

# Executive summary

## **EXECUTIVE SUMMARY**

For the first time, the General State Budget (GSB) draft is accompanied by a Report on its alignment with the Ecological Transition (in its green dimension), with the firm intention of promoting and consolidating green budgeting in Spain as a fundamental pillar in the field of public sector sustainability. This fulfils the commitment made in the Recovery, Transformation and Resilience Plan (PRTR), within its Component 29, “Effectiveness of public spending”.

The general purpose of the report is to assess the alignment of the General State Budget with the reference framework of the European Union's medium-term ecological transition, the decarbonisation objectives and compliance with the European Green Deal. To this end, the spending policies that contribute to the achievement of these environmental commitments, assumed as Spain's own in the national legislation, have been identified and catalogued, and an estimate of the public resources earmarked for their fulfilment has been projected.

With this aim in mind, and as dictated by the Ministerial Order for the preparation of the 2023 GSB, a Working Group was set up to prepare the report, comprising representatives of the Ministry for Ecological Transition and the Demographic Challenge, the Secretariat of State for Budget and Expenditure and the General Budget Directorate. Through this collaboration and bearing in mind the European Union's Green Budgeting Reference Framework (GBRF), the study methodology emerged, the necessary information was compiled from the line ministries in relation to their budgetary programmes, and the main results were extracted and reflected in the report.

Following the guidelines outlined in article 30 of Law 7/2021, of May 21, on climate change and energy transition, the scope of the study has excluded certain expenses that, due to their nature, are not related to environmental objectives and whose inclusion could distort the data. Among others, pension expenditure, unemployment and other social expenditure, personnel and financial expenditure have been excluded from the calculation. As a result, out of 392 programmes that make up the GSB draft, 321 have been included within the objective scope of analysis, with a total eligible expenditure of €108,562 million, which have been analyzed in their entirety.

Based on the data provided by the line ministries, which have been checked and reviewed within the aforementioned Working Group, the budgetary programmes have been classified according to their degree of contribution ("alignment") to each of the six climate and environmental objectives defined in the report, and this contribution has been graded (as a percentage of their expenditure).

The classification made in EU Regulation 2020/852, of June 18, which establishes the bases of the European taxonomy for sustainable activities, has been taken as a reference. This regulation contemplates six major climate and environmental objectives, on which the budgetary programmes of the GSB 2023 have been aligned:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy.

- Pollution prevention and control.
- Protection and restoration of biodiversity and ecosystems.

The study shows that a majority of the budgetary programmes analysed, more than 52%, finance actions with a positive contribution to one of these environmental objectives, and more than 18% have a high impact on one of them. By policy area, a very high degree of alignment has been detected in some of them, such as Resilient Infrastructures and Ecosystems, Industry and Energy, Access to Housing and Promotion of Building, or Agriculture, Fisheries and Food. The report provides a detailed analysis of the main aligned policies, as well as a sample of their most representative actions.

The importance of the Recovery, Transformation and Resilience Plan (PRTR) in the process of decarbonisation and the fight against climate change is also noted, consistent with the "transversal axis" nature of the ecological transition in the Plan, which means that more than 45% of the PRTR's allocations are aligned with one of the six environmental objectives mentioned above.

The report also contains the figure for public resources allocated to the fight against climate change, which includes climate change mitigation and adaptation objectives. According to the provisions of article 30 of the Law on Climate Change and Energy Transition, it has been estimated that 30.6% of the eligible expenditure of the 2023 GSB draft makes a positive contribution to these objectives.