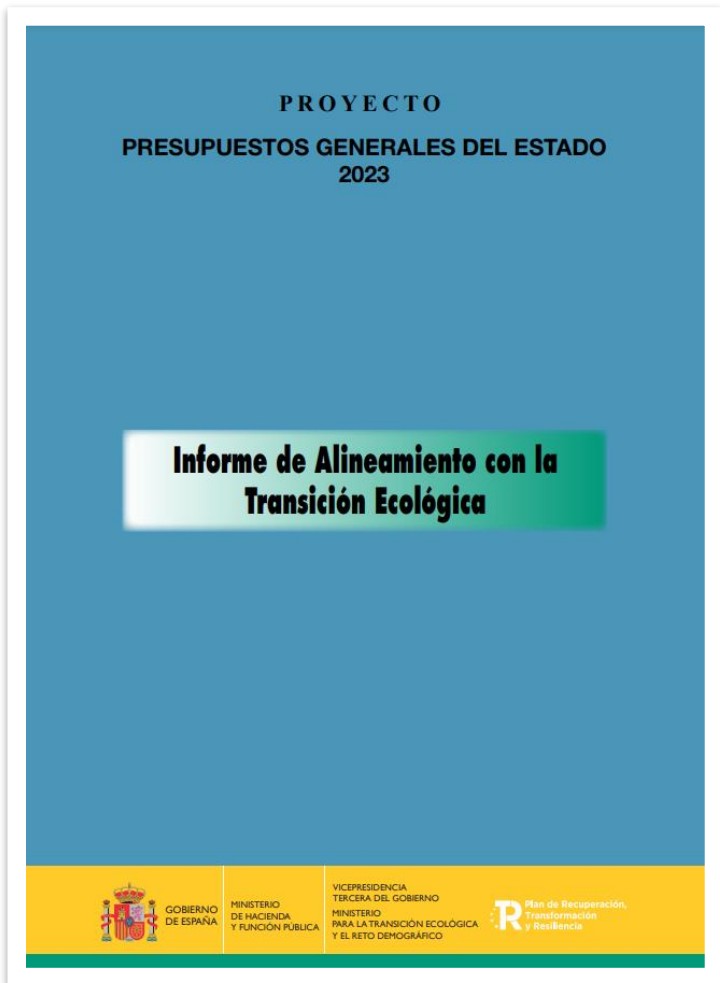
# Spanish Green Budgeting

## ECFIN Green Budgeting Conference

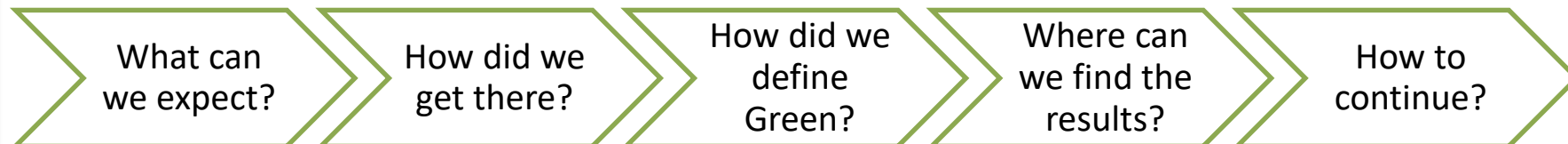
15th june 2023

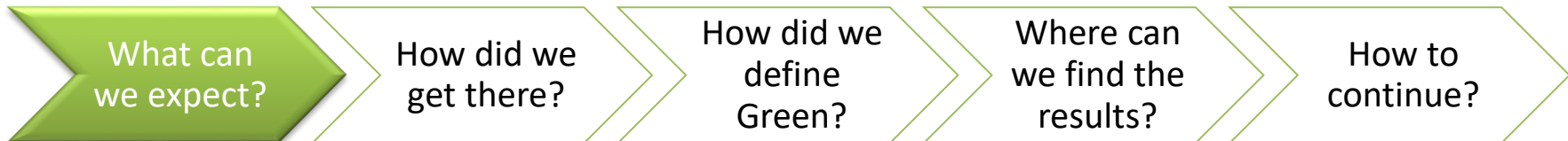
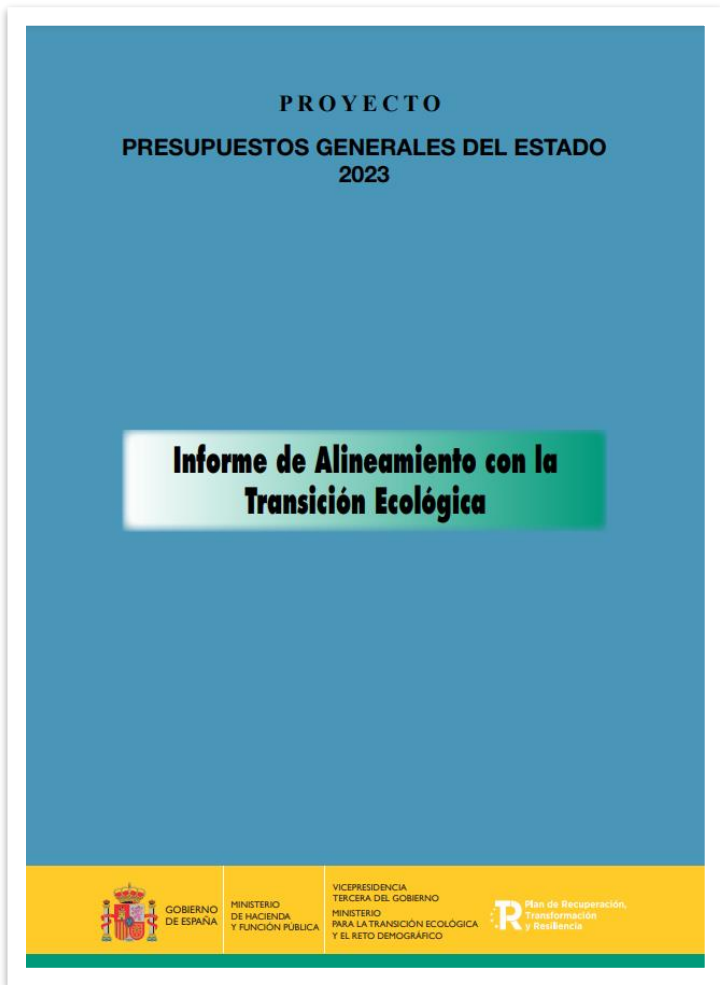
Alejandro Domenech Natal

D.G. Budget. Ministry of Finance



# Alignment of the General State Budget Bill with the ecological transition





## Main features

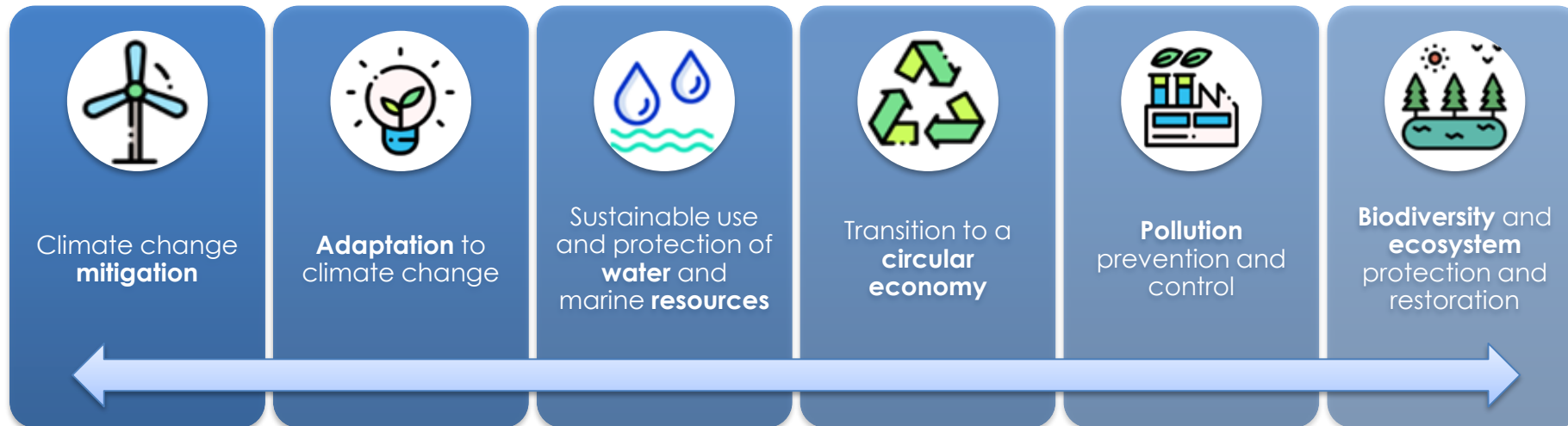


## Scope

- Central Government + Public Agencies + SS System
- All expenses with specific exclusions
- Analysis: Budgetary programmes

## Results

- 1) Tagging in 6 environmental goals
- 2) Estimate resources allocated to each goal
- 3) Qualitative information: measures / activities



**AIM:** To determine the favourable contribution of the Budget to the Ecological Transition



# Location in the EU GBRF

		LEVEL 1 Essential	LEVEL 2 Developed	LEVEL 3 Advanced
COVERAGE	Environmental objectives	Climate-related	Climate-related Some other objectives	<b>All objectives</b>
	Budgetary items	<b>Favourable expenditure</b> Favourable revenue	Favourable items Unfavourable items	Favourable items Unfavourable items Tax expenditure
	General government	<b>State (incl. Social security)</b>	State (incl. Social security) Subnational governments	State (incl. Social security) Subnational governments Other
METHODOLOGY		Partial tagging methodology	<b>Tagging methodology</b>	Tagging methodology Impact assesment of policies



# Location in the EU GBRF

	<b>LEVEL 1 Essential</b>	<b>LEVEL 2 Developed</b>	<b>LEVEL 3 Advanced</b>
<b>DELIVERABLES</b>	<p><b>Identification in annual budget</b></p> <p>Reporting on budget execution</p>	<p>Identification in annual budget</p> <p>Reporting on budget execution</p> <p>Estimates in multi-annual plans</p>	<p>Identification in annual budget</p> <p>Reporting on budget execution</p> <p>Estimates in multi-annual plans</p> <p>Extra-budgetary spending reports</p>
<b>GOVERNANCE</b>	<p><b>Ad-hoc central task force</b></p>	<p>Permanent central structure</p>	<p>Permanent central structure</p> <p>Green budgeting correspondents in various ministries/agencies</p>
<b>TRANSPARENCY AND ACCOUNTABILITY</b>	<p><b>All deliverables public</b></p> <p>Independent assessment of methodology</p>	<p>All deliverables public</p> <p>Independent assessment of methodology</p> <p>Independent assessment of deliverables</p> <p>Parliamentary discussion</p>	<p>All deliverables public</p> <p>Independent assessment of methodology</p> <p>Independent assessment of deliverables</p> <p>Parliamentary discussion</p> <p>Expost review</p>



27 Policies

393 Programmes

+16,000 Budgetary lines

## Budget Bill

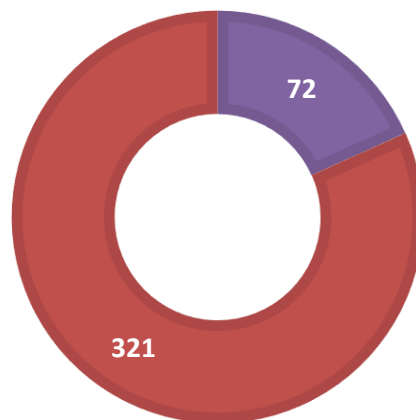
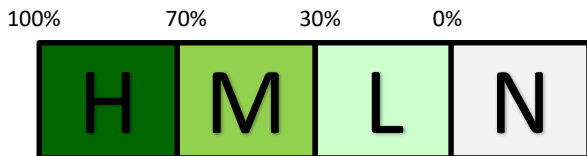
### Analyzed

### Not analyzed

Tagging in each of the goals:

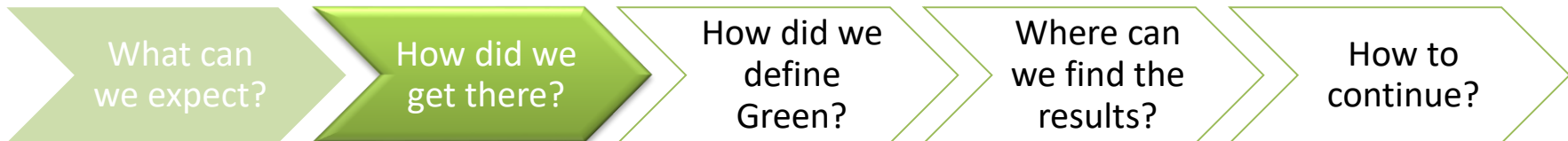
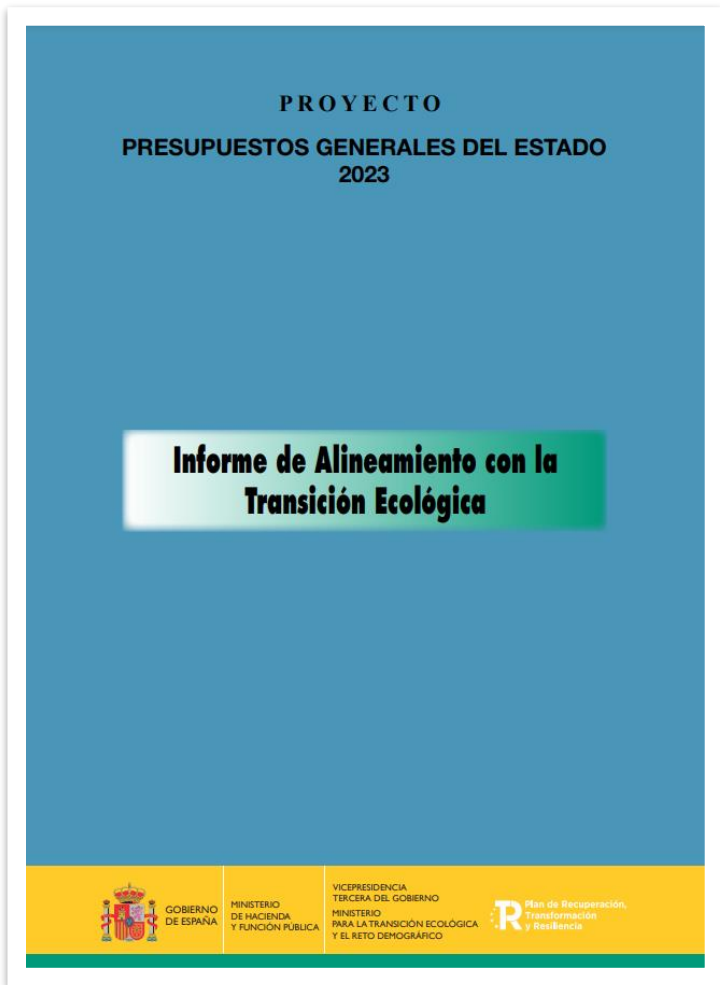


According to their % of contribution



- ❖ Pensions
- ❖ Unemployment
- ❖ Other social benefits
- ❖ Public debt (incl. Interests)
- ❖ Transfers to subnational governments

**Contribution undetermined**

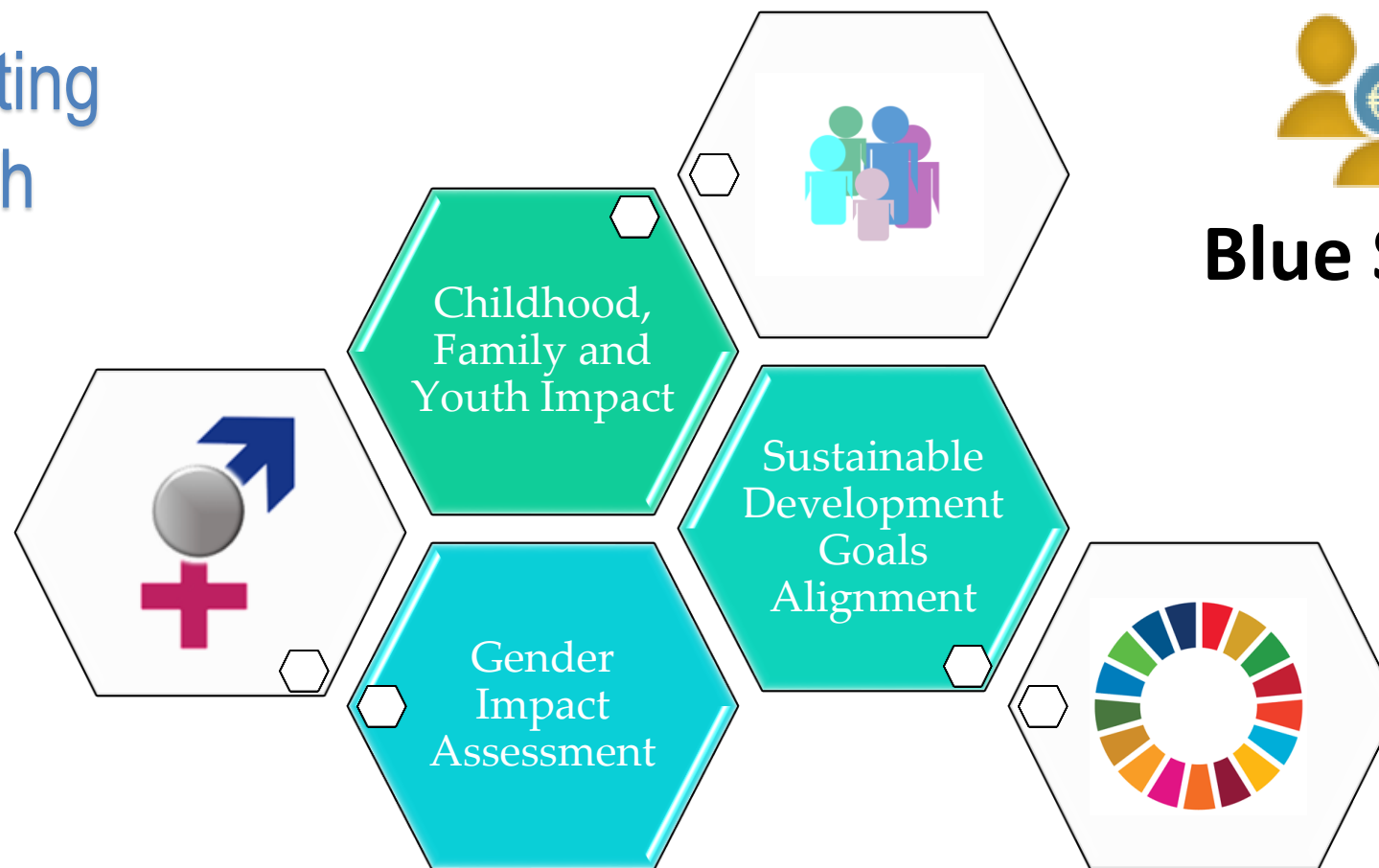


## Process





# Spanish cross-cutting Budget approach



## Blue Series



Plan de Recuperación, Transformación y Resiliencia

# Improve the effectiveness of public spending

C29

## Alignment of the Budget with the Ecological Transition

R3

### Draft Budget Law analysis

DBL 2023  
Green

DBL 2024  
Brown

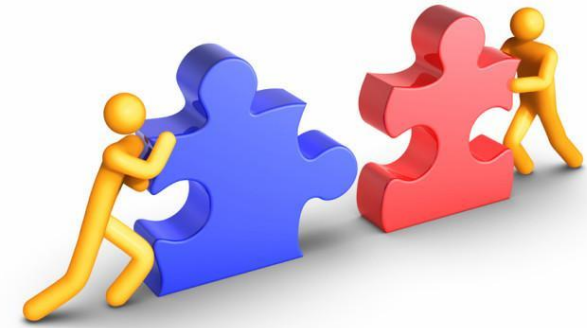
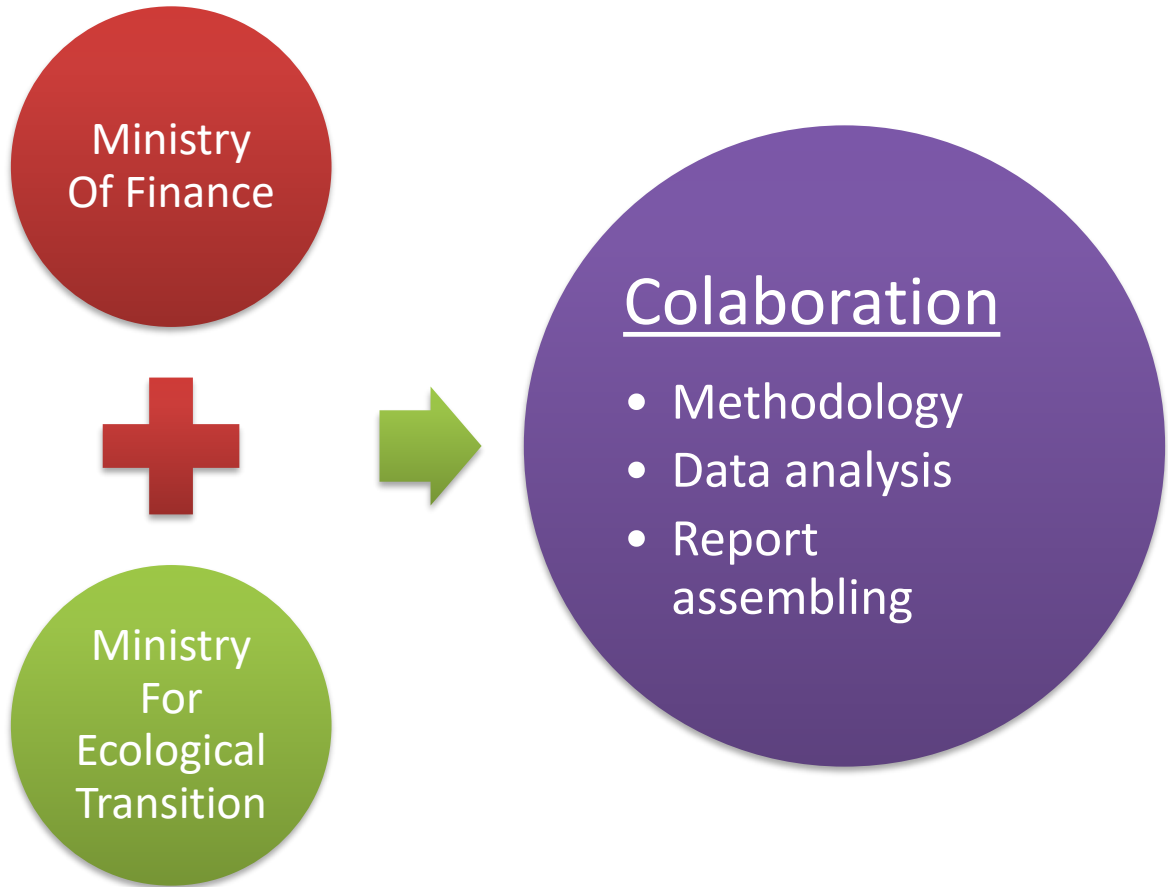
*But not only RRP...*



National legislation on climate



# A taskforce to make it happen...



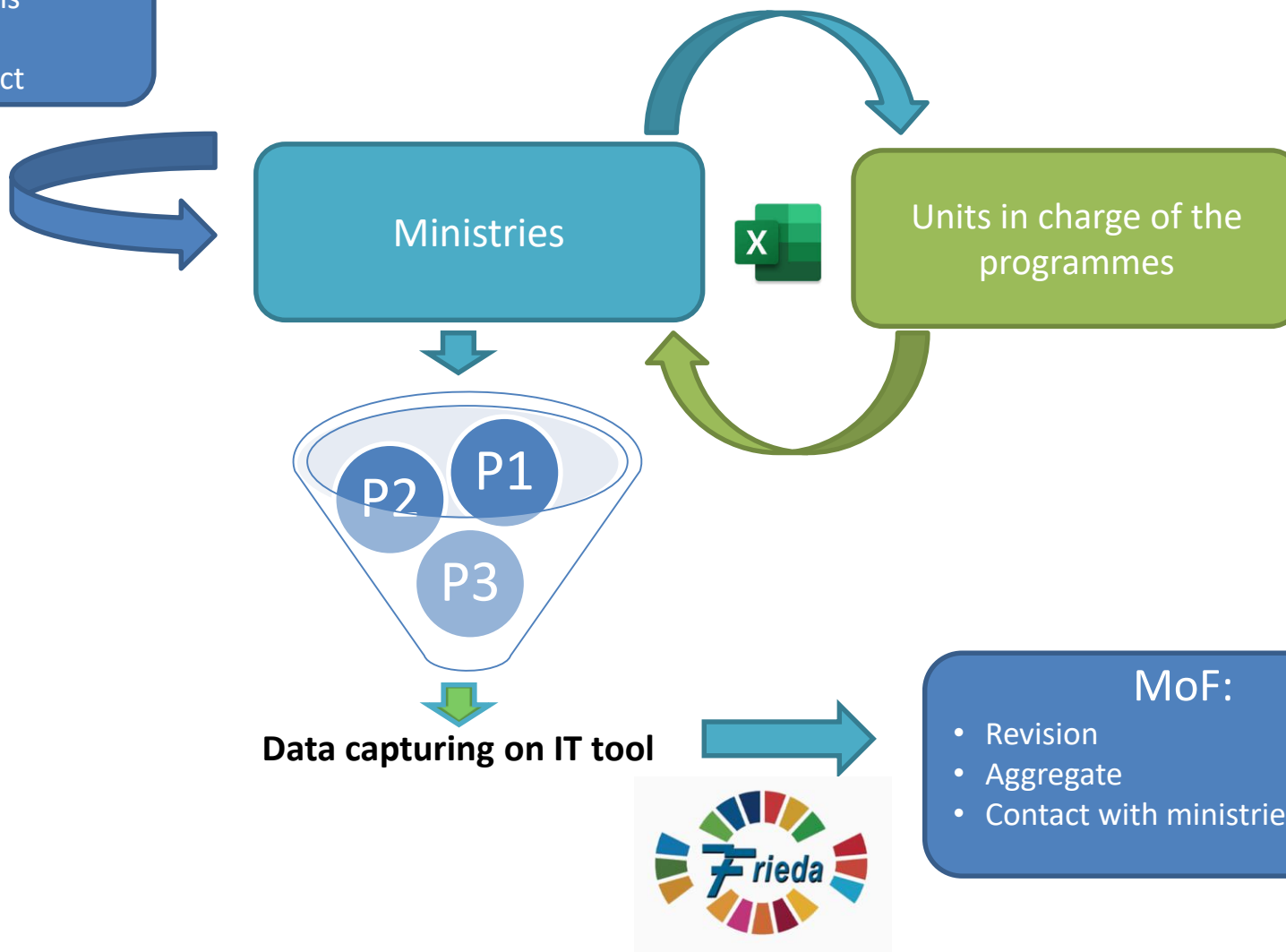
+European Commission Assistance

**TSI:** “EU Green Budgeting training”

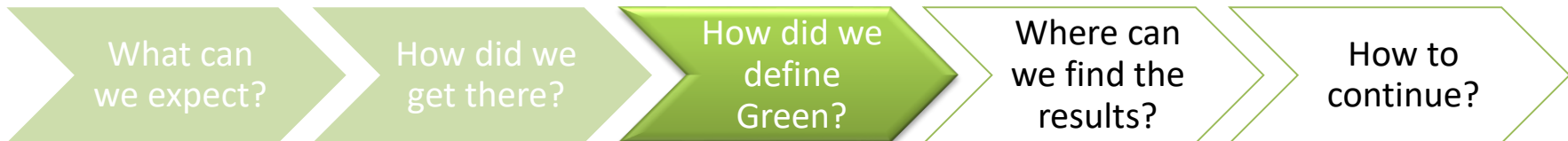
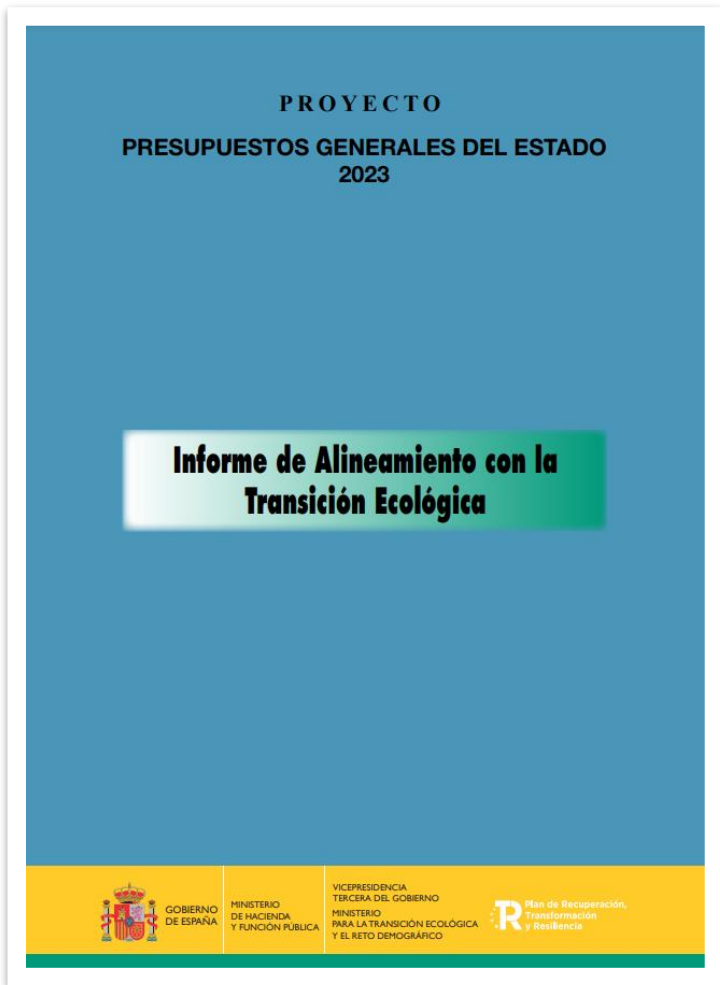


# Data collecting

- MoF:
- Worksheet models
  - Methodology
  - Permanent contact



- MoF:
- Revision
  - Aggregate
  - Contact with ministries



**Methodology:**  
**Link with SDG budgeting and RRP**



## Methodology: Main components





## Data source: Alignment with 2030 Agenda

### Alignment with SDG

- How does the program contribute to each SDG and its targets?
- Define a % of contribution to targets
- Based on common criteria

### Justification

- Activities/Measures
- Appropriate and sufficient



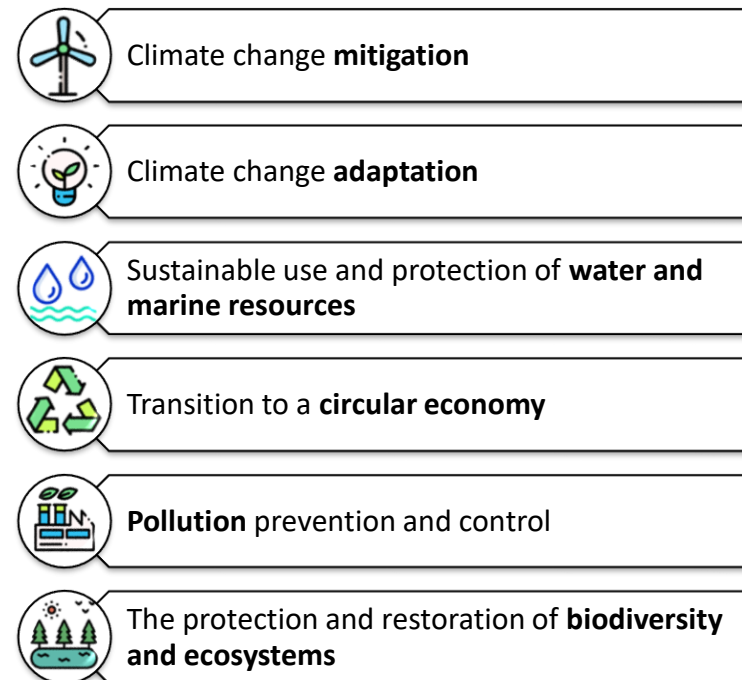


## From SDG to Green Budgeting...

### 2030 AGENDA



### EU TAXONOMY GOALS



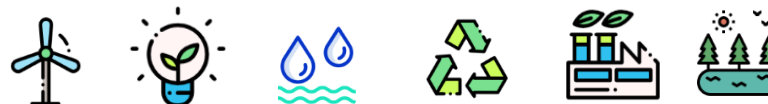




## 79 targets linked Directly (D) or Potentially (P)

### AGENDA 2030 – TARGETS

### ENVIRONMENTAL GOALS



AGENDA 2030 – TARGETS	Renewable Energy	Water	Waste	Climate Action	Oceans	Biodiversity
<b>6</b> AGUA LIMPIA Y SANEAMIENTO <b>6.6</b> By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.	P	P	D	-	P	D
<b>7</b> ENERGÍA ASEQUIBLE Y NO CONTAMINANTE <b>7.2</b> By 2030, increase substantially the share of renewable energy in the global energy mix	D	-	-	P	D	-
<b>12</b> PRODUCCIÓN Y CONSUMO RESPONSABLES <b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	P	-	D	D	D	-
<b>13</b> ACCIÓN POR EL CLIMA <b>13.1</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	D	D	-	-	-	-
<b>14</b> VIDA SUBMARINA <b>14.5</b> By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information	-	P	D	-	-	D
<b>15</b> VIDA DE ECOSISTEMAS TERRESTRES <b>15.5</b> Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	D	D	-	-	-	D



## The RRF Intervention Fields

### Methodology usage:

- Just for the programmes aligned with any of the 6 environmental goals
- Verifies its environmental contribution
- Ponderates the results (0/40/100)

### Regulation (EU) 2021/241

### Annex VI “Methodology for climate tracking”

	INTERVENTION FIELD	Coefficient for the calculation of support to climate change objectives	Coefficient for calculation of support to environmental objectives
036	Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	100 %	100 %
037	Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	100 %	100 %
038	Risk prevention and management of non-climate-related natural risks (for example earthquakes) and risks linked to human activities (for example technological accidents), including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches	0 %	100 %

Image: Examples for Intervention Fields



## Not analyzed...

- ❖ Personnel Expenses
- ❖ Pensions
- ❖ Unemployment
- ❖ Public debt (inc. Interests)
- ❖ Transfers to subnational governments



**Contribution undetermined**



# Methodology: Summary

Data

1) Alignment with SDG targets (%)



2) Targets linked to 6 objectives

→ Intervention Fields (ponderation)

3) Justify: Measures and activities

Tagging (%)

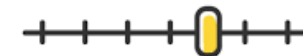
- Climate change **mitigation**
- Climate change **adaptation**
- Sustainable use and protection of **water and marine resources**
- Transition to a **circular economy**
- Pollution** prevention and control
- The protection and restoration of **biodiversity and ecosystems**

Estimate expenditure

Eligible expenditure (€)

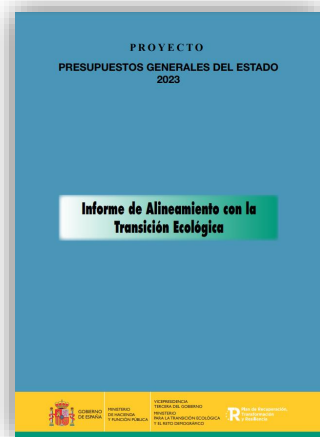
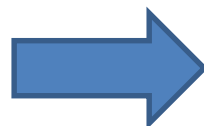
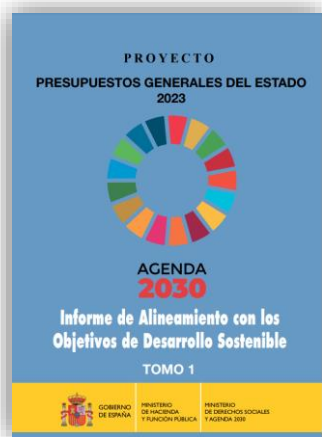
X

Tagging (%)





# Methodology: WHY SDG?



Pros

Cons

Coherence

Sinergies

Coverage

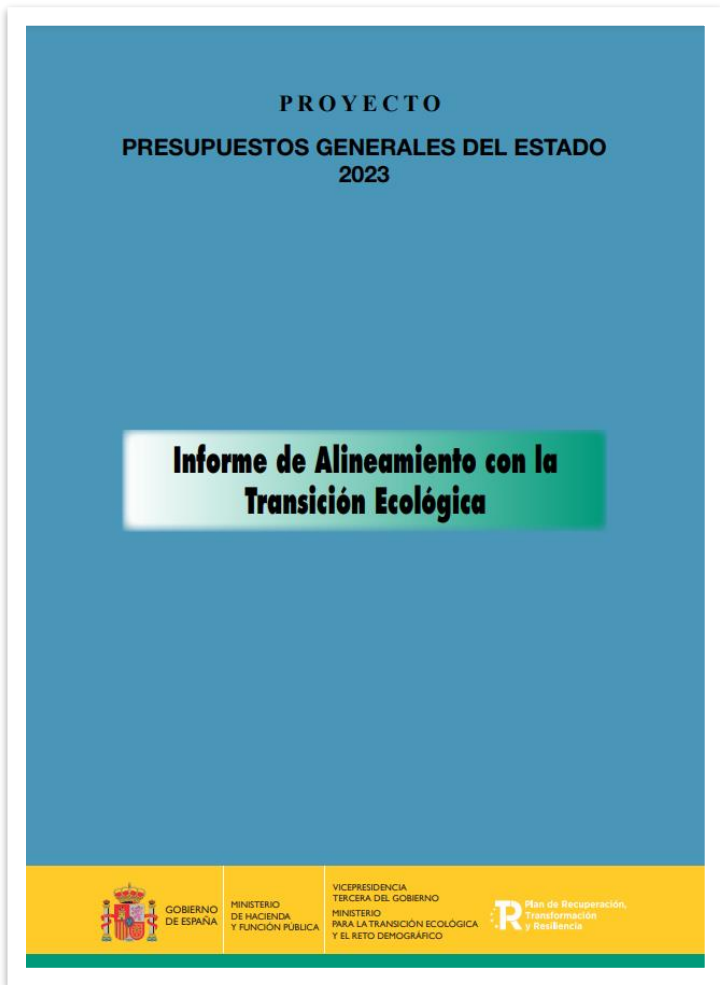
Experience

Assumptions

Granularity

Brown items





## Transparency

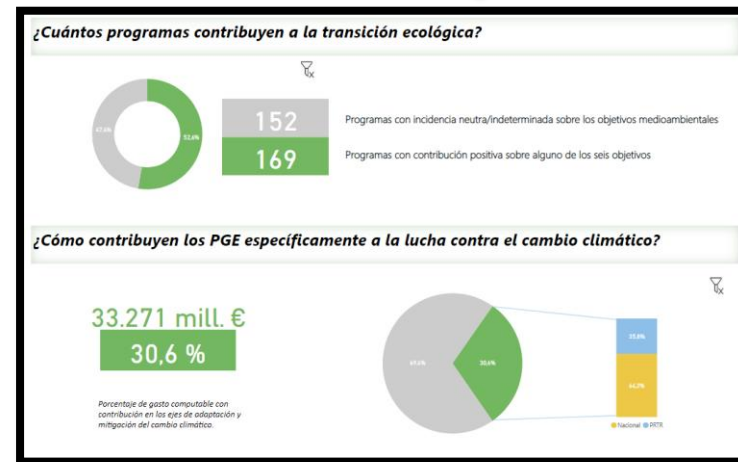
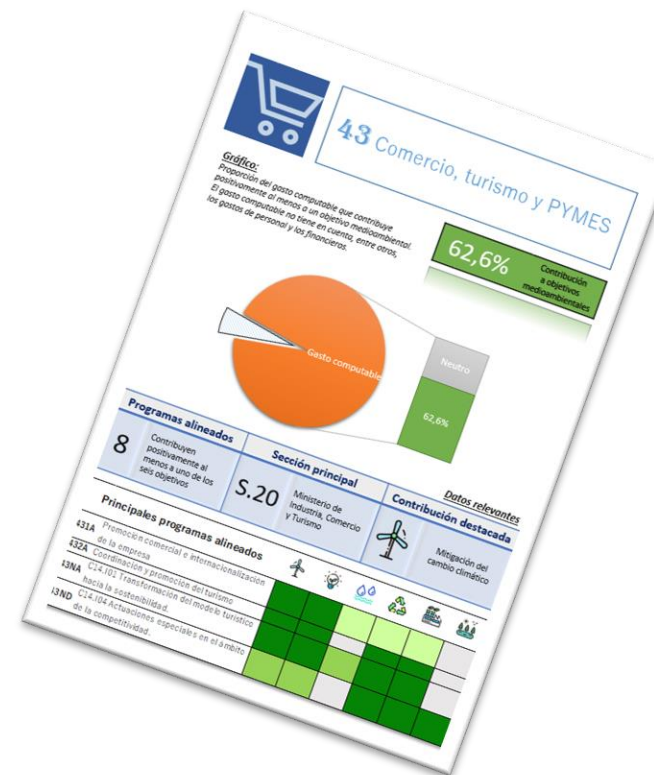


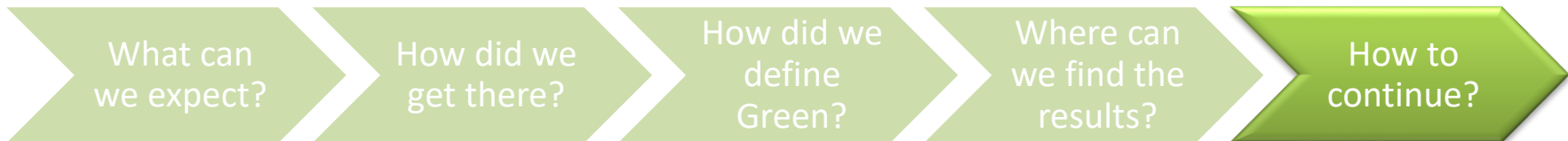
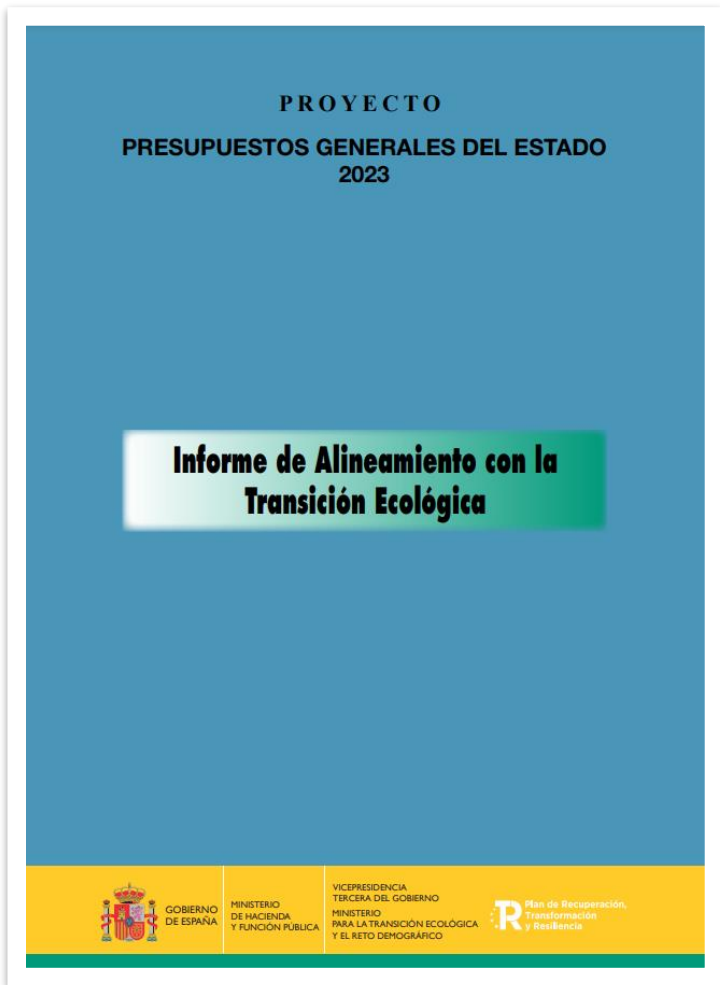


<https://www.sepg.pap.hacienda.gob.es/sitios/sepg/es-ES/Presupuestos/InformesImpacto/IAPGETE2023/Paginas/IATE2023.aspx>

## ❖ Complement to Budget Bill:

- ✓ Printed
- ✓ Webpage
- ✓ PowerBI





## Next steps





## Coming soon...





# Green Budgeting in Spain

Thanks for your attention!

