



Green Budgeting in the EU

Key insights from the 2023 Commission survey

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How does green budgeting help decision making?

15 June 2023

Outline

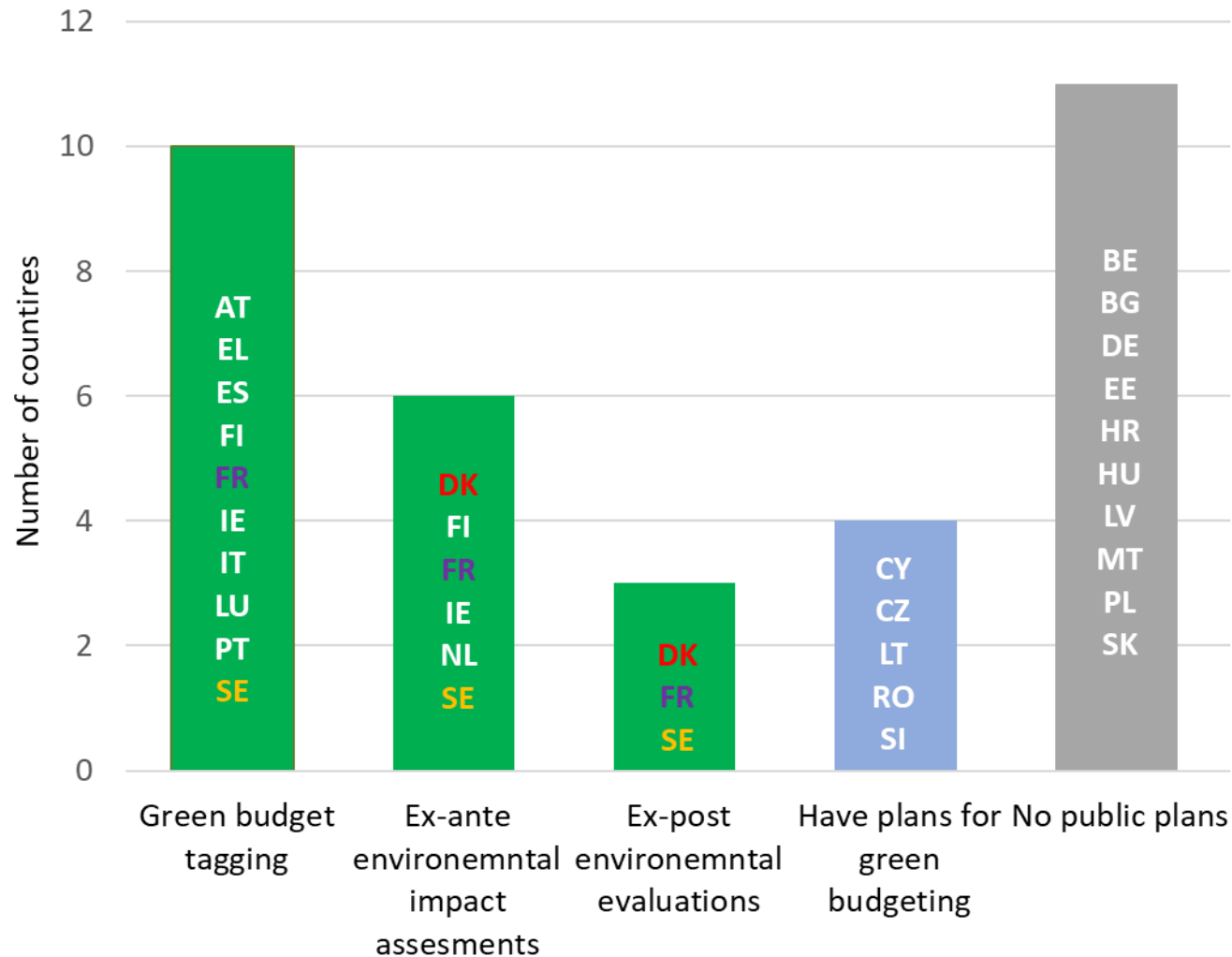
- Background on the survey
- Key developments
- Green budgeting in the EGR

Short background on the survey

- First Commission survey in 2021
- Second edition on 17 January 2023
- Structured along the [EU Green Budgeting Reference Framework](#)
 - Coverage (environmental objectives, budgetary items, general government)
 - Methodology
 - Deliverables
 - Governance
 - Transparency and accountability
- Data and summary report published on the [Green Budgeting Website](#)

Key developments

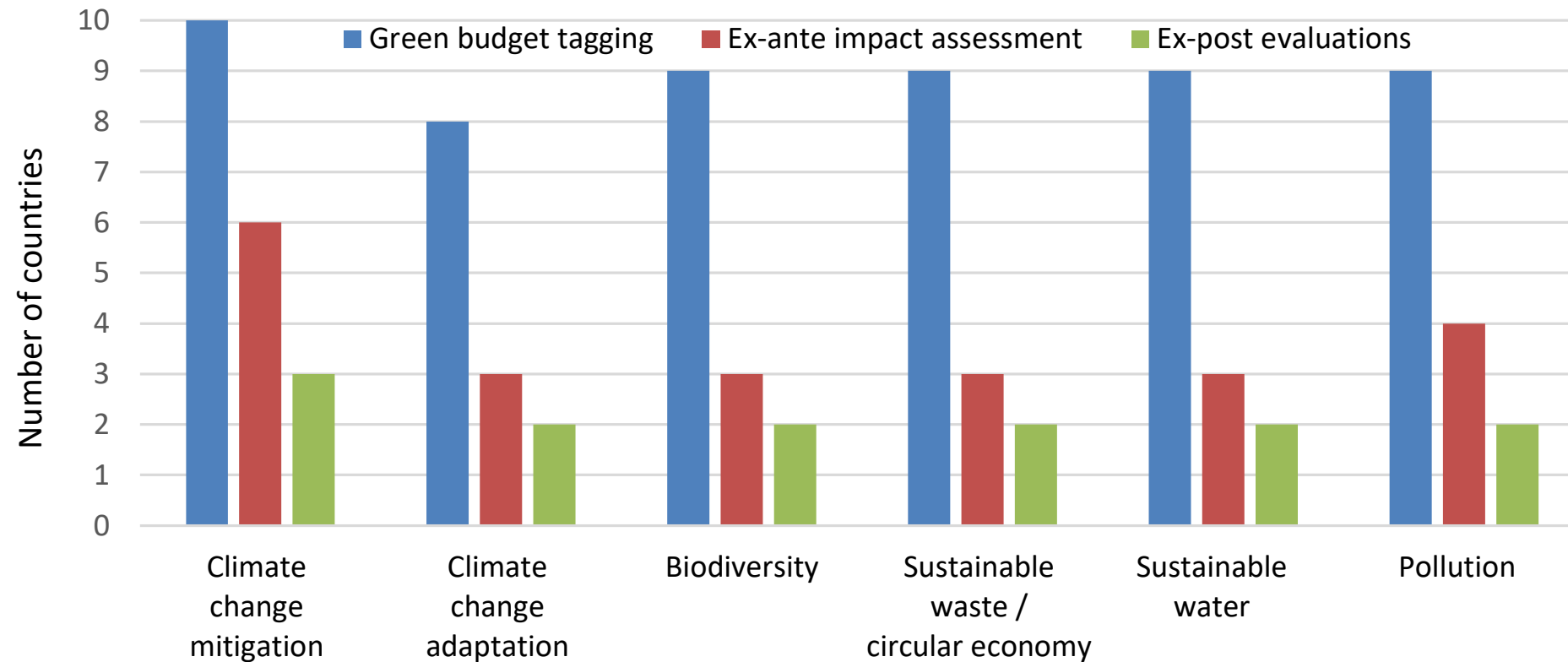
Green Budgeting practices



- *New practices:* EL, PT, ES
- *Development of existing methods:* AT, FI, FR, IE, SE
- *New plans:* RO

Coverage...

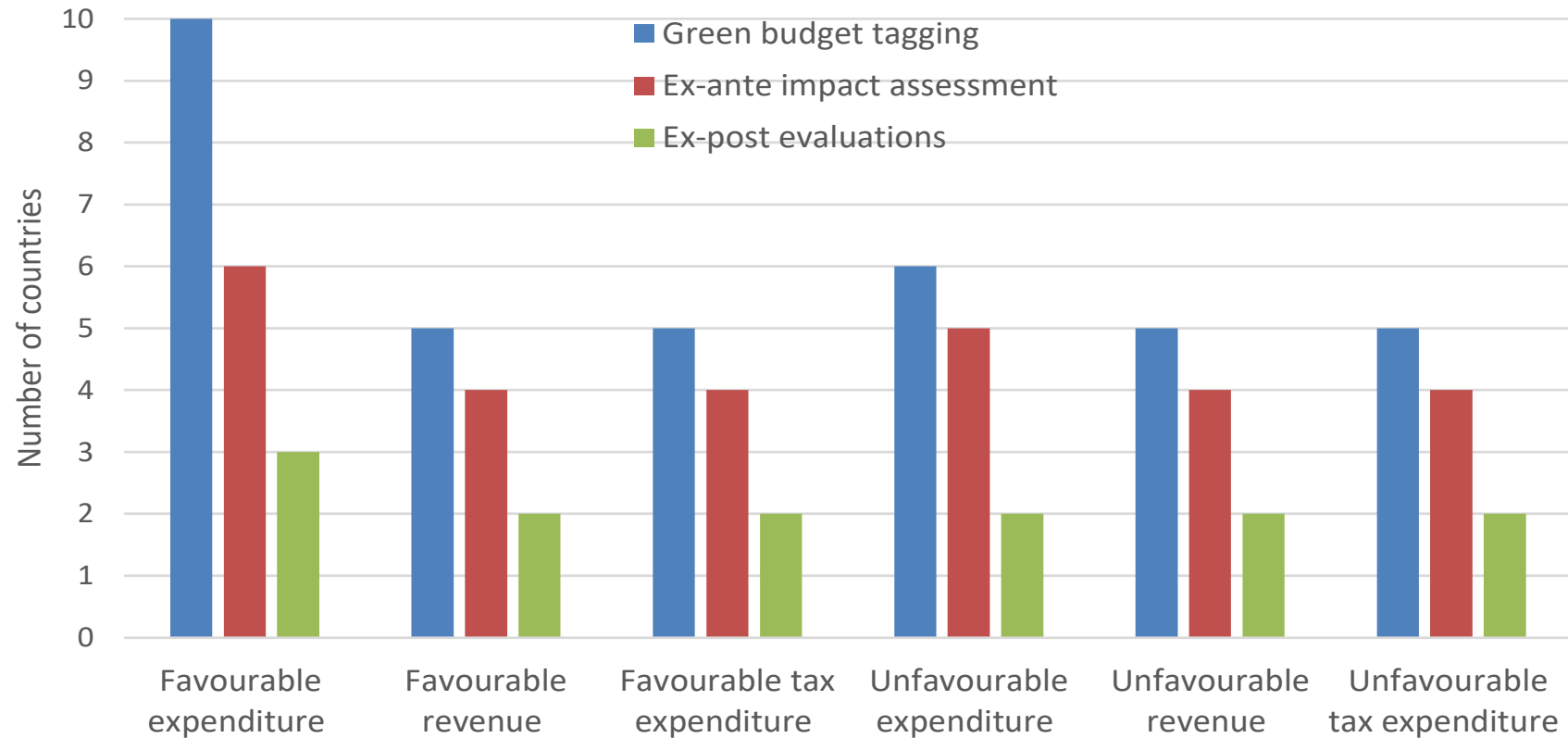
... of environmental objectives



Source: 2023 European Commission survey on green budgeting

Coverage...

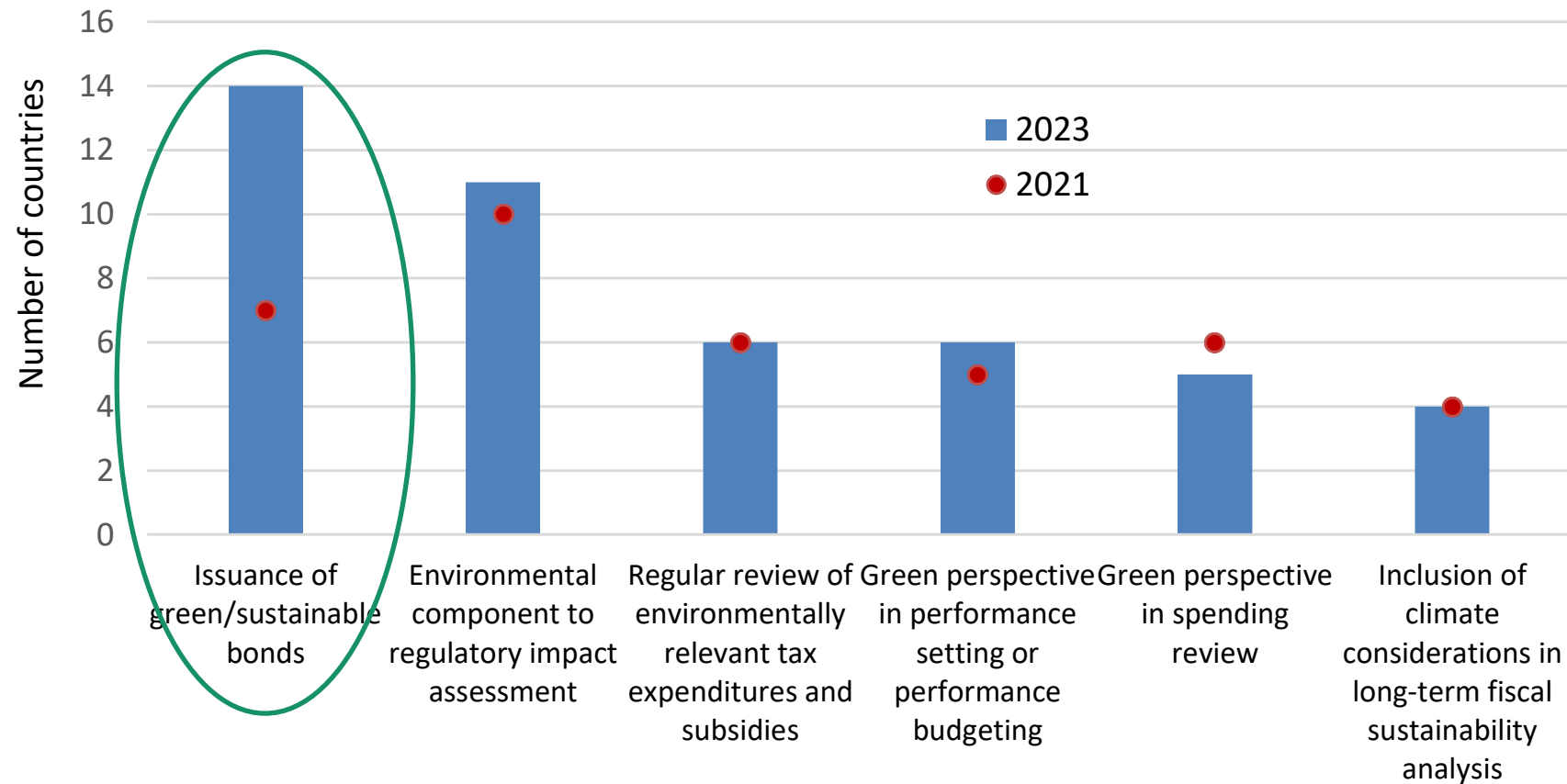
...of budgetary items



Source: 2023 European Commission survey on green budgeting

Other tools

... relevant to the greening of public finances



Source: 2023 European Commission survey on green budgeting

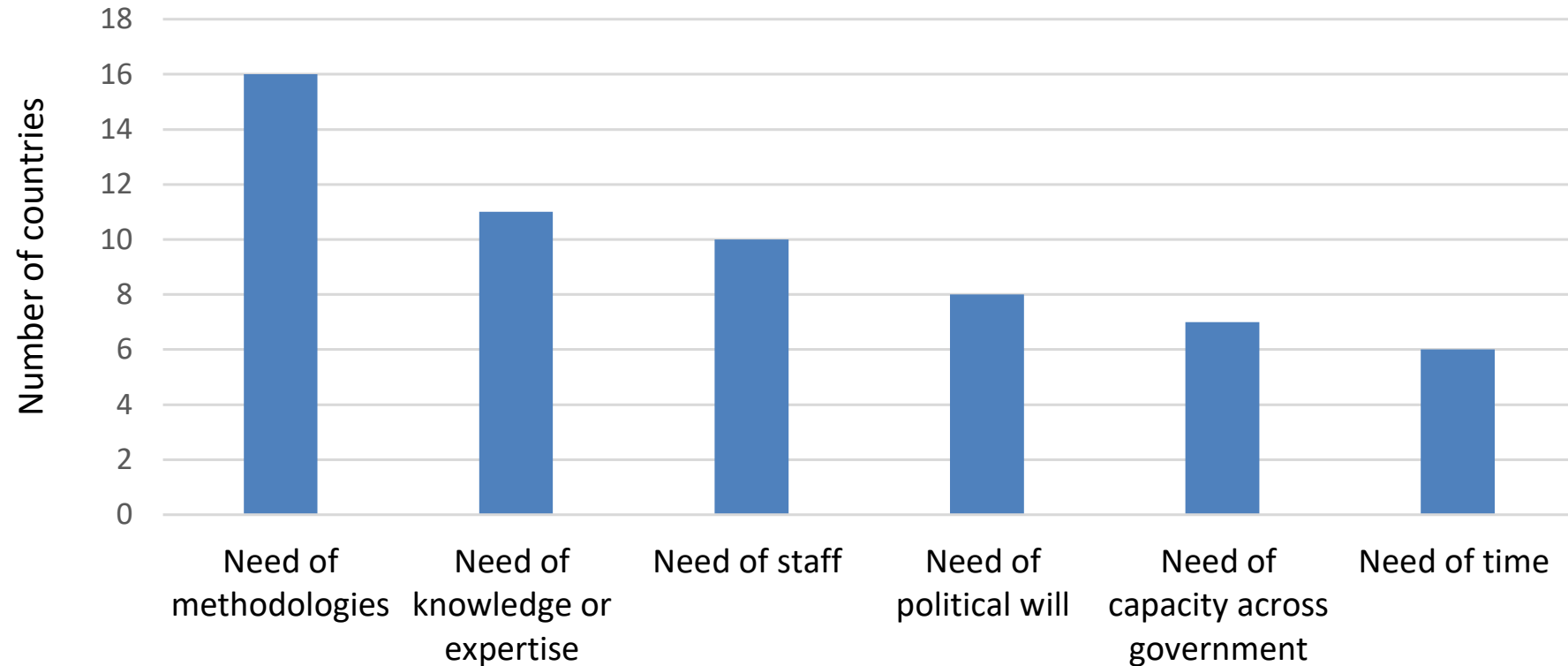
Transparency and accountability

Where, how and to whom should the information be presented?

- Information is provided to the parliament but not obvious whether it is considered during budget approval debate
 - ➔ Analysis on green budgeting vs. decision making.
- Lack of ex-post validation/evaluation of methodology.
- No tools to measure the impact of green budgeting.

Key challenges

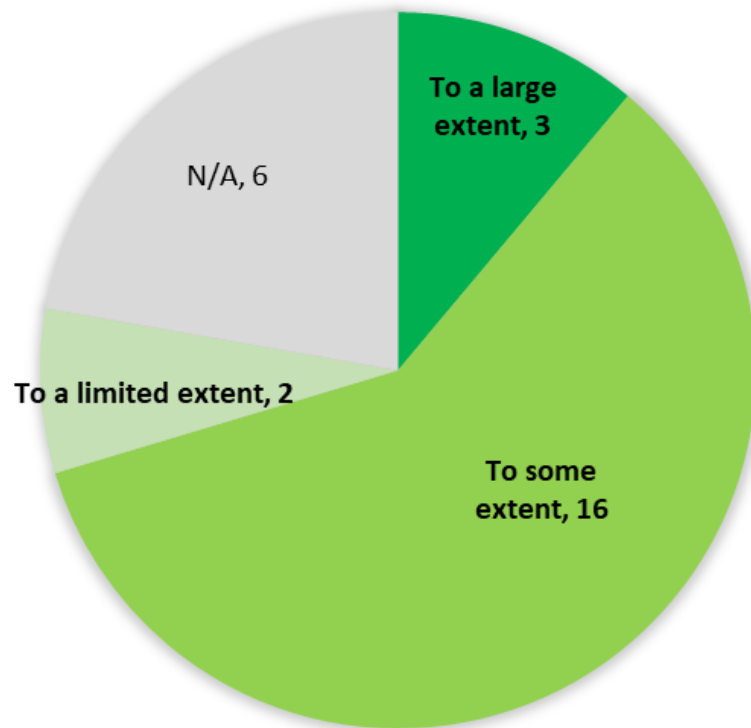
... to introduce and/or implement green budgeting



Source: 2023 European Commission survey on green budgeting

Commission TSI support on Green budgeting DG REFORM

To what extent has the technical support helped?



Source: 2023 European Commission survey on green budgeting

Note: N/A pertains to: countries that have not participated in the training (DE, NL, SE); FR – presented at the training; FI - only participated in Module 1; IT - will participate in the training later this year.

- Modules 1,2,3: Capacity building - 23 Member States.
- **New!!** Module 4: Civil servants exchange; peer-to-peer and practice-oriented - 17 Member States.
- Some countries (will) receive support on implementing ‘do-no-significant-harm’ principle.

Green budgeting in the EGR

Amended Budgetary Framework Directive

Recital 19: *Green budgeting tools can help redirect public revenue and expenditure to green priorities. [...] This means reporting data on how revenues reflect the need to ensure that the “polluter-pays” principle is reflected, and in turn on how expenditure reflects both favourably and unfavourably green priorities. Member States should publish the information on how the relevant elements of their budgets contribute to achieving climate and environmental national and international commitments and the methodology used. Member States should publish data and descriptive information separately for expenditure, tax expenditure and revenue items.*

Thank you!



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Annexes

Amended Budgetary Framework Directive

A more climate-resilient budgeting

New elements in MTBFs – Art 9(2)d requires:

- assessing the medium- and long-term impacts of policies on sustainable and inclusive growth;
- specifying, to the extent possible, the macrofiscal risks from climate change as well as environmental and distributional impacts, and the implications on public finances of climate-related policies.

New reporting requirements – Art 14(3) requires Member States to publish:

- information on disaster and climate-related contingent liabilities to the extent possible;
- information on economic losses incurred due to disasters and climate-related shocks, including the fiscal costs borne by the public sector and the instruments used to mitigate or cover them.