Designing National Budgets: Translating Global Commitments into Realities

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• Chair Scientific Advisory Board, European Forest Institute
• Chair Scientific Advisory Board, International Center for Research for the Economy and the Environment, ICRE8
• President of Climate Change Task Force, Green Cross International (GCI)
• Commissioner, Lancet Commission for COVID 19 Recovery
• Greek National Committee on Climate Change, Greek National Committee on 10-Development Plan
We must realize the potential of budgets to achieve the SDGs.
INTEGRATION OF SDGs INTO NATIONAL BUDGETING PROCESSES REMAINS IN ITS INFANCY

- Map budgets against the SDGs
- Include qualitative reporting in their main budget document, giving an overview on how the budget is linked to different SDGs.
- Use SDGs to improve their budget performance evaluation system
- Use SDGs as a management tool for resource allocation and arbitration.
- These approaches are not mutually exclusive and there is scope for interchange between the four ways of integration.
- Link public policy evaluation to SDGs so as to assess the antagonistic or synergistic effects of different programs to improve policy coherence.
SDGs goals and targets should have to be recognized as a national priority on the political agenda.

- This requires parliamentarians, civil society, other political parties and ministries to actually use the SDGs to improve the budget debate.
- Only then can budgeting processes play a role in putting the SDGs into politics by providing a forum for debate between the different actors and interest groups.

- The budget proposal narrative should be SDGs Based
- Mapping and tracking the budgetary contribution to the SDGs
- Using the SDGs as a management tool for negotiations
- Improving budget performance evaluation
The Paris Collaborative on Green Budgeting was launched by the OECD Secretary-General Angel Gurría at the One Planet Summit in Paris on 12 December 2017. It aims to design new, innovative tools to assess and drive improvements in the alignment of national expenditure and revenue processes with climate and other environmental goals. This is a crucial step in achieving a central objective of the Paris Agreement on climate change as well as the Aichi Biodiversity Targets and the United Nations’ Sustainable Development Goals – aligning national policy frameworks and financial flows on a pathway towards low greenhouse gas emissions and environmentally sustainable development.
Why Green Budgeting?

One of the most important tools that policy makers have at their disposal for resourcing and implementing their national policies on environmental goals is budget and fiscal policy. Incorporating environmental dimensions into fiscal frameworks, including the annual budget document, evaluation of tax and expenditure policies and long-term sustainability analysis, will help governments to become more accountable for their environmental commitments and support them in transforming towards sustainable and resilient societies.

Green budgeting will support governments in achieving environmental goals by:

› evaluating environmental impacts of budgetary and fiscal policies
› assessing their coherence towards the delivery of national and international commitments
› contributing to informed, evidence-based debate and discussion on sustainable growth
Working method

The Paris Collaborative is convened by the OECD, working in close partnership with governments and experts to co-design practical and pragmatic approaches. It provides a co-ordinating platform for:

- identifying research priorities and gaps
- sharing best available data, expertise and information to advance policy-relevant research and implementation
- facilitating alignment of national and international budget policy design
- introducing a coherent narrative across what would otherwise be disparate research outputs
- communicating results to raise awareness and signal support for action and accountability on environmental policy imperatives
- developing cross-national indicators of progress against various international environmental goals

It brings together international work-streams on environmental policy and climate change, budgeting and tax policy, green accounting and inclusive sustainable growth. It will work towards agreed definitions and methodologies that can support national approaches to green budgeting and develop outputs that can improve co-ordinated national and international policy design. It seeks to build upon and support established international reporting practices rather than to develop duplicative approaches.
Mission: “In Europe, over 400 members and 13 national and regional networks of SDSN are part of **SDSN Europe** that aims to align the European recovery with the Agenda 2030. Leveraging on the research within the networks as well as on the SDSN’s work on the **Six Transformations** and other publications, SDSN Europe will play an active role in the shaping of a sustainable and resilient Europe.”

Team:

- **Adolf Kloke-Lesch**, Co-Chair of SDSN Europe, Executive Director of SDSN Germany
- **Phoebe Koundouri**, Co-Chair of SDSN Europe, Co-Chair of SDSN Greece
- **Angelo Riccaboni**, Co-Chair of SDSN Europe, Chair of SDSN Mediterranean
- **Maria Cortés Puch**, Vice-President of SDSN Networks Programme
- **Simone Cresti**, Manager SDSN Mediterranean
- **Elena Crete**, Manager Senior Working Group on the European Green Deal
- **Barbara di Paola**, SDSN Europe Communication Specialist
- **Andrija Erac**, SDSN Networks Manager
- **Maria Lentoudi**, SDSN Europe Manager
- **Dominic Kranholdt**, SDSN Europe Manager
- **Theodoros Zachariadis**, SDSN Europe Manager

[https://sdsn.eu/](https://sdsn.eu/)

https://www.unsdsn.org/the-future-europe-wants-a-green-and-
SDSN Report - Main Messages

• Moral responsibility to “Build forward Better”: COVID 19 pandemic-related recovery packages are financed by national debt, loans from future generations.

• Economic case for “Build forward Better”: Recent simulations of the effect of green recovery plans worldwide confirm that a green economic stimulus is more growth-enhancing than a ‘return-to-normal’ stimulus that would merely boost current, unsustainable consumption and production patterns.

• Beyond fiscal stimulus that is expected to boost aggregate demand, this crisis calls for transformative public investments that will shape a sustainable and fair, green and digital transition, and leverage private sector investment.

• Long-term vision: United Nations’ Agenda 2030 Sustainable Development Goals (SDGs), 2015 Paris Agreement. European Green Deal provides the right level of ambition and direction.

• This report connects four major policy initiatives – the SDGs, the European Green Deal, the European Semester, and the EU recovery plan – to support policymakers with actionable strategies that can guide EU-wide and national economic recovery in line with Europe’s overarching sustainability agenda.
Limiting global temperature to well below +2°C

- Limiting global temperature to +1.5°C
- Global CO2 to fall 45% from 2010 levels by 2030, reaching 'net zero' around 2050.

193 Countries
17 SDGs
169 Targets

Dec 2019

MS Leaders agree 55% emissions reduction by 2030
Our Approach

Cross-Mapping
SDGs - EGD Policies - European Semester Process
### The Global Goals for Sustainable Development - Agenda 2030

#### SDGs – EGD

(Now being further investigated via Machine Learning)

#### Dark Green:
Explicit reference in EGD Text to SDGs targets

#### Light Green:
Implicit reference in EGD text to SDGs Targets

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Figure: Policy categories addressed in the 2020 Country Specific Recommendations

- Fiscal policies supporting recovery and health care (22%)
- Investment, green and digital transition (9%)
- Improve taxation (4%)
- Social policies (14%)
- Education and skills (10%)
- Finance and banking (8%)
- Public administration (9%)
- Labour market policies (1%)
- Other (1%)

Source: EGOV based on CSRs as proposed by the Commission for 2020-2021. See below a definition of the categories.
### Current Assessment

#### Sweden

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<tr>
<th>Goal</th>
<th>CSR_1 Address Pandemic - Health System</th>
<th>CSR_2 Employment - Decent Work - Reskill</th>
<th>CSR_3 Energy - Environment - Digital Transition</th>
<th>Improvement to Structural Characteristics</th>
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<th>SDSN Dashboard Trend</th>
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**Total Number of relevant SDG indicators:** 4 + 12 + 21 + 6 + 43 = 67
CSR addressing the SDG challenges of Germany: 63%
CSRs addressing the SDG challenges of Greece: 80%
Country Specific Recommendations (CSRs) by ESP efficiently address the challenges identified by SDR.

There is still space for further alignment between CSRs and SDGs.

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<th>SDGs Achieved</th>
<th>Addressed by CSR</th>
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<td>Total SDGs to be addressed</td>
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Grand Total 17 SDGs for 27 EU countries 459

Efficiency Ratio 72% 28%
Priority EGD Policies for most EU Countries are:

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Policies associated with ‘Major-SDGs-Challenge’ are prioritized followed by policies in domains associated with ‘Significant-SDGs Challenges’

- **✓** P2 for environmentally-friendly food system ("From farm to fork")
- **✓** P5 for sustainable industry
- **✓** P8 for elimination of pollution
- **✓** P9 for climate action
Technological and Investment Pathways

Technological pathways: Roadmap to 2050, A Manual for Nations to Decarbonize by 2050
EU climate neutrality by 2050: from vision to pathways

- In 2021 EU will unleash **new/revised climate and energy legislation** to align its tools with the 55% target
- **Emission Trading System (ETS)** & **Market Stability Reserve (MSR)**
- **Effort sharing regulation (ESR)** for non-ETS emissions
- **Energy taxation directive**
- **Carbon Boarder Tax**
The European Green Deal should be conceived on a systems approach: simultaneously address multiple objectives and promote policy instruments and technological solutions that can be used across the various sectors of the economy.

- **Objectives:** decarbonization, environmental sustainability, economic prosperity (including poverty reduction), and social inclusion that leaves no one behind.

- **Policy instruments:** public investments, phase out subsidies to fossil fuels, market mechanisms, regulatory frameworks, regulations on land use.

- **Technological solutions:** wide range of current and emerging solutions, from smart power grids to synthetic fuels.
**EU countries**: detailed plans exploring all options for decarbonization, and their associated costs – **NECPs & NDCs**

- Broad policy frameworks with clear goals
- Technology roadmaps
- Regulatory assignments to stakeholders
- Strong systems of deliberation, public awareness, reporting on outcomes
- Holistic approach

Energy efficiency and energy saves: focus on **demand side**

- Limiting worldwide energy demand while without compromising economic development and energy access
Roadmap to 2050: A Manual for Nations to Decarbonize by Mid-Century

EU climate neutrality by 2050 implies a deep transformation of **power**, **industry**, **transport** and **buildings** sectors in view of completely abating their greenhouse gas emissions – need for **technology pathways regulated by sound policy framework**

- **Power**: Progressive phase out of traditional sources, Mix of RE solutions
- **Industry**: Focus on hard-to-abate segments Cement, Iron and Steel, Petrochemicals, Direct & Indirect Emissions
- **Transport**: Focus on Roadways, Railways, Airways and Navigation (short and long haul)
- **Buildings**: Guidelines for new buildings, Retrofitting strategies
In Systems Approach many **complementarities** for managing the complexity of energy system:

- Variable renewable energy (VRE) sources
- Zero-carbon technologies
- Public and private investments
- Natural and engineered systems
- Mitigation and adaptation
- Centralised and decentralised solutions
- Actions and strategies.
- R&D activities promoted by research institutions and academia and funded by private or public sector
DECARBONIZATION: National Energy and Climate Plans

For increased GHG emissions reduction target of 55% an increase in investment of €350 billion per year is needed compared to the previous decade.
The Role Sustainable-Patient Finance for European COVID recovery:

Fiscal Policy, Financial Sector, Businesses
• **Since 1980s**: governments to intervening only for the purpose of fixing market failures.

• **NOW**: Governments to make significant long-term investments to support rapid recovery from the coronavirus shock.

• There is a significant entrepreneurial role for the state to provide this patience.

• Business does not invest unless it sees an opportunity for growth, so turning mitigation into opportunities for investment and innovation is key.

• Sustainable innovation requires patient, long-term, strategic finance.

• **MACRO LEVEL**: Re-conceptualising financial stability, and the ‘mission’ of central banks to include climate and environmental degradation risk

  The **European Investment Bank (EIB)** and the **European Investment Fund** have the expertise and scale to set direction in deploying equity-type financial instruments complementary to loans and guarantees. Important for companies that are increasingly indebted in the crisis.

• **MESO LEVEL**: National public investment organizations provide positive sources of long-term patient finance, which support sustainable investing.

• **MICRO LEVEL**: Companies that switch towards sustainable/green practices soonest, will be the most competitive, most innovative and more successful over time
Sustainable Finance
The need for a Hybrid Metrics - New Frontier for Sustainable Valuation

- Classification system for sustainable economic activities, which creates a common language for investors and lenders.
- Scale up private and public investments to finance the transition to a climate-neutral and green economy.
- Challenge: connect green taxonomy with financial instruments (green/transition bonds, green loans, etc.) and business reporting.

"Corporate leaders, investors, and analysts today must deal with two separate and disconnected reporting systems: one for financial results, the other for ESG performance."

"The result is two separate narratives, one telling how profitable a company is, the other highlighting whether it is good for people and the planet."

"This suggests the possibility of a single hybrid measurement system that combines social and environmental impact with standard measures of financial performance."

Connecting Shared Value to Shareholder Value
EU Taxonomy establish a science-based, objective benchmark for sustainability and is expected to evolve over time.

- Can the current EU taxonomy framework be used to provide greater support for attracting capital for the transition of companies towards “sustainable” activities, including ways not yet proposed by the Commission and if so in which ways?

- Can the EU taxonomy framework support finance for companies undertaking activities that do not yet meet, or may be unable to meet, the substantial contribution criteria? And how can this be done?

- How does the use of key terminology such as “sustainable”, “green” and “harmful” compare across the taxonomy framework and other relevant sustainable finance frameworks and how can it be clarified and harmonised?

- What further avenues could be explored to enable financing the transition through development of the taxonomy framework and beyond?

- How is the EU taxonomy affecting regulatory initiatives affecting insurance companies, asset managers, pension funds and portfolio managers.

- Can we clearly address the concerns that the taxonomy will be used to prevent financing of transitional activities, while at the same time ensuring that we are not facilitating “green-washing”?
Effects of Sustainability Transition on Jobs and Skills and Equity Considerations
Effects of Sustainability Transition on Jobs and Skills
Insights from the International Energy Agency

- Investments in line with the European Green Deal can lead to approx. one million new jobs in energy and energy-related sectors in Europe by 2030

- Short-term jobs concentrated in existing programs can mobilize money quickly: energy efficiency retrofits, sustainable mobility

- Longer-term (2025-2030) higher investment will be possible in power sector projects (engineering and construction) and manufacturing of new efficient and low-carbon vehicles and industrial processes

- Most new jobs created in Europe would be in highly skilled positions, requiring substantial training

- 1/3 of new jobs will require moderate retraining – transitioning workers within the same industry or within the same occupation

- Very few opportunities in Europe will be for low-skilled jobs
Distributional effects of key EU climate policies until 2050: Identifying measures to Mitigate Regressive Effects

Considering their simplicity, effectiveness, and deployability into EU, four key mitigating policy options were selected:

1. Redistributing revenues through lump-sum transfers on per-head basis or lowering VAT / taxes on electricity to the general public.
2. Implementation of targeted energy efficiency measures with no upfront costs, specifically targeting low-income households.
3. Long-term job retraining programmes to avoid unemployment in affected industries.
4. Funding of subsidies for new low-carbon technologies via general taxation or using carbon revenues to avoid uneven bearing of the costs.

Detailed macroeconomic modelling based on the standard E3ME model baseline with an assessment of the existing policy best practices to explore the patterns of inequality in Europe (EU27 and the UK).
Combined mitigation policy options can ensure more equality, increase GDP and employment...

Mitigating the negative social impacts of climate policies is essential to ensure a broad support for the energy transition.

Regressive effects can be fully offset with targeted policies.
The energy transition must be inclusive and fair for all citizens of Europe. EGD and Recovery and Resiliency Plan should be oriented to reduce income inequalities.
Section 7

From strategic priorities to sector-specific policies: Co-Designing and Implementing Country-Specific Recovery and Resilience Plans
• The potential of sector-specific policies and reforms to green the economy could be assessed through a comprehensive list of sustainability and resilience criteria, explicitly linked with the SDGs.

• Open-source models, transparent methods and stakeholder engagement are crucial for support of green stimulus measures by governments and society.

• Genuine stakeholder participation can ensure democratic oversight, as well as directing public funds towards the most socially desirable uses.

• As in all crises, timing is critical! Post-pandemic fiscal stimulus is larger than anything similar in the past. Policymakers need fast guidance to steer between health protection, economic relief and climate resilience.
## SDG-Linked Sustainability Criteria for Assessment of Recovery Measures

### Increasing Social Ownership of the Green Transition with Genuine stakeholder participation

<table>
<thead>
<tr>
<th>Short name</th>
<th>Explanation</th>
<th>Related SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>Energy savings (ktoe) per million Euros invested</td>
<td>7</td>
</tr>
<tr>
<td>CO2</td>
<td>CO(_2) emission savings (tn) per million Euros invested</td>
<td>13</td>
</tr>
<tr>
<td>Low-carbon strategies</td>
<td>Does the intervention provide technical means to better integrate low-carbon technologies / strategies with benefits beyond 2030? Does it contribute to deep decarbonization by 2050?</td>
<td>13,15</td>
</tr>
<tr>
<td>Nature</td>
<td>Will the intervention improve agriculture, land productivity, biodiversity, ecosystem services?</td>
<td>11,14,15</td>
</tr>
<tr>
<td>Other Environmental Impact</td>
<td>Other long-term environmental impact (on air quality, water resources etc)</td>
<td>3,6,11,15</td>
</tr>
<tr>
<td><strong>Economic / social impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic multiplier</td>
<td>Economic output generation (million €) per million Euros invested</td>
<td>8</td>
</tr>
<tr>
<td>Jobs</td>
<td>Net employment generation (persons) per million Euros invested</td>
<td>8</td>
</tr>
<tr>
<td>Jobs for vulnerable</td>
<td>Are employment opportunities inclusive, gender-balanced, available to vulnerable populations?</td>
<td>5,8,10</td>
</tr>
<tr>
<td>Skills</td>
<td>Are new skills required in new jobs? If yes, are they available in the population?</td>
<td>4,8</td>
</tr>
<tr>
<td>Energy security</td>
<td>Does the intervention increase local/national energy security?</td>
<td>7</td>
</tr>
<tr>
<td>Infrastructure &amp; Productivity</td>
<td>Will the intervention improve local economic productivity through access to better, more reliable infrastructure services?</td>
<td>9,12</td>
</tr>
<tr>
<td>R&amp;D and innovation</td>
<td>Can the intervention spur R&amp;D or innovation in the specific technologies?</td>
<td>9</td>
</tr>
<tr>
<td>Market Failures</td>
<td>Will it address market failures (e.g. distorting subsidies, accounting for externalities)?</td>
<td>8</td>
</tr>
<tr>
<td>Economic Resilience</td>
<td>Does the intervention improve ability of the population to cope with and recover from shocks?</td>
<td>1,8,10,11</td>
</tr>
<tr>
<td>Climate Resilience</td>
<td>Does the intervention improve the population’s adaptive capacity? Will it boost resilience to natural disasters, e.g. through hardened infrastructure or use of nature-based solutions?</td>
<td>11,13,15</td>
</tr>
<tr>
<td>Effect on NDC</td>
<td>Does the measure contribute to decarbonization by 2030? Does it affect country’s NDC?</td>
<td>12,13</td>
</tr>
</tbody>
</table>
‘Return-to-normal’ economic stimulus is environmentally unsustainable and economically inferior to a green stimulus!

A once-in-a-generation opportunity to direct economic growth based on EGD and SDGs, which are two sides of the same coin.

We should focus on Transformations based on SDGs and EGD for the transition to a Green and Digital, Job-Based and Inclusive Recovery from the COVID-19 Pandemic

Thank you!
https://www.unsdsn.org/eu
www.phoebekoundouri.org
1. Recovery packages across the world should finance the transformations needed for a green, digital and fair future.

2. Recent commitments to achieve net zero greenhouse gas (GHG) emissions by around mid-century in Europe, China, etc. can provide needed momentum for deep transformations.

3. 1/3 of global Assets Under Management (AUM) are now Environmental, social and governance (ESG)-based. The recovery should build on this momentum.

4. Yet, so far, financial resources devoted to and commitments made for post COVID-19 recovery are largely insufficient for a green recovery, including in most G20 countries.

5. Low-income countries (LICs) and some emerging markets (EMs) urgently need support to address the immediate consequences of the pandemic and build back better.

6. Set the foundation for long-term international cooperation on the environment, biodiversity COP Kunming, climate COP Glasgow, World Food Summit Copenhagen.
International Monetary Fund and World Bank: major economies, including the United States, the European Union, China, and other G20 countries, have signaled their support for a new allocation of $650 billion worth of the IMF’s reserve asset, special drawing rights (SDRs), to ensure that governments in low-income and middle-income countries have the means to combat the COVID-19 pandemic and start on the path of investment-led recovery. With leadership and creativity, this global financial cooperation can help to end the pandemic!
Further Work on Cross Mapping SDGs with European Policies

Machine Learning Approaches
European Green Deal Policies

**Biodiversity strategy for 2030**

A comprehensive, ambitious and long-term plan to protect nature and reverse the degradation of ecosystems by:

- Establishing a larger EU-wide network of protected areas on land and at sea
- Launching an EU nature restoration plan
- Introducing measures to enable the necessary transformative change
- Introducing measures to tackle the global biodiversity challenge

**Farm to Fork Strategy**

The Farm to Fork Strategy aims to accelerate our transition to a sustainable food system that should:

- Ensure sustainable food production and security
- Stimulate sustainable food processing, wholesale, retail, hospitality and food services practices
- Promote sustainable food consumption and facilitate the shift to healthy, sustainable diets
- Reduce food loss and waste
- Combat food fraud along the food supply chain

**A Renovation Wave for Europe**

The EU must adopt an encompassing and integrated strategy involving a wide range of sectors and actors on the basis of the following key principles:

- ‘Energy efficiency first’ as a horizontal guiding principle
- Affordability, making energy-performing and sustainable buildings widely available
- Decarbonisation and integration of renewables
- Life-cycle thinking and circularity
- High health and environmental standards
- Tackling the twin challenges of the green and digital transitions together
- Respect for aesthetics and architectural quality

With the European Climate Law the Commission proposes a legally binding target of net zero greenhouse gas emissions by 2050.

It forms part of a broader package of ambitious actions announced in the Commission’s European Green Deal Communication.

VP Frans Timmermans called for finalization of the Climate law by April 22, Climate leaders' summit, organised by the U.S. government.

17 September 2020: Proposal for modifying the initial Commission proposal (COM(2020) 80 final) to include the revised target in the European Climate Law.

With a view to achieving climate neutrality in the Union by 2050, it is proposed that the EU’s greenhouse gas emission reduction target for 2030 is increased to at least 55% compared with 1990 levels, including emissions and removals.
The present Communication:

- Presents an emissions reduction target of at least 55% by 2030
- Previews a set of actions required across all sectors of the economy and the launch of revisions of the key legislative instruments to achieve this increased ambition
- Set the stage for the Commission to make detailed legislative proposals by June 2021

This strategy aims to reduce the risks associated with producing and using chemicals.

It will simplify and strengthen EU rules on chemicals, and review how EU agencies and scientific bodies can work together towards a process where substances are only reviewed by one agency.

This will help to:

- better protect people and the environment from hazardous chemicals
- encourage the development of safe and sustainable alternatives
- make it even easier to trade safe chemicals within the EU.

The strategy will focus on reducing methane emissions in the energy, agriculture and waste sectors, as these areas account for almost the entirety of anthropogenic methane emissions.

This cross-sectoral approach will take targeted action in each area whilst using synergies across sectors, for example through production of biomethane.
Climate action

The Report is produced annually and details recent developments in EU climate policy and progress made by the EU and its Member States.

The EC’s Directorate-General for Climate Action compiles the Report based on data provided by Member States under the Climate Monitoring Mechanism Regulation.

The strategy aims to realise the 2050 vision of a climate-resilient Union by making adaptation smarter, more systemic, swifter, and by stepping up international action.
This Regulation lays down detailed rules on the operation of the Modernisation Fund as regards the following:

- Submission of proposals for financing of investments;
- Assessment of priority investments and non-priority investments;
- Management, disbursement and payment of the resources from the Modernisation Fund;
- Composition and operation of the Investment Committee for the Modernisation Fund;
- Monitoring, reporting, evaluation, and auditing;
- Information and transparency.

The Commission provides guidance on the interpretation of such indicators developed at EU level to better quantify the concept of significant number of energy poor households identified by national definitions of energy poverty.

This Communication is a first step in a process that will involve other stages.

The Commission will publish an in-depth assessment of each individual NECP in October together with the State of the Energy Union report, including country-specific guidance on how Member States can make further progress in implementing the plans.
This Circular Economy Action Plan provides a future-oriented agenda for achieving a cleaner and more competitive Europe in co-creation with economic actors, consumers, citizens and civil society organisations.

It aims at accelerating the transformational change required by the European Green Deal, while building on circular economy actions implemented since 2015.

This plan will ensure that the regulatory framework is streamlined and made fit for a sustainable future, that the new opportunities from the transition are maximised, while minimising burdens on people and businesses.
This Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

This Delegated Regulation specifies the technical screening criteria under which specific economic activities qualify as contributing substantially to climate change mitigation and climate change adaptation and for determining whether those economic activities cause significant harm to any of the other relevant environmental objectives.

This report contains recommendations relating to the overarching design of the Taxonomy, as well as guidance on how users of the Taxonomy can develop Taxonomy disclosures. It contains a summary of the economic activities covered by the technical screening criteria.

Expected to be final by June 2021