



GOBIERNO
DE ESPAÑA

MINISTERIO
DE HACIENDA
Y FUNCIÓN PÚBLICA

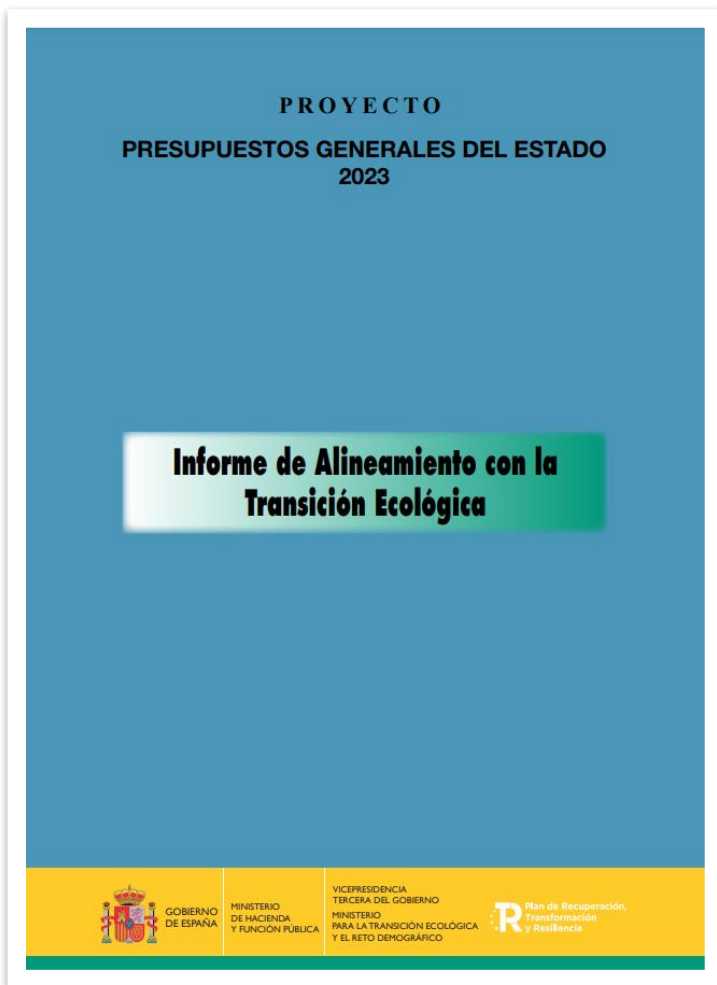
Spanish Green Budgeting

ECFIN Green Budgeting Conference

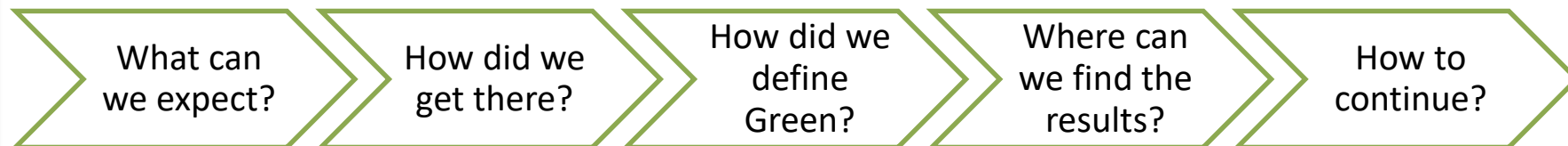
15th june 2023

Alejandro Domenech Natal

D.G. Budget. Ministry of Finance



Alignment of the General State Budget Bill with the ecological transition





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GREEN BUDGETING IN SPAIN

PROYECTO

PRESUPUESTOS GENERALES DEL ESTADO
2023

**Informe de Alineamiento con la
Transición Ecológica**



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VICEPRESIDENCIA
TERCERA DEL GOBIERNO
MINISTERIO
PARA LA TRANSICIÓN ECOLÓGICA
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Plan de Recuperación,
Transformación
y Resiliencia

What can
we expect?

How did we
get there?

How did we
define
Green?

Where can
we find the
results?

How to
continue?

Main features

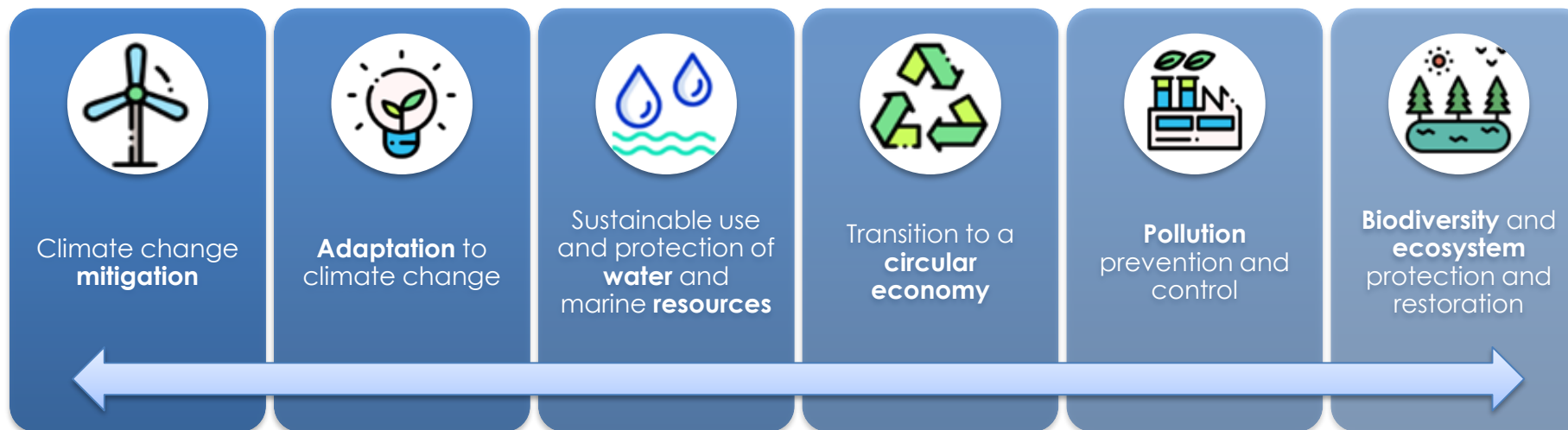


Scope

- 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	All objectives
		Favourable expenditure	Favourable items	Favourable items
	Budgetary items	Favourable revenue	Unfavourable items	Unfavourable items Tax expenditure
		State (incl. Social security)	State (incl. Social security) Subnational governments	State (incl. Social security) Subnational governments Other
	General government			
METHODOLOGY		Partial tagging methodology	Tagging methodology	Tagging methodology
				Impact assesment of policies



Location in the EU GBRF

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



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MAIN FEATURES: SCOPE

27 Policies

393
Programmes

+16,000
Budgetary lines

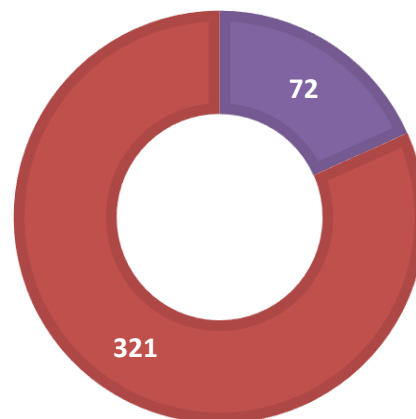
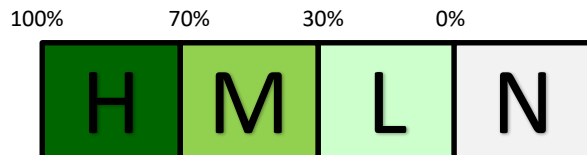
Budget Bill

Analyzed

Tagging in each of the goals:



According to their % of contribution



Not analyzed

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

Contribution undetermined



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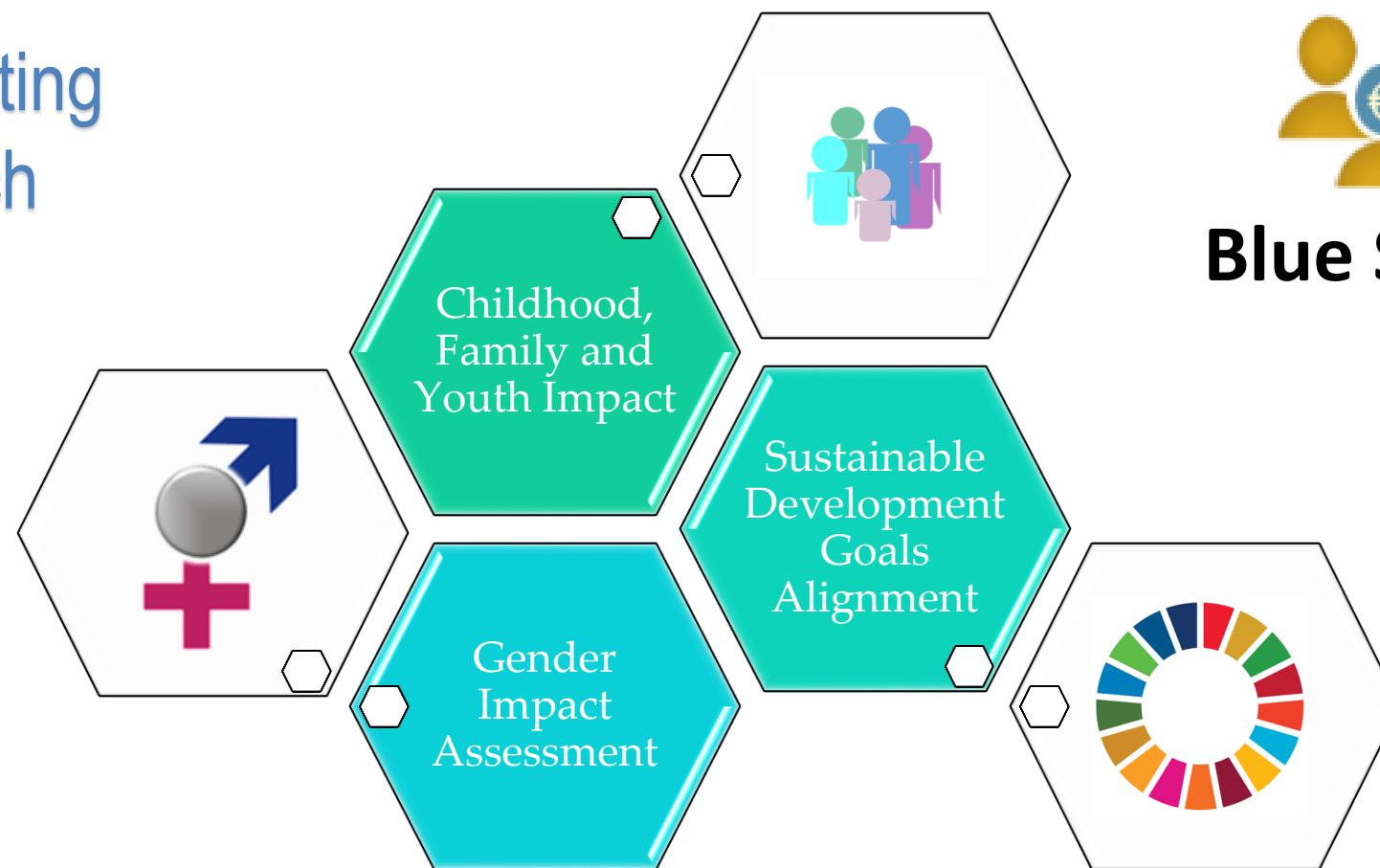
Where can
we find the
results?

How to
continue?

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

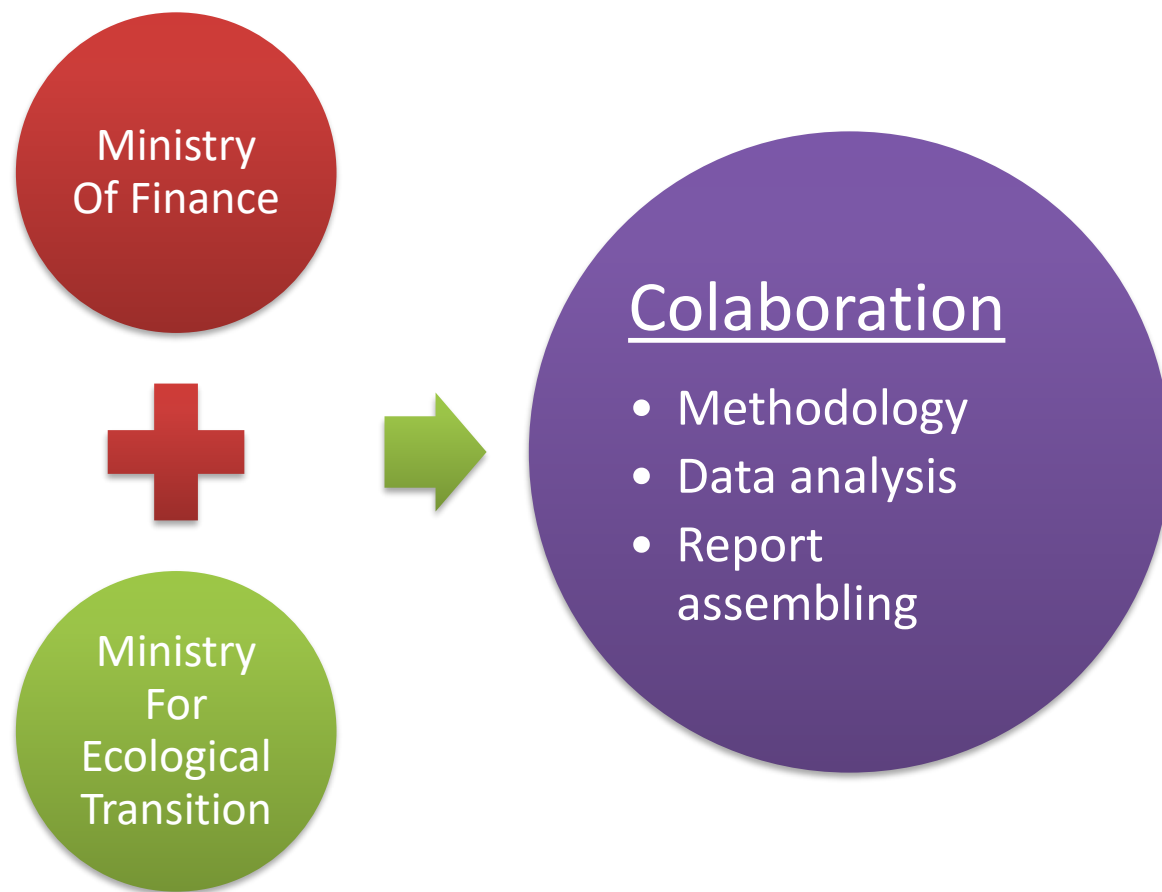
But not only RRP...



National legislation
on climate

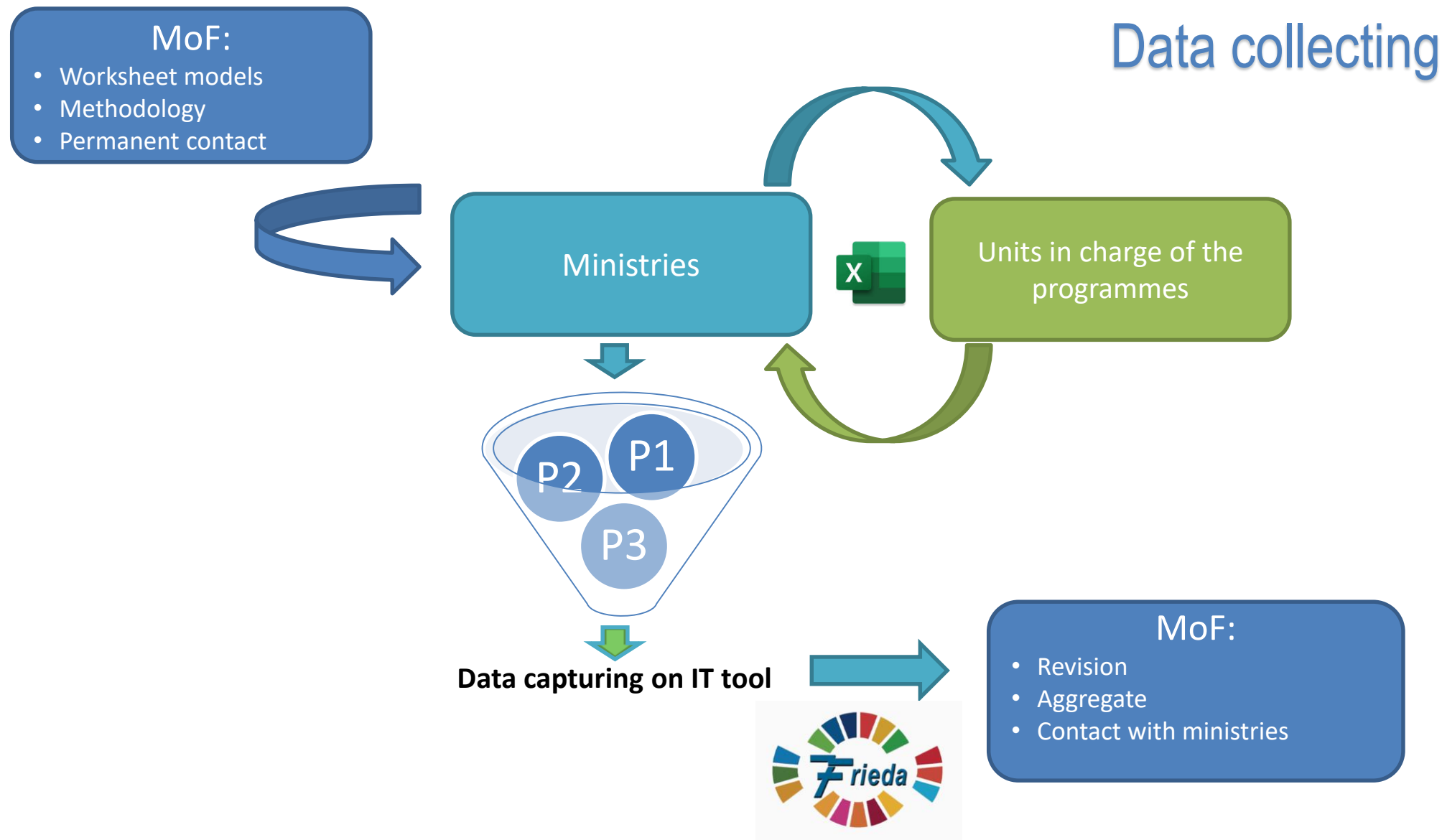


A taskforce to make it happen...



+European Commission Assistance

TSI: "EU Green
Budgeting training"





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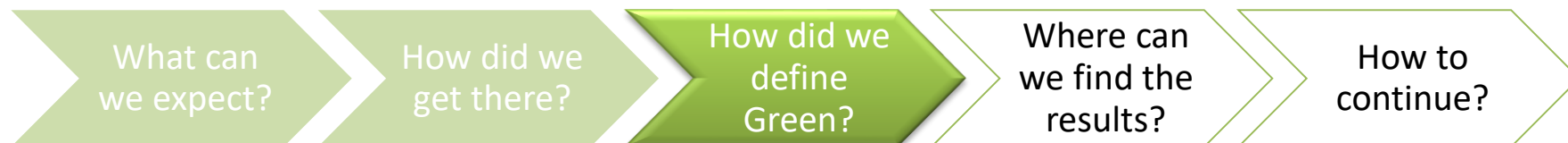


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R Plan de Recuperación,
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Methodology:
Link with SDG budgeting and RRP



Methodology: Main components

SDG Alignment

Correspondence
2030 Agenda –
6 Environmental goals

Intervention Fields

Expenditure excluded

Activities/Measures



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METHODOLOGY: MAIN COMPONENTS

SDG Alignment

Activities/Measures

Correspondence
SDG – EU Taxonomy

Intervention Fields

Expenditure
excluded

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





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METHODOLOGY: MAIN COMPONENTS

SDG Alignment

Activities/Measures

Correspondence
SDG – EU Taxonomy

Intervention Fields

Expenditure
excluded

From SDG to Green Budgeting...

2030 AGENDA



Correspondence

EU TAXONOMY GOALS



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**



SDG Alignment

Activities/Measures

Correspondence
SDG – EU Taxonomy

Intervention Fields







Expenditure
excluded

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

AGENDA 2030 – TARGETS

ENVIRONMENTAL GOALS



<div><div>6</div><div>AGUA LIMPIA Y SANEAMIENTO</div><div></div></div>	<div>6.6</div> <div>By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.</div>	P	P	D	-	P	D
<div><div>7</div><div>ENERGÍA ASESORABLE Y NO CONTAMINANTE</div><div></div></div>	<div>7.2</div> <div>By 2030, increase substantially the share of renewable energy in the global energy mix</div>	D	-	-	P	D	-
<div><div>12</div><div>PRODUCCIÓN Y CONSUMO RESPONSABLES</div><div></div></div>	<div>12.5</div> <div>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</div>	P	-	D	D	D	-
<div><div>13</div><div>ACCIÓN POR EL CLIMA</div><div></div></div>	<div>13.1</div> <div>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</div>	D	D	-	-	-	-
<div><div>14</div><div>VIDA SUBMARINA</div><div></div></div>	<div>14.5</div> <div>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</div>	-	P	D	-	-	D
<div><div>15</div><div>VIDA DE ECOSISTEMAS TERRESTRES</div><div></div></div>	<div>15.5</div> <div>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</div>	D	D	-	-	-	D



SDG Alignment

Activities/Measures

Correspondence
SDG – EU Taxonomy

Intervention Fields

Expenditure
excluded

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



SDG Alignment

Activities/Measures

Correspondence
SDG – EU Taxonomy

Intervention Fields

Expenditure
excluded

Not analyzed...

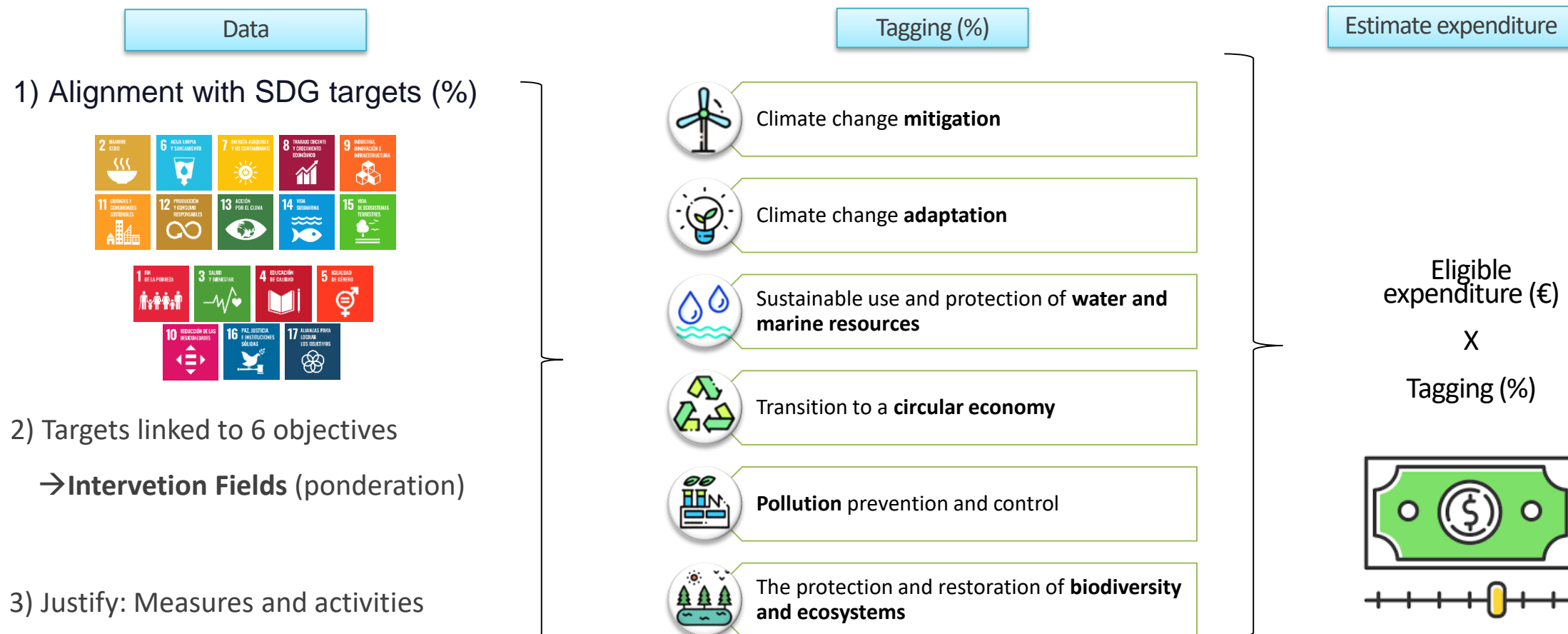
- ❖ Personnel Expenses
- ❖ Pensions
- ❖ Unemployment
- ❖ Public debt (inc. Interests)
- ❖ Transfers to subnational governments



Contribution undetermined

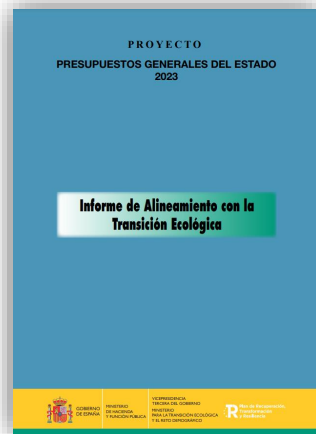
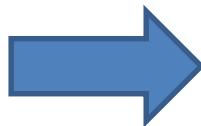
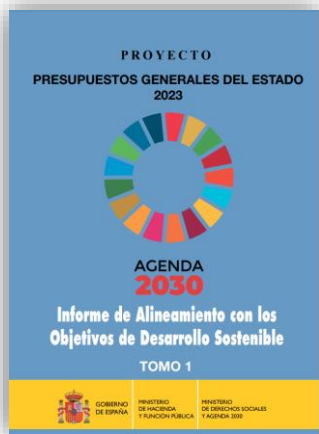


Methodology: Summary





Methodology: WHY SDG?



Pros

Cons

Coherence

Sinergies

Coverage

Experience

Assumptions

Granularity

Brown items



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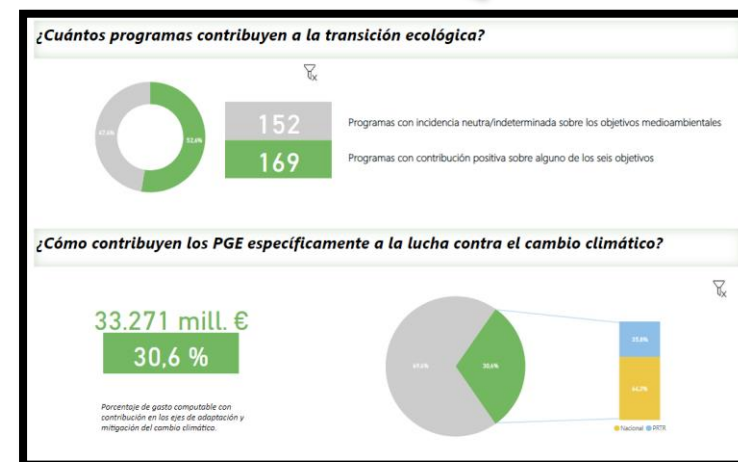
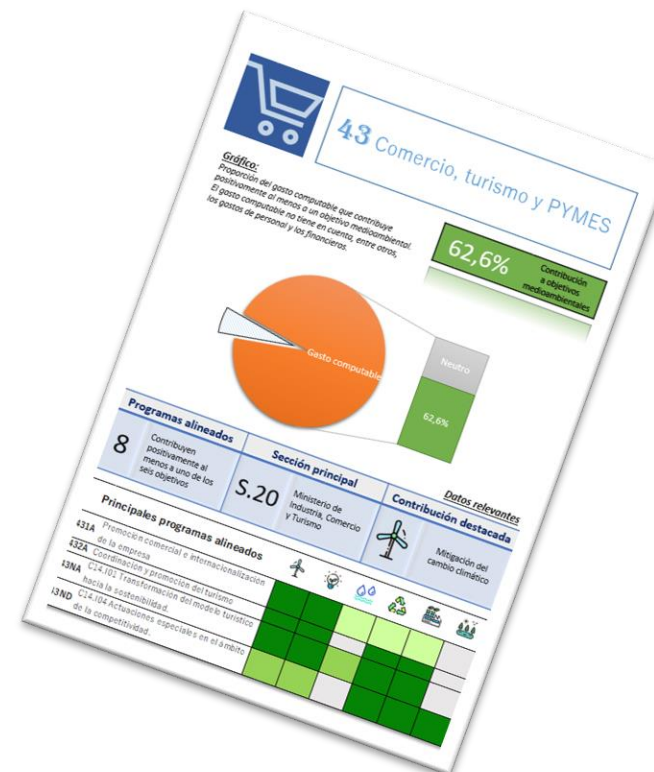
How to
continue?

Transparency



❖ Complement to Budget Bill:

- ✓ Printed
- ✓ Webpage
- ✓ PowerBI



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



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How to
continue?

Next steps



Coming soon...





Green Budgeting in Spain

Thanks for your attention!

