1. Introduction

This section presents key information on the financing of horizontal policy priorities in the EU budget, covering climate, biodiversity, gender and Sustainable Development Goals, as foreseen in point 16(d,e,f,g) of the Interinstitutional Agreement (IIA) 1.

Climate and environmental policy are at the core of the EU policy making. While the Treaty 2 already defines the environmental challenge as a core element of the Union’s action, the Commission has been striving to do more.

The Paris Agreement, formally ratified by the EU in 2016, sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C, and pursuing efforts to limit it to 1.5°C above pre-industrial levels. It also aims to strengthen the ability of countries to deal with the impact of climate change and support them in their efforts. The United Nations’ Agenda 2030 also provides the EU policy a direction, which integrates the Sustainable Development Goals.

In March 2018, the Commission put forward the action plan on sustainable finance. Action 1 of the action plan calls for the establishment of an EU classification system for sustainable activities, i.e. an EU taxonomy. With this in mind, in May 2018 the European Commission proposed a Regulation on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation), which was adopted in June 2020 3. The scope of the taxonomy is to define a voluntary standard framework to steer private investment towards environmentally sustainable projects.

The Commission made the green transition its first priority in the 2019 – 2024 period, as declared by the President in her political guidelines 4. The Communication on the European Green Deal confirms this ambition. The plan puts the climate and environmental challenges into the centre of the EU activity, aiming to make Europe the first climate-neutral continent by 2050, while boosting the competitiveness of European industry and ensuring a just transition for the regions and most affected workers. The European Green Deal Investment Plan, presented in January 2020, announced that the Commission will enhance the climate methodology and explore ways to use the taxonomy in the framework of public expenditures. The Commission will also reinforce the link between climate and biodiversity expenditures, exploiting the existing synergies in nature-based solutions. Furthermore, the European Green Deal underlined the need for long-term signals to direct financial and capital flows to green investments. On this basis, the Commission presented a renewed sustainable finance strategy in the third quarter of 2020, focusing on a number of actions, including making it easier for investors to identify sustainable investments and ensuring that they are credible. A “farm-to-fork” Strategy for sustainable food, a “Biodiversity Strategy, a new circular economy action plan and the proposal for the first “European Climate Law” 5 are other key elements.

In 2020, the EU provided an unprecedented response to the coronavirus crisis that hit Europe and the world. At its heart is a stimulus package worth EUR 2.018 trillion in current prices (EUR 1.8 trillion in 2018 prices). It consists of the EU’s long-term budget for 2021 to 2027 of EUR 1.211 trillion (EUR 1.074 trillion in 2018 prices), topped up by EUR 806.9 billion (EUR 750 billion in 2018 prices) through NextGenerationEU, a temporary instrument to power the recovery. The EU sets the limits of its spending in the multiannual financial framework, the EU’s long-term budget for the next 7 years. In this way, the EU secures the resources for its political priorities, like digitalisation and green deal. The package includes a 30% target for climate expenditures for the overall MFF and a biodiversity ambition of 7.5% of the 2024 annual budget and 10% of the annual budgets 2026 and 2027.

---

1 Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources.
2 Treaty on European Union, Article 191.
5 COM(2020) 80.
2. Climate mainstreaming

The fight against climate change is, by its very nature, a fight that transcends national boundaries. In order to achieve our climate goals, develop new clean technology, deploy the best solutions and drive our economies towards a more sustainable path, action at EU level is needed. EU action can exploit significant economies of scale, pull together resources to reach critical mass, and contribute to strengthening the EU in the international arena.

The EU budget makes a crucial contribution towards the fight against climate change. Over the course of the 2014-2020 multiannual financial framework, the EU delivered on its ambition of spending 20% of available funds on climate-related measures.

2.1. What do we do?

In the 2014-2020 multiannual financial framework, the Commission implemented an innovative approach to dedicate resources to the fight against climate change: ‘climate mainstreaming’. This requires programmes in all policy areas to consider climate priorities in their design, implementation and evaluation phases. With a target of contributing 20% of the EU budget expenditure to climate goals, all the programmes are designed to implement two types of measures.

- **Adaptation.** This involves finding solutions to and ensuring preparedness for adverse effects of climate change, enhancing resilience, taking appropriate action to prevent or minimise the damage such effects can cause, and taking advantage of any opportunities that may arise.

- **Mitigation.** This refers to actions that limit the magnitude of long-term climate change. Climate change mitigation generally involves reductions in emissions of greenhouse gases.

In this context, ‘climate proofing’ is the practice of making sure that buildings and infrastructure are adapted to cope with the changes in the environment. This is applied across the EU budget in the programmes supporting infrastructure. In addition, to guarantee that the EU budget financing does not have a harmful effect on the environment, an ‘exclusion list’ of projects that cannot be financed is also included in the common provisions regulation.

In the context of the 2021-2027 multiannual financial framework, the Commission has improved its approach to climate mainstreaming, including through:

- increasing the overall target to 30% for the contribution to climate mainstreaming and including sectorial targets in the relevant legislation;
- embedding the EU budget action in the European Green Deal policy framework, through the adoption of the biodiversity strategy and the farm-to-fork strategy;
- enhancing the climate responsiveness of the budget for programmes that do not directly tackle the climate challenge, through reinforced climate proofing and the application of the ‘do no significant harm’ principle;
- A strong shift from the Organisation for Economic Co-operation and Development’s ‘Rio markers’, which are intent-based, to the EU ‘climate coefficients’, which are instead result-based. A comprehensive overview of the climate methodology will be presented by the Commission once finalized;
- In accordance with the inter-institutional agreement, a ‘climate adjustment mechanism’ will enable the Commission to take remedial action to address possible gaps in the achievement of targets of individual programmes, either by ensuring that the gap is filled by the same programme in the following years of implementation, or by other programmes in the following years, so that the overall target can be achieved as planned;
- The Commission will fund 30% of the NGEU programme through green bonds issuance. This could amount to up to EUR 250 billion, establishing the EU as one of the largest issuers of green bonds globally;
- Finally, the Commission is working on proposals for new own resources, which may include the introduction of new green own resources.
2.2. How much do we spend?

Climate contribution in 2014 to 2020, in million EUR
Source: European Commission.

In 2021, the Commission is continuing to revise and update all the data available, including further consolidating existing data and applying a more granular methodology where possible.

For the 2014-2020 period, EUR 216 billion of the EU budget was dedicated to the fight against climate change, i.e. 20.15%.

In the period 2021-2027 the EU budget will deliver at least 30% of climate expenditures, of the MFF and NGEU budget. To achieve this, the relevant basic acts include a set of targets that underpins the overarching target. The chart below compares the climate expenditures in 2014-2020 period and ex-ante target in 2021-2027. The white section shows the increased ambition of the programmes in terms of climate expenditures, achieved through the inclusion of the European Green Deal policy framework into the design of the programmes. A complete overview of the climate expenditures is available at the end of this document and in each Programme Statement. For the CEF programme, a recalculation of the 2014-2020 period expenditures done in 2021 has shown that the expenditures related to climate are actually higher than what anticipated when the new target was set.

Comparison of climate expenditures in 2014-2020 period and ex-ante target in 2021-2027
Source: European Commission.

Financing of Horizontal Priorities in the EU Budget
2.3. Climate Methodology

In the 2014-2020 period, to track the EU budget expenditure, the Commission uses the EU markers, based on the internationally recognised methodology of the Organisation for Economic Co-operation and Development’s Rio markers. The methodology consists of assigning a coefficient of 0%, 40% or 100% to each intervention to reflect the extent to which climate considerations have been integrated into its design. These markers are assigned at the lowest level of granularity possible by the design of the programme.

Given the risk that the same action would be categorised differently depending on why it was financed, the Commission started moving already in the 2014-2020 MFF towards a system of classification by type of action. For the 2021 – 2027 MFF, the European Commission is further developing that tracking system to use EU climate coefficients. These retain the three-tier system from the OECD Rio markers but further reinforce a classification of types of action by their expected effects on climate that is consistent across the EU budget.

An important first step was taken in the climate tracking methodology for the new Recovery and Resilience Facility where substantive conditions have been included in the categories to reflect considerations of effect to the extent possible. The Commission is working on extending this system across the EU budget, reflecting new policy developments, in particular the European Green Deal and the new “Taxonomy of Sustainable Finance”

2.4. Climate Adjustment Mechanism

The Climate Adjustment Mechanism provision is structured so to guarantee that the different targets will be reached. This will be ensure through:

- Sectorial targets, underlying the overall 30% target. These targets have been included in articles of the legislation for the programmes where strong pre-programming is present, to limit the risk of deviation (e.g. RRF, CPR);
- Enhanced monitoring and reporting, through a more granular tracking in the financial system of the Commission and a specific section in the Programme Statement of operational expenditures that monitors the target;
- A mechanism whereby the Commission will propose corrective actions in line with the specific basic act provisions in case of deviations in the programming that could endanger the 30% target;

As evident in annex I of this report, currently the EU Budget fulfills both the overall 30% target and each sectorial target. This section will be updated yearly according to the most updated data and will explain any deviation of the performance, as needed.

2.5. Some examples of what we achieved

Under Horizon 2020

- **Sustainable and resilient production of food, wine and oil.** This project designed a climate services prototype to build more resilient, efficient and sustainable agriculture and food systems. Although it focused on three key crops in the Mediterranean area (grapes, olives and durum wheat), the prototype can be used in other sectors. The [co-production of climate services for East Africa project](#) co-developed dedicated climate services for the water, energy and food security sectors with stakeholders and end users, to enhance their ability to plan for and adapt to seasonal climate fluctuations in East Africa. The services will potentially reach 365 million people in 11 countries.

- **Urban climate resilience.** [GrowGreen](#) supported nature-based solutions for urban climate resilience, from co-design to co-management, with contributions to climate strategies in city case studies, such as the city of Manchester in the United Kingdom.

- Climate impacts beyond Europe. This project identifies how the risks of climate change to countries, economies and peoples beyond Europe might cascade into Europe. It also looks into possible mitigation and adaptation efforts.

- **Too much or too little water.** The ‘bridging the gap for innovations in disaster resilience’ project supported innovations in climate change adaptation, bridging the gap between innovators and end users in resilience to floods, droughts and extreme weather.

**Under the space programme**

Financing of Horizontal Priorities in the EU Budget
The Copernicus Climate Change Service works together with businesses across the globe to turn raw climate data into sector-specific information aimed at users within the field, such as businesses, researchers and policymakers. One of these projects is the global biodiversity service, which aims to support those working to preserve species, to protect the areas that are most climate sensitive, to increase the resilience of ecosystems and to reduce biodiversity loss around the world by providing the information needed to create plans to sustain ecosystems in present and future climate conditions.

**Under cohesion policy**

- By 2019, an increase of over 2 000 MWh in additional capacity of renewable energy production had been achieved.
- Over 285 000 additional households were able to achieve an improved energy consumption classification with the help of regional funding.
- A decrease of over 1.2 billion kWh in annual primary energy consumption by public buildings was achieved.
- By 2019, a reduction of over 2.9 million tonnes of CO₂ equivalent per year had been achieved.

**Under Erasmus+**

The ‘Green living in the rural area’ training course was designed, to empower youth workers and their organisations to support social and environmental responsibility, saving and optimising resources. The project trains youth workers to reuse and recycle materials and equips them with the skills to act as multipliers in their own organisations. The main objectives are to raise participants’ awareness of sustainable development in rural areas and of ways of reusing and recycling materials; to provide participants with the knowledge, skills and competence to reuse wood and other materials to build a tree house; to encourage the participants’ entrepreneurial spirit; and to foster creativity, leadership skills, innovative attitudes and environmental responsibility in participants, so that they can act as multipliers of the knowledge acquired in the training course.

**In relation to the external dimension**

The EU fulfilled its pledge to provide a EUR 10 million financial contribution to the Adaptation Fund – one of the international climate funds established under the United Nations Framework Convention on Climate Change, thus contributing to the global efforts to address climate change in the most vulnerable countries of the world. Furthermore, the EU continued to provide support for climate action to developing countries through its flagship initiative, the global climate change alliance+.

Climate-related administrative expenditure is not accounted for in the mainstreaming estimates. The European Commission is committed to sustainability. Thus, through the eco-management and audit scheme system, the Commission implements a monitoring programme to assess, measure, monitor and reduce the environmental impact of its daily activities. The Commission has achieved significant results, for example the following (results refer to the Brussels site during the 2005-2019 period) (6):

- energy for buildings = – 65% (MWh/person),
- CO₂ emissions for buildings = – 86% (tonnes/person),
- office paper = – 71% (sheets/person/day),
- water use = – 58% (m³/person),
- non-hazardous waste = – 38% (tonnes/person).

---

3. **Biodiversity Mainstreaming**

Preservation of biodiversity ensures the long-term stability of ecosystems and enables the sustainable preservation of natural resources for future generations. Tackling biodiversity loss and restoring ecosystems require significant investments, including to ensure a more resilient society and combat the emergence of diseases linked to ecosystem degradation and wildlife trade.

### 3.1. What do we do?

To halt and reverse the decline of biodiversity in the EU is a major objective of the EU, as confirmed in the political guidelines from Commission President von der Leyen. Protecting biodiversity is a global issue that requires transnational intervention and coordination. This important strategic political ambition is reflected in the European Green Deal and its 2020 investment plan.

In line with the European Green Deal, the Commission, the European Parliament and the Council of the European Union decided in an interinstitutional agreement that biodiversity should be mainstreamed in the EU programmes, to achieve a level of ‘7.5% in 2024 and 10% in 2026 and in 2027 of annual spending under the MFF [multiannual financial framework] to biodiversity objectives, while considering the existing overlaps between climate and biodiversity goals’ (7). This is in line with the statement in the biodiversity strategy for 2030 that biodiversity action requires at least EUR 20 billion per year stemming from ‘private and public funding at national and EU level’ (8), of which the EU budget will be a key enabler. The Biodiversity Strategy also sets out that, as nature restoration will make a major contribution to climate objectives, a significant proportion of the EU budget dedicated to climate action will be invested on biodiversity and nature-based solutions.

### 3.2. How much do we spend?

For the 2014-2020 period, the EU budget dedicated EUR 85 billion, or 8% of the multiannual financial framework, to the fight against biodiversity loss.

**Biodiversity contribution in 2014 to 2020, in million EUR**

- Common agricultural policy: EUR 66 000
- Cohesion Funds: EUR 10 545
- Horizon 2020: EUR 3 500
- Development Cooperation Instrument: EUR 1 370
- Programme for the environment and climate action: EUR 1 752

**Source:** European Commission.

### 3.3. Biodiversity Methodology

To track the EU budget expenditure for biodiversity, an internationally recognised methodology (the Rio markers) is used. The methodology involves applying a coefficient of 0%, 40% or 100% to each project/objective/strand/programme, reflecting the degree to which biodiversity considerations have been integrated. The Commission is currently working to update the Biodiversity methodology for the 2021-2027 period, to properly implement an enhanced EU Coefficient system for biodiversity expenditures.

---


Extract of the Programme Statement for Operational Expenditures – DB 2022 Working Document I

3.4. Some examples of what we achieved

The **Horizon 2020** project on the biosystematics, informatics and genomics of the big four insect groups studied the four largest insect groups, to investigate hotspots of largely unknown insect diversity to better comprehend its potential for helping tackle economic and societal needs. The project employed a wide spectrum of modern, innovative approaches to uncover the evolutionary history of several insect lineages.

Through **cohesion funding**, by 2019:

- nearly 3 million additional people were being served by improved waste water treatment with the help of regional funds;
- nearly 6 million hectares of habitats had achieved better conservation status with support from regional funds.

The **Development Cooperation Instrument** helped improve the conditions of 186 different species.

Under the **European Neighbourhood Instrument**, bilateral and regional projects have been targeting biodiversity. For example, the integrated monitoring and assessment programme-marine protected areas project aims at achieving a good environmental status for the Mediterranean Sea and coast through an ecologically representative and efficiently managed and monitored network of marine protected areas. The project has a total budget of EUR 4 million and its implementation period runs from 2019 to 2022.

Another example is the **EU4Environment project** within the Eastern Partnership. This project helps partner countries to preserve their natural capital and to increase people’s environmental well-being, by supporting environment-related action, demonstrating and unlocking opportunities for greener growth and establishing mechanisms to better manage environmental risks and impacts.

### 4. Clean Air tracking

The EU has been working for decades to reduce air pollution to levels that do not give rise to negative impacts on, and risks to, human health and the environment. Air quality has improved in the European Union over time and emissions of several air pollutants have decreased. This has been possible thanks to EU clean air legislation and efforts to integrate environmental protection requirements in general and clean air priorities in particular into sectoral policies, including stricter control of harmful substances emissions into the atmosphere. Joint efforts at EU, national, regional and local level, including thanks to the provision of resources from the EU budget to actions contributing to clean air objectives, have played an important role in delivering progress. However, efforts must continue and intensify as, in most Member States, quality of life remains hampered by the adverse impacts of air pollution. EU air quality standards need to be met across the EU.

To address remaining clean air challenges, EU funding has been made available and successfully used by Member States under various financial streams, by either directly supporting clean air projects or effectively mainstreaming clean air objectives in other investments (e.g. infrastructure, rural and regional development). To monitor progress in the Member States’ uptake of EU funds for clean air objective, the Commission tracks EU funding contributing to clean air, by assessing the extent to which each funding stream contributes to this objective. This monitoring will contribute to better implementation of clean air policies in Member States. This tracking also responds to the Commission obligation to report on Member States’ uptake of Union funds in support of the achievement of the objectives of Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants (the NEC Directive, for National Emission reduction Commitments Directive) in its Article 11(1)(c)).

In order to comply with the Directive’s obligation of reporting, the programme statements for relevant programmes include the individual programmes’ contribution to clean air throughout the 2014-2020 multiannual financial framework. The precise methodology for tracking the contribution towards clean air objectives will be published along with the implementation report that is mandated by the NEC Directive (Article 11 of the NEC Directive). While for the 2014-2020 MFF ex-post reporting can be done, values for the 2021-2027 MFF rely on estimates. Data for the 2021-2027 MFF is therefore unavailable for InvestEU and LIFE as projects have not been chosen yet.

**Clean Air contribution in EUR million**
Extract of the Programme Statement for Operational Expenditures – DB 2022 Working Document I

Clean air contribution in 2014 to 2020, in million EUR

Source: European Commission.

Clean air spending by programme

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizon 2020</td>
<td>4 219</td>
<td>6 192</td>
</tr>
<tr>
<td>European Fund for Strategic Investments*</td>
<td>6 400</td>
<td>N/A</td>
</tr>
<tr>
<td>Connecting Europe Facility</td>
<td>8 810</td>
<td>8 034</td>
</tr>
<tr>
<td>European Regional Development Fund</td>
<td>18 844</td>
<td>29 957</td>
</tr>
<tr>
<td>Cohesion Fund</td>
<td>10 890</td>
<td></td>
</tr>
<tr>
<td>European Agricultural Fund for Rural Development</td>
<td>1 138</td>
<td>176</td>
</tr>
<tr>
<td>LIFE*</td>
<td>105</td>
<td>N/A</td>
</tr>
<tr>
<td>Turkish Cypriot Community</td>
<td>1,9</td>
<td>0,4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>52 006</strong></td>
<td><strong>44 359</strong></td>
</tr>
</tbody>
</table>

* Data available for the period 2014 - 2018

5. Gender equality mainstreaming

The Council of Europe defined gender mainstreaming as “the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors

Financing of Horizontal Priorities in the EU Budget
Extract of the Programme Statement for Operational Expenditures – DB 2022 Working Document I

normally involved in policymaking9. According to the European Institute for Gender Equality (EIGE), gender mainstreaming involves the integration of a gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and spending programmes, with a view to promoting equality between women and men, and combating discrimination10.

The Commission has embedded gender mainstreaming in its strategy for the promotion of gender equality and has established gender equality as a cross-cutting objective for all policy areas, including fundamental rights and citizenship, employment and social inclusion, cohesion policy, education, research and innovation, external cooperation and humanitarian aid.

The Commission’s long-standing commitment to gender equality gained new momentum with the adoption of the Gender Equality Strategy 2020-202511, which delivers on the Commission’s commitment to achieving a Union of Equality. It sets out policy objectives and actions to achieve significant progress towards a gender-equal Europe by 2025. The goal is a Union where everybody, in all their diversity, is free to pursue their chosen path in life, have equal opportunities to thrive, and can equally participate in and lead our European society. The key objectives of the Strategy are ending gender-based violence; challenging gender stereotypes; closing gender gaps in the labour market; achieving equal participation across different sectors of the economy; addressing the gender pay and pension gaps; closing the gender care gap and achieving gender balance in decision-making and in politics. The Strategy pursues a dual approach of gender mainstreaming combined with targeted actions, and intersectionality is a horizontal principle for its implementation. While the Strategy focuses on actions within the EU, it is coherent with the EU’s external policy on gender equality and women’s empowerment.

Since the fallout of the Covid-19 pandemic, the Commission has moved decisively to develop a comprehensive set of initiatives, comprising both first-response measures and more structural measures, in the context of the Next Generation EU and the reinforced Multiannual Financial Framework. The resulting policy response focusses on fair and inclusive recovery. It ensures that equality is at the heart of recovery, and it is designed to mitigate the disproportionate impact that the crisis has on many vulnerable groups in society, irrespective of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

As concerns funding in particular, in line with the Gender Equality Strategy 2020-2025, Next Generation EU and the 2021-2027 MFF provide a wide range of EU funding and budgetary guarantee instruments to support actions promoting women’s labour market participation and work-life balance, invest in care facilities, support female entrepreneurship, combat gender segregation in certain professions and address the imbalanced representation of girls and boys in some sectors of education and training. Furthermore, dedicated funding is provided for projects benefiting civil society organisations and public institutions that implement specific actions, including preventing and combating gender-based violence. For instance, through the future Citizen, Rights, Equality and Values programme, the Commission continues to support civil society organisations and other stakeholders active at local, regional, national and transnational levels across Europe in tackling gender-based violence and promoting gender equality. Violence, and in particular gender-based violence, are covered by a dedicated strand and specific objective (“Daphne”). Furthermore, the Commission acted to directly support the healthcare systems of EU Member States, where the vast majority of health workers are women (78%)12, in their fights against the coronavirus pandemic. Notably, in 2020 the Commission mobilised EUR 3 billion from the EU budget through the RescEU medical equipment capacity and the Emergency Support Instrument for the healthcare sector13.

The overview of the information reported on in the programme statements reflects the continuous efforts to reinforce the integration of gender mainstreaming, and is as follows:

- 61% of the draft budget 2022 spending programmes (or 28 out of 46 programmes) contain some qualitative or quantitative information related to their contribution to gender mainstreaming, compared to 58% (or 35 out of 60 spending programmes) under the EU budget 2021. This marks the fourth consecutive year where an increase in the number of reporting programme statements is observed.

- 26% of the draft budget 2022 spending programmes (or 12 out of 46 programmes) provide some financial data on the EU budget contribution to gender mainstreaming, compared to 16% (or 10 out of 60 programmes) under the EU budget 2021.

- 26% of the of the draft budget 2022 spending programmes include actions to tackle violence against women and girls, compared to 10% (or 6 out of 46 programmes) under the EU budget 2021.

- 20% of the draft budget 2022 spending programmes (or 9 out of 46 programmes) present specific actions aiming at ensuring gender balance.

The Commission has been working on the development of a methodology to measure expenditure related to gender equality at programme level in the 2021-2027 MFF, with a view to further reinforcing gender mainstreaming in the post-2020

9 For further information, please consult: https://www.coe.int/en/web/genderequality/what-is-gender-mainstreaming
10 For further information, please consult: https://europa.eu/legg4Ch
11 For further information, please consult: https://europa.eu/1jR89gN
12 For further information, please consult: https://europa.eu/3kX870u
13 For further information, please consult: https://europa.eu/3jB83CV

Financing of Horizontal Priorities in the EU Budget
The United Nations’ 2030 Agenda for Sustainable Development, with its 17 Sustainable Development Goals (SDGs) and 169 targets, has given a new impetus to global efforts to achieve sustainable development. The EU has played an important role in shaping the 2030 Agenda, through public consultations, dialogue with partners and in-depth research. The EU is committed to playing an active role to maximise progress towards the SDGs, as outlined, among others, in its Communication ‘Next steps for a sustainable European future’ and in the Commission Staff Working Document ‘Delivering on the UN’s Sustainable Development Goals – A comprehensive approach’.

This lasting commitment to SDGs constitutes an overriding political priority for the von der Leyen Commission. The SDGs are an intrinsic part of the President’s political programme and an array of deeply transformative policies has already been presented in 2020, such as the European Green Deal, the climate law, a new Industrial Strategy for Europe, the Annual Sustainable Growth Strategy 2020 and 2021, and the new European Skills Agenda amongst others.

This commitment has even greater relevance in light of the global COVID-19 pandemic by providing an impetus to ‘building back better’ towards a more inclusive, sustainable, just and resilient future for all, leaving no one behind. Notably, the Commission’s Annual Sustainable Growth Strategy 2021 reaffirmed that sustainability, productivity, fairness and stability, meaning the four pillars on which the EU’s economic policy must rely to implement reforms and investments in the European Union, should remain the guiding principles underpinning Member States’ recovery and resilience plans under the Recovery and Resilience Facility.

These priorities lie at the heart of the European Semester and ensure that the new growth agenda does the best for people and the planet. To this end, a holistic and balanced approach where the Union works better together with the Member States and across policy fields is required. Given the division of competences between Member States and the EU, a close coordination is crucial for the achievement of the SDGs, as far as the contribution of Member States is concerned.

At Union level, sustainable development challenges are addressed through EU policies and regulatory instruments. As far as the former are concerned, the EU budget, through its spending programmes, provides a significant contribution to sustainable development by complementing the national budgets, in line with the principle of subsidiarity. In doing so, the design and implementation of the EU spending programmes aim at delivering on the objectives in each policy field whilst promoting sustainability through the actions and interventions of the relevant programmes, in a joint and coherent way. In particular, almost 45 out of 61 of the EU spending programmes corresponding to 96% of the EU budget contributed towards at least one SDG in 2020.

The number of programmes contributing to individual SDGs is presented in the graph below:

---

14 For further information, please consult: https://europa.eu/!dv740X
16 For further information, please consult: https://europa.eu/!dp39gq
17 President von der Leyen’s Political Guidelines: A Union that strives for more- My agenda for Europe.
18 COM(2020) 575 final. For further information, please consult: https://europa.eu/78447r

Financing of Horizontal Priorities in the EU Budget
In the light of the cross-cutting nature of SDGs, and in order to ensure a holistic approach in addressing sustainable development, 87% of the spending programmes contributing to SDGs are designed to address multiple SDGs through their policy actions. As last year, the Commission presents the SDGs to which each EU programme contributes along with examples of its contribution. This is with a view to further enhancing the reporting on the performance of its programmes and providing a deeper understanding of the EU policy coherence.

The following infographic illustrates in a non-exhaustive manner the many examples of the contribution of EU programmes to SDGs. It serves to capture the EU’s coherent approach with which it supports a variety of initiatives in a wide range of policy fields across the globe with the aim to promote sustainable development for all.
The Asylum, Migration and Integration Fund contributed EUR 7.5 million in 2020 to a call under Greece’s national programme to subsidise the operation of semi-independent-living apartments for unaccompanied minors above 16 years old. The current call covers 500 accommodation places. The EU and its 27 Member States significantly increased their official development assistance for partner countries to almost EUR 67 billion (\(^{(19)}\)) in 2020. The EU and its Member States thereby consolidate their position as the world’s leading donor, and have taken a major leap forward towards meeting the target they have committed to for 2030.

Under the implementation of the European Globalisation Adjustment Fund’s ‘Microsoft 2’ case in Finland between 2017 and 2019, EUR 3.5 million in funding from the European Globalisation Adjustment Fund was mobilised to finance measures offered to 883 dismissed workers in support of labour mobility and in cooperation with the European Job Mobility Portal services (i.e. foreign job advertisements and the exchange of experience in online meetings).

Approximately EUR 4.9 million was invested between 2014 and 2020 to support the testing and eradication of animal diseases such as brucellosis in local sheep, goat and cattle herds and the training of local veterinaries through the Instrument of Financial Support for Encouraging the Economic Development of the Turkish Cypriot Community.

The Cohesion Fund contributed approximately EUR 39.7 million to Poland’s largest project for developing smart electricity distribution networks in seven Polish provinces. The project offers fewer network failures, increased security of supply and better quality of life for nearly 3 million inhabitants, and it is expected to reduce primary energy consumption by 1 054 gigajoules/year, resulting in savings of 98 megawatt hours/year.

The LIFE programme has contributed EUR 10 million to the Polish integrated project Małopolska, which was launched in 2013 and aims to reduce fine particle pollution (\(^{(20)}\)). EU interventions for improved diets and breastfeeding, household resilience, food security, healthcare and the reduction of stunting reached almost 20 million women, adolescent girls and children in 2013-2019 under the Development Cooperation Instrument.

The LIFE material match making platform enabled waste reduction amounting to about 60 000 tonnes (a 10% reduction within the context of the project) from October 2016 to December 2019, through the systematic application of eco-design techniques to facilitate the recovery and reuse of parts that would previously have become waste.

In Belgium, thanks to European Social Fund support in the amount of approximately EUR 3.3 million, since 2015 the TechnoITé Competence Centre has helped more than 9 000 people develop new skills in the fields of information and communications technology through qualifying and continuous training in one of the 20 courses organised in these fields. The project will run until the end of 2021.

Under the Connecting Europe Facility action, a maximum contribution of approximately EUR 14 million was allocated to the ‘AMBRA-Electricr Europe’ action to support the deployment between 2018 and 2022 of 6 458 electrical supply points at 3 169 electric charging stations for electric vehicles on six trans-European transport network core network corridors in Spain, Italy and Romania.

The Erasmus Mundus master’s degree in women’s and gender studies was funded in 2019 with a total budget of EUR 4.5 million for the following 5 years. Its mission is to produce gender experts able to contribute to greater equality between men and women, and the consortium consists of six universities in four Member States and the United Kingdom.

To date, the European Maritime and Fisheries Fund has funded nearly 15 000 projects on preserving the marine environment and ensuring better resource efficiency.

\(^{(19)}\) This is a 15% increase in nominal terms and equivalent to 0.5% of the collective gross national income, up from 0.4% in 2019, according to preliminary figures published by the Organisation for Economic Co-operation and Development’s Development Assistance Committee. The commitment for 2030 is 0.7%.

\(^{(20)}\) The reduction in fine particle emissions targeted by 2023 is about 25 000 kilograms per day for particles smaller than 25\(\mu\)m and 21 000 kilograms per day for particles smaller than 10 microns.

Financing of Horizontal Priorities in the EU Budget
In 2020, the Copernicus Land Monitoring Service systematically provided near-real-time information on global inland water bodies and their seasonal replenishment, lake and river water levels, temperature, turbidity and trophic state, including potential water availability from snow and ice cover.

In the 2014-2020 period, the common agricultural policy’s rural development support planned for organic farming amounted to EUR 11.2 billion. Furthermore, the share of the EU’s agricultural area used for organic farming increased from 5.9% in 2012 to 8.5% in 2019, corresponding to an increase from 9.46 to 13.79 million hectares.

The European Fund for Strategic Investments helped provide renewable energy to approximately 14.5 million households and save over 7,150 gigawatt hours of energy per year.

At the end of 2020, actions worth EUR 501 million to counter terrorism and prevent and counter violent extremism outside of the EU were ongoing. This represents an 8% increase compared to the previous year.

The European Regional Development Fund contributed EUR 1.2 million to the ‘house of digitalisation’ project in Lower Austria. The project supported regional companies in strengthening their online trading opportunities in the midst of the COVID-19 crisis through the development of a mobile application allowing small enterprises to quickly and easily become involved in online retailing.

In 2014-2020, creative Europe – MEDIA supported 114 co-productions and 83 distribution deals between EU and developing-country partners.

Galileo’s search-and-rescue service allows the time required to detect emergency distress beacons to be reduced to less than 10 minutes. As from 2020, a response is sent to the distress beacon in less than 15 minutes, acknowledging that the request has been received and that help is on the way, a unique new feature offered only by Galileo.
6.1. Annex: climate expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Adopted budget</th>
<th>Draft budget</th>
<th>Financial programming</th>
<th>Total 2021-2027</th>
<th>% of programme envelope &amp; NextGenerationEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>For reference Voted appropriations in section 3 and NextGenerationEU</td>
<td>329,062</td>
<td>306,875</td>
<td>277,743</td>
<td>169,299</td>
<td>171,686</td>
</tr>
<tr>
<td>Total climate change finance in the EU budget</td>
<td>168,952</td>
<td>165,336</td>
<td>93,655</td>
<td>48,370</td>
<td>48,767</td>
</tr>
<tr>
<td>Share of climate-relevant spending in EU budget</td>
<td>51%</td>
<td>54%</td>
<td>34%</td>
<td>30%</td>
<td>28%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Heading 1: Single Market, Innovation and Digital</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizon Europe – the Framework Programme for Research and Innovation</td>
<td>5,000</td>
</tr>
<tr>
<td>Euratom Research and Training Programme</td>
<td>125</td>
</tr>
<tr>
<td>International Thermonuclear Experimental Reactor (ITER)</td>
<td>864</td>
</tr>
<tr>
<td>InvestEU Programme</td>
<td>844</td>
</tr>
<tr>
<td>Connecting Europe Facility (CEF) (including contribution from the Cohesion Fund and Military Mobility)</td>
<td>4,284</td>
</tr>
<tr>
<td>European Space Programme</td>
<td>357</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Heading 2: Cohesion, Resilience and Values</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Policy (European Regional and Development Fund and Cohesion Fund)</td>
<td>17,474</td>
</tr>
<tr>
<td>Support to the Turkish Cypriot Community</td>
<td>3</td>
</tr>
<tr>
<td>European Recovery and Resilience Facility (grants and loans)</td>
<td>115,240</td>
</tr>
<tr>
<td>Union Civil Protection Mechanism (rescEU)</td>
<td>27</td>
</tr>
<tr>
<td>European Social Fund + (incl. The Fund for the Most Deprived and Employment and Social innovation)</td>
<td>1,075</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Heading 3: Natural Resources and Environment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>European Agricultural Guarantee Fund (EAGF)</td>
<td>7,116</td>
</tr>
<tr>
<td>European Agricultural Fund for Rural Development (EAFRD)</td>
<td>8,784</td>
</tr>
<tr>
<td>European Maritime, Fisheries and Aquaculture Fund (EMFAF)</td>
<td>109</td>
</tr>
<tr>
<td>Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO)</td>
<td>14</td>
</tr>
<tr>
<td>Programme for the Environment and Climate Action (LIFE)</td>
<td>446</td>
</tr>
<tr>
<td>Just Transition Mechanism</td>
<td>3,259</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Heading 4: Migration and Border Management</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas Countries and Territories (OCT) (including Greenland)</td>
<td>17</td>
</tr>
<tr>
<td>Pre-Accession Assistance (IPA III)</td>
<td>297</td>
</tr>
</tbody>
</table>

Financing of Horizontal Priorities in the EU Budget
### Extract of the Programme Statement for Operational Expenditures – DB 2022 Working Document I

#### 6.2. Annex: biodiversity expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2021-2027</th>
<th>% of programme envelope &amp; Next Generation EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>For reference: Voted appropriations in section 3</td>
<td>164,450</td>
<td>163,373</td>
<td>164,869</td>
<td>169,275</td>
<td>171,665</td>
<td>175,665</td>
<td>181,088</td>
<td>1,190,385</td>
<td>101,527</td>
</tr>
<tr>
<td>Total biodiversity finance in the EU budget</td>
<td>13,780</td>
<td>13,492</td>
<td>13,755</td>
<td>14,236</td>
<td>14,769</td>
<td>15,449</td>
<td>16,046</td>
<td>101,527</td>
<td>9%</td>
</tr>
<tr>
<td>Share of biodiversity-relevant spending in EU budget</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
</tr>
</tbody>
</table>

### Heading 1 : Single Market, Innovation and Digital

- Horizon Europe – the Framework Programme for Research and Innovation
  - Adopted budget: 807
  - Draft budget: 823
  - Financial programming: 839
  - Share of budget: 8%

- European Space Programme
  - Adopted budget: 120
  - Draft budget: 120
  - Financial programming: 120
  - Share of budget: 6%

### Heading 2 : Cohesion, Resilience and Values

- Regional Policy (European Regional and Development Fund and Cohesion Fund)
  - Adopted budget: 1,697
  - Draft budget: 2,050
  - Financial programming: 2,424
  - Share of budget: 7%

### Heading 3 : Natural Resources and Environment

- European Agricultural Guarantee Fund (EAGF)
  - Financial programming: 5,354
- European Agricultural Fund for Rural Development (EAFRD)
  - Financial programming: 4,589
- European Maritime, Fisheries and Aquaculture Fund (EMFAF)
  - Financial programming: 84
- Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations Programme for the Environment and Climate Action (LIFE)
  - Financial programming: 346
  - Share of budget: 13%

### Heading 4 : Migration and Border Management

- Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Overseas Countries and Territories (OCT) (including Greenland))
  - Financial programming: 724
- Pre-Accession Assistance (IPA III)
  - Financial programming: 50
  - Share of budget: 8%

---

Financing of Horizontal Priorities in the EU Budget