



Junta de Andalucía

DG ECFIN Conference

15 June 2023

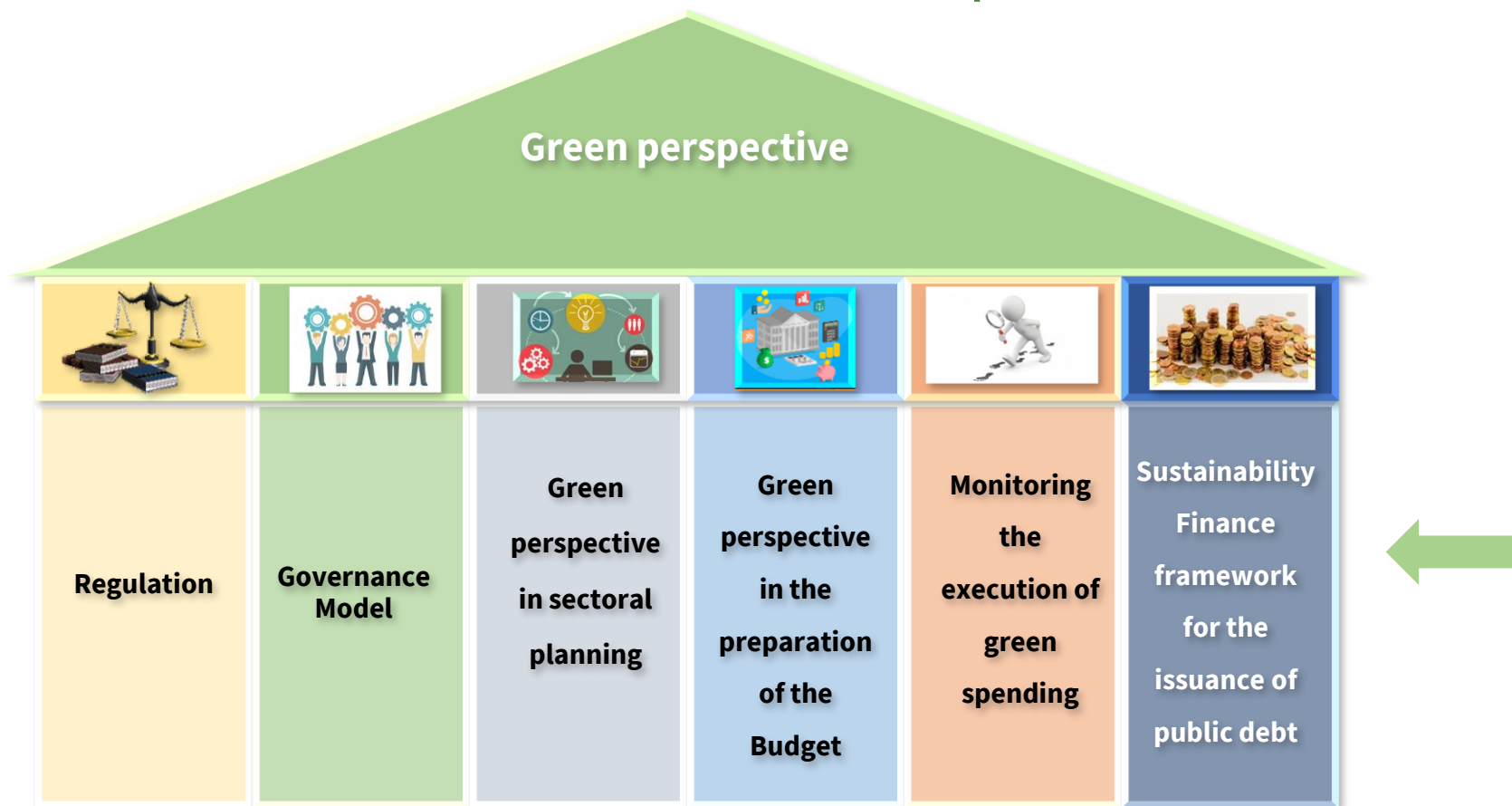
How does Green budgeting help decision making?

“Green budgeting at the regional level, in the context of green and social bond issuance”



Alberto González, General Directorate for Budget, Regional Ministry of Economy, Finance and European Funds, Andalucía

The green perspective in Andalusian public finances is based on six pillars





Regulation

- Law 8/2018, of 8 October, on measures against climate change and for the transition towards a new energy model in Andalusia
- Decree of Structure Regional Ministry of Economy, Finance and European Funds:

General Secretariat of Budgets, Expenditure and European Financing: definition, monitoring and evaluation of the inclusion of the environmental perspective in the Budget of the Autonomous Community.

General Directorate for Budgets: analysis and evaluation of budgetary programmes, analysis and functional and technical coordination in the construction or revision of budgetary indicators

General Directorate of Treasury and Public Debt, the preparation and monitoring of public debt issuance frameworks in the form of **green, social or sustainable bonds**.





Governance model

Regional Ministry of Economy, Finance and European Funds



It defines the strategy for including the environmental perspective in the budget, monitors its progress and **prepares the frameworks for sustainable debt issuance.**

The green budget requires **close collaboration** between the departments in matters of finance and environmental sustainability.

Regional Ministry of Sustainability, Environment and Blue Economy,

It establishes the value references, works with the Regional Ministries in the definition of indicators consistent with the Strategic and Operational Objectives, prepares the annual report on the degree of execution of budget appropriations with an impact on climate change (article 32 Climate Change Law).





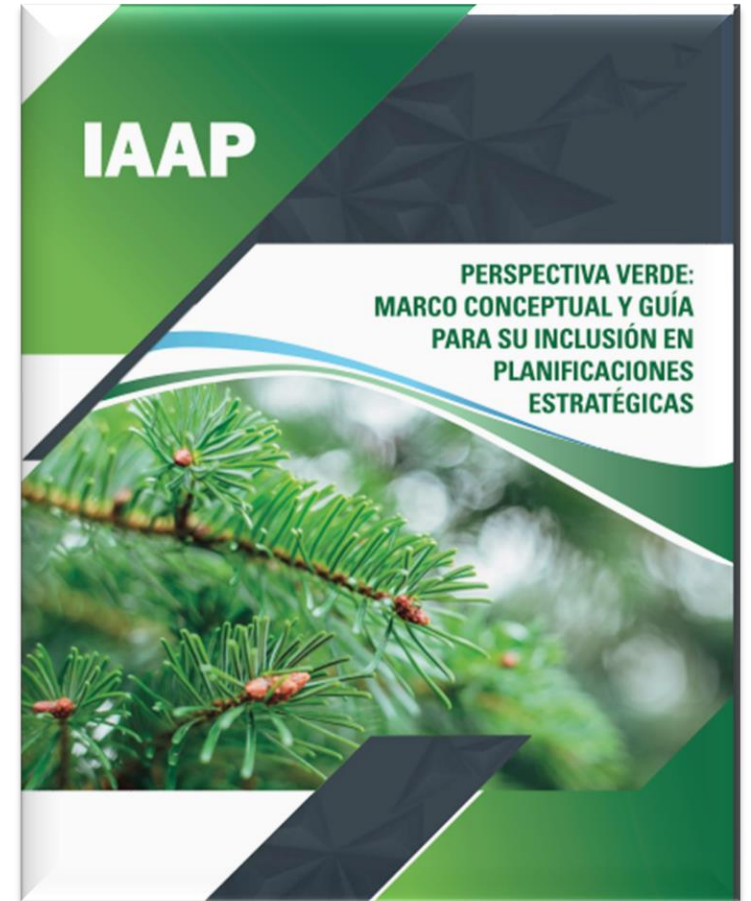
Green perspective in sectoral planning

We are introducing **climate targets** into the medium-term sectoral plans.

The Andalusian Institute of Public Administration prepared (2021) a **GUIDE** that offers guidelines to make an adequate treatment of this issue in sectoral planning and advises the Regional Ministries and entities that request it in this regard.

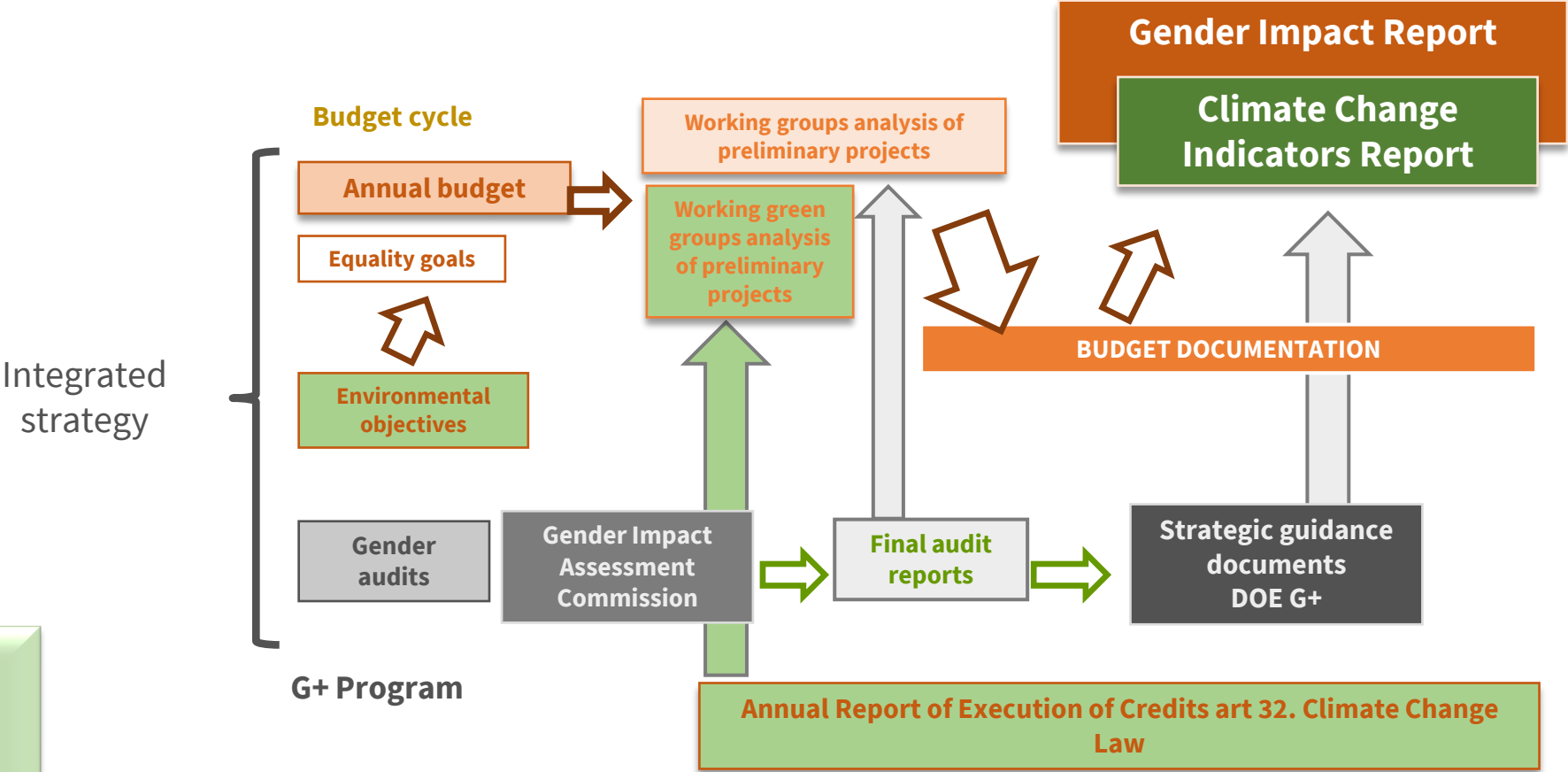
This guide integrates the dual **Green-Gender perspective**.

Without a **systematic integration** of the environmental perspective into strategic programming, the Green Budget has some weaknesses.





Gender-Green perspective in budgeting



The Budget of the C.A. is a budget with a gender focus and also green

The Green Budget is integrated into the Budget with a gender perspective: we address the inequality gaps that may be generated by environmental degradation in general and climate change in general. Both perspectives do not compete, they dialogue.



Green perspective in budgeting

1. We are including green rules in the regulations governing the drafting process and in the guidance that helps spending programmes make **explicit performance targets and headline indicators**.
2. We also provide **training courses**, for the same purpose.
3. We have developed a **methodology to select critical programmes** in this sustainable challenge: programs that are linked to the sustainable development goals of the 2030 Agenda, gender impact, size, spending, etc.
4. We provide **support to design indicators**.
5. We have **developed an APP for monitoring budget indicators** and their evolution.

Training, incentives such as the Green Fund and the provision of guide managers are indispensable **tools** for the internalization and institutionalization of change.





Green perspective in budgeting

1. **Order of Elaboration:** calendar and procedure.
2. **Qualitative elaboration guide:** tools to support management centres.
3. **Training** for budget managers.
4. **Incentives for management centres:** Green Budget Fund €2 million, 62 projects
5. **Critical Program Selection Methodology:** SDG, PPG, Dimension...
6. Definition of **environmental indicators**.
7. **Development of applications** that allow budget monitoring.
8. Preparation of the annual **report of the incidence** o budgetary indicators on climate change.



GUÍA PARA LA ELABORACIÓN DE LA
INFORMACIÓN CUALITATIVA DEL
PRESUPUESTO 2024

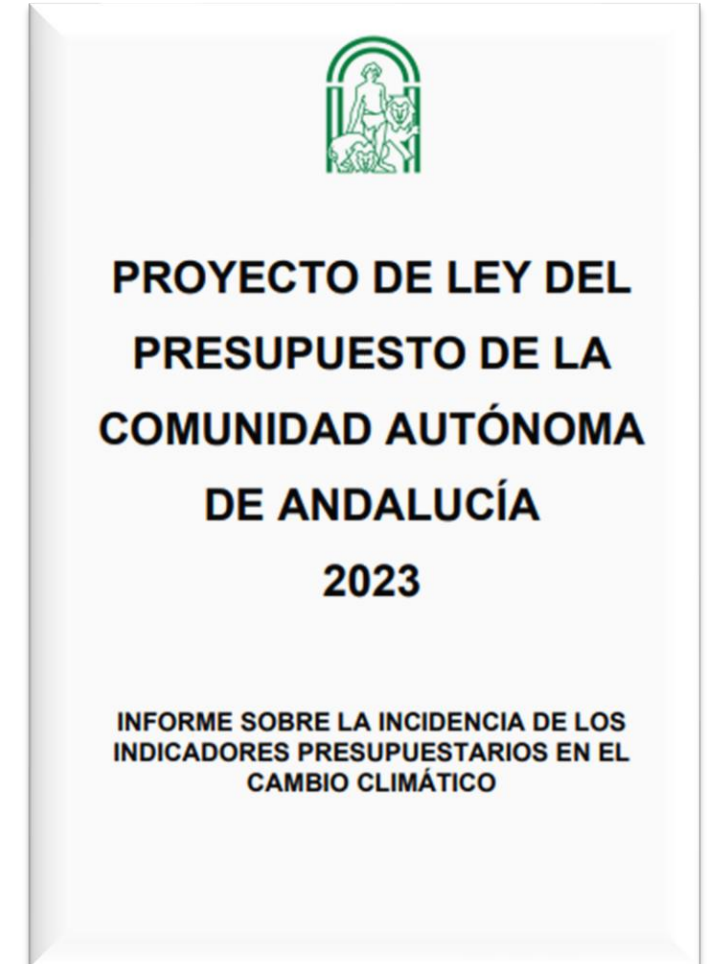




Green perspective in budgeting

2019	2020	2021	2023
Secciones: 7	Secciones: 9	Secciones 14	Secciones: 23
F. Programa: 13	F. Programa: 15	F. Programa: 24	F. Programa: 45
Indicadores: 63	Indicadores: 73	Indicadores: 133	Indicadores: 168

The Junta de Andalucía was the first Spanish Administration to identify, order and systematize **climate change indicators** associated with its budgetary actions since the 2019 report.





Monitoring the execution of green spending

1. **Budget monitoring report** of the actions of the Junta de Andalucía in the field of climate change.
2. **Criteria** for the identification of actions or budgetary indicators that have an impact on climate change.
3. **Methodology** for the budgetary monitoring of the actions of the Junta de Andalucía in the field of climate change.
4. **Analysis by Section** of the budgetary monitoring of the actions of the Junta de Andalucía in the field of climate change.
5. **Recommendations** for improving the alignment between budget planning and climate planning.



The lack of an implementation follow-up that provides **feedback** to the programming of the Green Budget, would not allow to identify **areas for improvement**.



Sustainable finance framework



- In March 2021, the **SUSTAINABLE FINANCE FRAMEWORK** of the Junta de Andalucía is prepared.
- Under this framework, **sustainable bond issues** for a total amount of 2,600 million euros **have been carried out** until 2023 with great reception in the markets.

<https://juntadeandalucia.es/organismos/economiahaciendayfondoseuropeos/areas/informacion-inversor/informacion-inversor.html>



Methodology

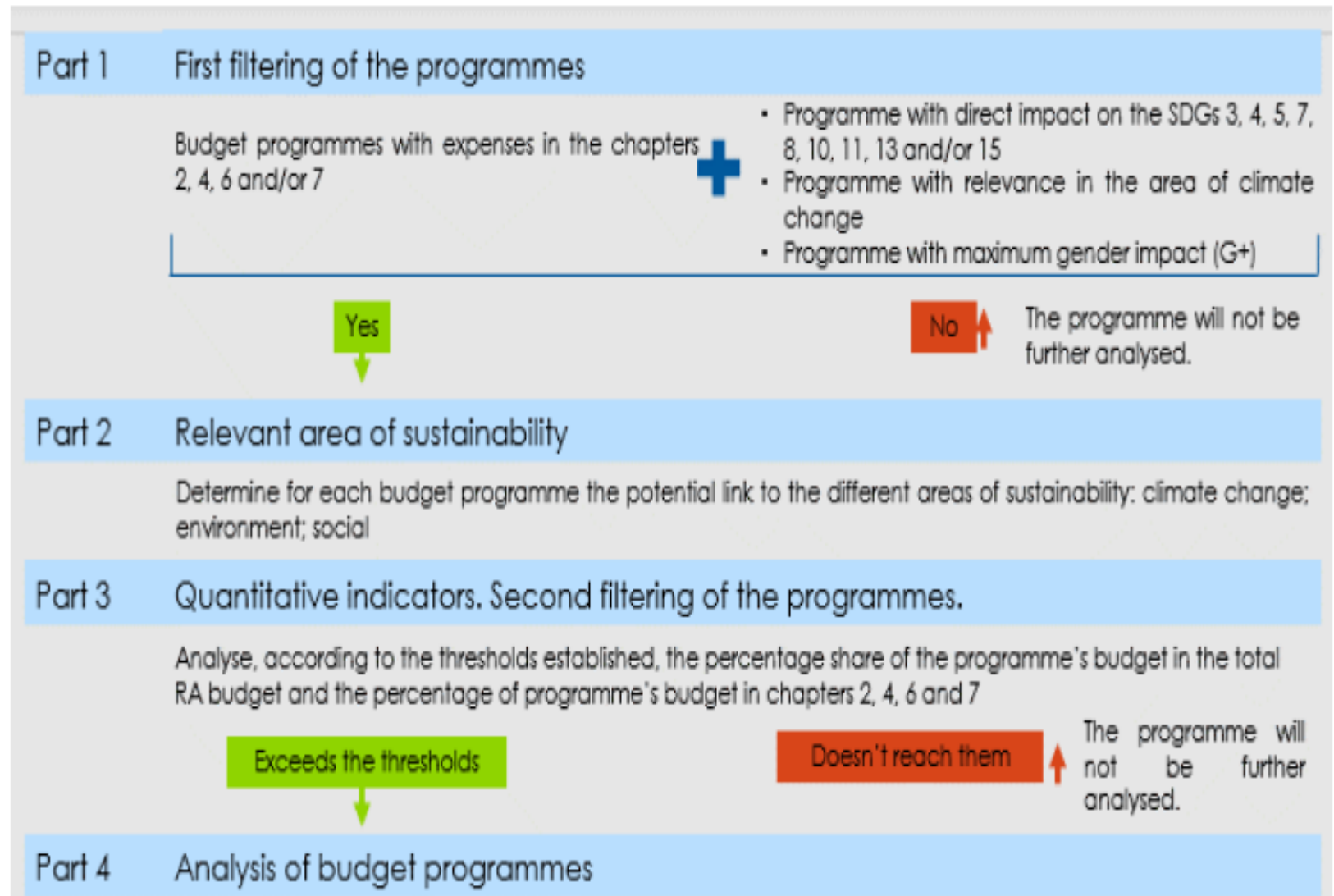
As a result of the project with the EC, a **methodology** for analyzing budget programmes has been developed.

It is an analysis methodology built from **international standards**, internal information sources and good practices used in other European regions.

- Sustainable Development Goals (SDGs)
- OECD Rio Markers methodology
- Guidelines for the issuance of Green and Social Bonds (ICMA)
- **Taxonomy of the European Union**



Junta de Andalucía





Methodology

Part 4 Analysis of budget programmes

Part 4a Objectives, actions and indicators of the programme

Compile the information of the programme that evidences the link with the relevant area(s) of sustainability

Part 4b Analysis of the Rio markers

Allocate the appropriate Rio marker for each area of sustainability:



- 0 = No link between them
- 1 = Significant but unintended impact
- 2 = The area of sustainability analysed is central in the design of the programme

There is at least one positive Rio marker



There isn't a positive Rio marker



The programme will not be further analysed.

Part 4c Eligible sustainable categories

Identify the category(ies) of ICMA's Social Bond Principles / Green Bond Principles which are linked to each programme

Part 5 Programme eligibility according to the EU Taxonomy

Analyse the eligibility of the activities of each programme according to the EU Taxonomy (climate change mitigation and adaptation)

Part 6 Evaluation of indicators

Analysis the indicators reported for each programme according to ICMA guidelines





Methodology

Programas Presupuestarios		Parte 1 - Preselección de programas según los criterios seleccionados					Parte 2 - Ámbito de sostenibilidad			Parte 3 - Indicadores cuantitativos calculados a partir de 'CI 2021 Consolidados'		
		ODS Prioritarios	PAAC	Género	Capítulos presupuestarios prioritarios	Filtro 1	Climático	Medioambiental	Social	% del presupuesto del programa sobre el total del presupuesto de la J.A.	% del presupuesto del programa en los capítulos 2, 4, 6 y 7	Filtro 2
12L	D.S.G. DE EDUCACIÓN Y DEPORTE	1	0	0	1	Yes	No	No	Yes	0,30%	8,74%	No
12M	D.S.G. AGRIC., GANADERÍA, PESCA Y DESA. SOSTENIBLE	1	0	0	1	Yes	No	Yes	Yes	0,50%	27,69%	Yes
14B	ADMINISTRACIÓN DE JUSTICIA	1	1	1	1	Yes	Yes	No	Yes	1,31%	32,06%	Yes
31E	ATENCIÓN A LA INFANCIA	0	0	1	1	Yes	No	No	Yes	0,48%	71,76%	Yes
31G	ACCIÓN COMUNITARIA E INSERCIÓN	1	0	1	1	Yes	No	No	Yes	0,59%	98,72%	Yes
31P	SERVICIO DE APOYO A FAMILIAS	1	0	1	1	Yes	No	No	Yes	0,82%	93,19%	Yes
31R	ATENC. DEPENDENCIA, ENVEJECIMIENTO ACTI. Y DISCAP	1	0	1	1	Yes	No	No	Yes	4,00%	88,35%	Yes



Methodology

Programas Presupuestarios		Parte 4A - Objetivos estratégicos, objetivos operativos, actuaciones e indicadores del programa presupuestario												Parte 4B - Análisis de los Marcadores de Río					
		Clima Contexto	Clima Objetivos	Clima Actividades	Clima Indicadores	Medioambiente Contexto	Medioambiente Objetivos	Medioambiente Actividades	Medioambiente Indicadores	Social Contexto	Social Objetivos	Social Actividades	Social Indicadores	Clima - Marcador de Río - Valor	Clima - Marcador de Río - Coeficiente	Medioambiente - Marcador de Río - Valor	Medioambiente - Marcador de Río - Coeficiente	Social - Marcador de Río - Valor	Social - Marcador de Río - Coeficiente
12L	D.S.G. DE EDUCACIÓN Y DEPORTE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12M	D.S.G. AGRIC., GANADERÍA, PESCA Y DESA. SOSTENIBLE	n.a.	n.a.	n.a.	n.a.	OE.1 POTENCIAR LA	OO.13. CO	AC.13.1 ASISTENCIA	63 indicadores	OE.1 POTENCIAR LA	OO.13. COORDINACIÓN	AC.13.4 Organización de	63 indicadores	n.a.	n.a.	0	0%	0	0%
14B	ADMINISTRACIÓN DE JUSTICIA	OE.1 Mejorar	OO.12. Dotar a la Administración	AC.12.4 Actuaciones de	1 indicador	n.a.	n.a.	n.a.	n.a.	Mejorar la organización	Continuar con la	Desarrollo del Plan	68 indicadores	0	0%	n.a.	n.a.	0	0%
31E	ATENCIÓN A LA INFANCIA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	OE.1 GARANTIZAR	ADECUAR LOS	TUTELA Y	30 indicadores	n.a.	n.a.	n.a.	n.a.	2	100%
31G	ACCIÓN COMUNITARIA E INSERCIÓN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	OE.1 MEJORAR LA	Desarrollar la	Desarrollo del	15 indicadores	n.a.	n.a.	n.a.	n.a.	2	100%
31P	SERVICIO DE APOYO A FAMILIAS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Consejería a Educación	Consejería a Educación	Consejería a Educación	Consejería a Educación	n.a.	n.a.	n.a.	n.a.	2	100%
31R	ATENC. DEPENDENCIA, ENVEJECIMIENTO ACTI. Y DISC.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	OE.1 MEJORAR LA	OO.11. INCREMENTAR	AC.11.1 GESTIÓN DE	41 indicadores	n.a.	n.a.	n.a.	n.a.	2	100%



Methodology

Programas Presupuestarios		Parte 4C - Categorías elegibles																Categoría clave (en caso de que exista)
		Renewable energy	Energy efficiency	Pollution prevention and control	Environmentally sustainable management of living natural resources	Terrestrial and aquatic biodiversity	Clean transportation	Sustainable water and wastewater management	Climate change adaptation	Circular economy adapted products, production techniques and services	Green buildings	Affordable basic infrastructure	Access to essential services	Affordable housing	Employment generation, ... including through the potential of the informal sector	Food security and sustainable food systems	Socioeconomic advancement and empowerment	
12L	D.S.G. DE EDUCACIÓN Y DEPORTE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
12M	D.S.G. AGRIC., GANADERÍA, PESCA Y DESA. SOSTENIBLE																	0
14B	ADMINISTRACIÓN DE JUSTICIA																	0
31E	ATENCIÓN A LA INFANCIA																x	Socioeconomic
31G	ACCIÓN COMUNITARIA E INSERCIÓN																x	Socioeconomic
31P	SERVICIO DE APOYO A FAMILIAS												x					Access to e
31R	ATENC. DEPENDENCIA, ENVEJECIMIENTO ACTI. Y DISC.											x					x	Socioeconomic
																		Employment



Methodology – independent parts

It analyses whether the programme has **eligible activities under the EU Taxonomy**, in the climate change mitigation and adaptation sections. The information collected on the actions of the budget of the Junta de Andalucía is compared with the eligible activities listed in the Taxonomy Compass, which already includes proposals linked to activities that contribute significantly to climate objectives.

Based on this analysis, **a list of eligible activities is prepared by program and for each eligible activity the framework presents the alignment and do no harm (DNSH) criteria.**

		Parte 5 - Elegibilidad del programa según la Taxonomía de la UE (Mitigación y Adaptación al Cambio Climático)	
Programas Presupuestarios		¿El programa presupuestario tiene actividades elegibles según la Taxonomía de la UE?	Actividades elegibles del programa presupuestario según la Taxonomía de la UE
12M	D.S.G. AGRIC., GANADERÍA, PESCA Y DESA. SOSTENIBLE	n.a.	n.a.
14B	ADMINISTRACIÓN DE JUSTICIA	Yes	7.3; 7.5
43A	VIVIENDA, REHABILITACIÓN Y SUELO	Yes	7.2; 7.3; 7.5
44B	PREVENCIÓN Y CALIDAD AMBIENTAL	Yes	1.3; 5.3; 5.4; 8.2; 9.1
44E	GESTIÓN DEL MEDIO NATURAL	Yes	1.2; 1.3; 1.4
44F	INFORMACIÓN AMBIENTAL Y DINAMIZACIÓN SOC-ECO. SOST	n.a.	n.a.
51B	MOVILIDAD, INFRAESTRUCTURAS VIARIAS Y TRANSPORTES	Yes	6.1; 6.2; 6.3; 6.4; 6.5; 6.6; 6.7; 6.8; 6.9; 6.10; 6.11; 6.12; 6.13; 6.14; 6.15
51D	ACTUACIONES EN MATERIA DE AGUA	Yes	5.1; 5.2
52C	COMUNICACIÓN SOCIAL	n.a.	n.a.
54A	INVESTIGACIÓN CIENTÍFICA E INNOVACIÓN	n.a.	n.a.



Results

The methodology has made it possible to

1. Measure the contributions of each budget programme to the different areas of sustainability: climate change, environment and social.
2. Estimate the part of the budget of the Junta de Andalucía in 2021 (and subsequent years) that can be defined as **sustainable** for the purposes of a sustainable debt issue.
3. Inform, in terms of sustainability criteria, the decisions to be made in the budget process.
4. Identify next steps, such as:
 - Update the methodology for use in future budget years and explain how it can be further developed to adapt to future regulatory changes.
 - Improve the impact indicators that are estimated annually for each budget program in order to improve results-oriented program management and reporting on future sustainable emissions.

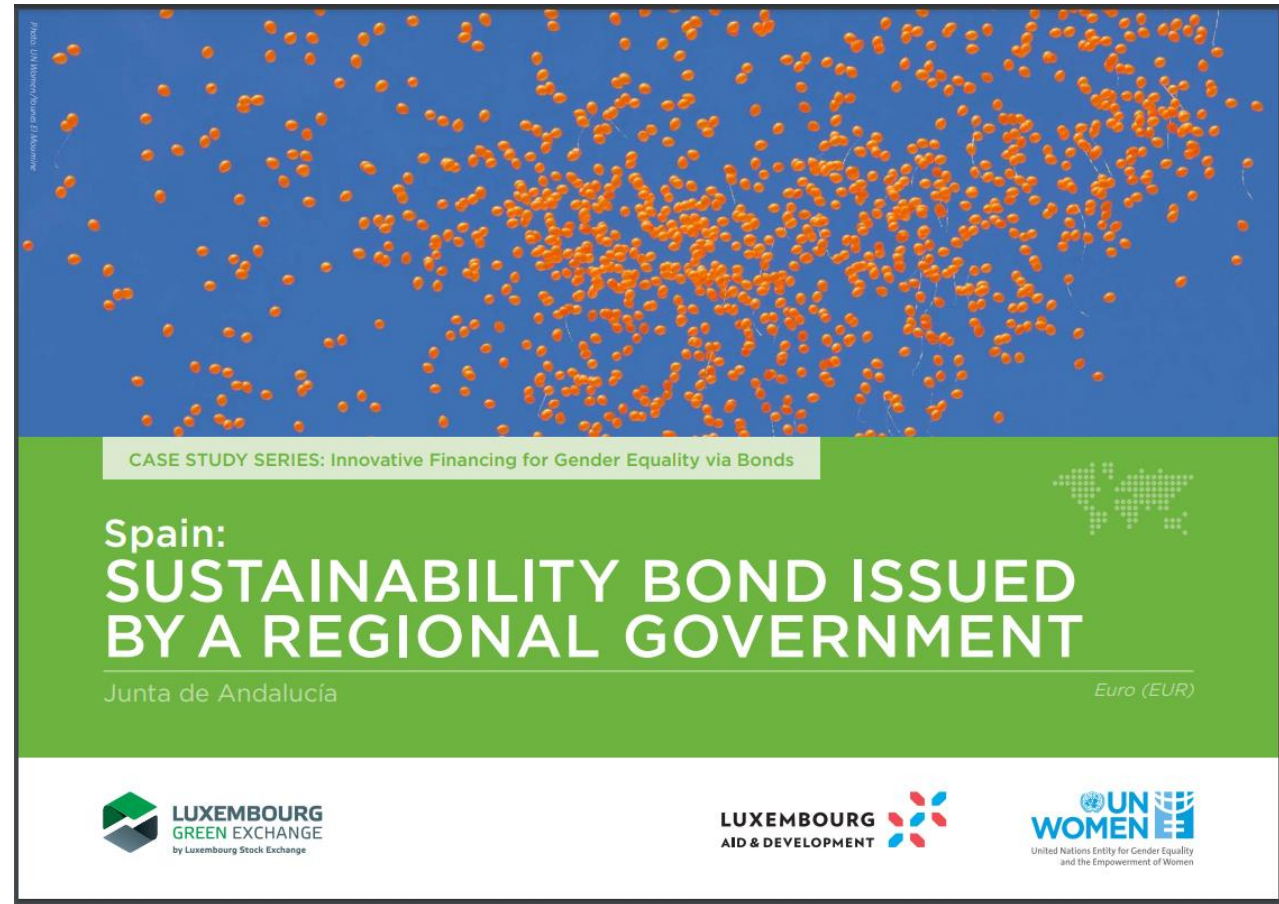
Budget of the Region of Andalusia (2021)	EUR 40,188,042,635
Total number of budget programmes	112
Total number of selected programmes (filter 1)	90
Total number of selected programmes (filter 2)	32
Total volume of eligible expenditure of selected programmes (filtering 1)	EUR 13,037,907,856
Total volume of eligible expenditure of selected programmes (filtering 2)	EUR 11,866,451,833
Nº of Programmes– Rio Marker <i>Principal</i> for Climate	2
Nº of Programmes– Rio Marker <i>Principal</i> for Environment	3

Nº of Programmes– Rio Marker <i>Principal</i> for Social	14
Nº of Programmes– Rio Marker <i>Significant</i> for Climate	6
Nº of Programmes– Rio Marker <i>Significant</i> for Environment	5
Nº of Programmes– Rio Marker <i>Significant</i> for Social	3
Total volume eligible and allocable to sustainability criteria ³⁸	EUR 11,127,652,722
Nº of programmes assigned to a GBP/SBP category	5
Nº of programmes allocated to several GBP/SBP categories, but where one category is principal	11
Nº of programmes allocated to several GBP/SBP categories, but where no category is principal	8
Nº of programmes with monitoring indicators that correspond to ICMA-GBP/SBP recommended impact indicators*	2
Nº of programmes with monitoring indicators similar to the ICMA-GBP/SBP* recommended impact indicators	20
Nº of programmes with inadequate monitoring indicators according to ICMA-GBP/SBP recommended impact indicators*	2



Junta de Andalucía Sustainable Finance Framework

UN Women: case study





Junta de Andalucía

For more information, please contact:

S.G. de Presupuestos, Gastos y Financiación Europea

sgpgfe.cehyfe@juntadeandalucia.es

THANK YOU

<https://juntadeandalucia.es/organismos/haciendayfinanciacioneuropea.html>