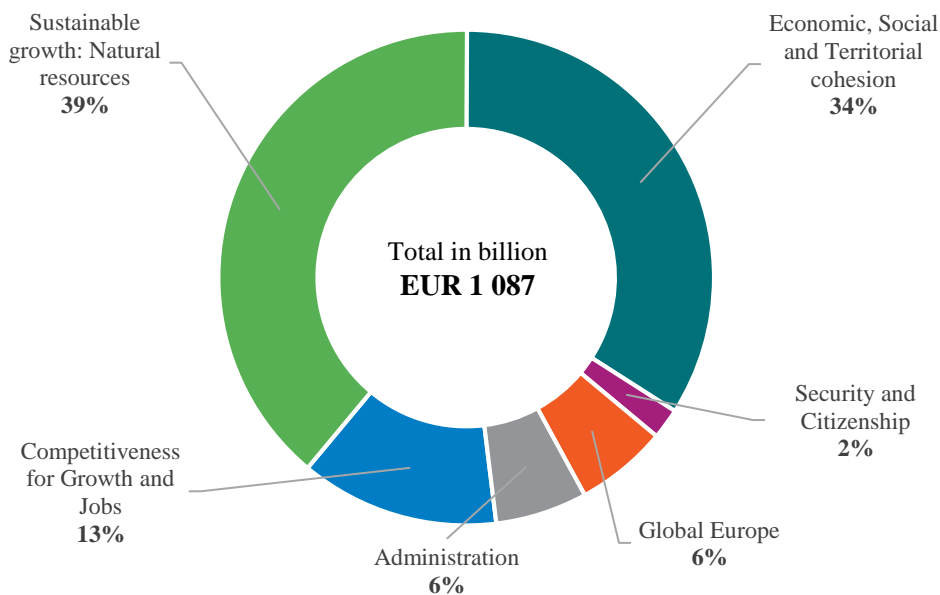


**I. INTRODUCTION
TO WORKING DOCUMENT 1
Programme Statements of operational expenditures**

The EU budget is key for implementing European policies and priorities. It leverages national budgets and other financial sources at European and national level to address the challenges, and opportunities, faced by the Union. Unlike national budgets, the EU budget is predominantly focused on investment. Its programmes are multiannual in nature, providing a stable and predictable framework which is ideally suited to supporting strategic investments over the medium to longer term.

Although the EU budget represents around 1% of EU Gross National Income (GNI) and just above 2% of all public spending in the EU, actions supported are important tools for the achievement of many of the EU strategic priorities. The Multiannual Financial Framework (MFF) translates the Union’s political priorities into financial terms for 7 years setting maximum annual amounts (ceilings) for EU expenditure (in payment appropriations) and for its main categories, known as headings (in commitment appropriations). The MFF thus supports other EU actions in, among others, the legislative, regulatory and fiscal domain to achieve the Union's objectives as set out in the Treaties and long-term strategies. It runs over a period that is long enough to be effective and to provide a coherent long-term vision for its beneficiaries and co-financing national authorities.

The European Commission as a political body operates based on policy priorities established by its President. For the current Commission in office, President von der Leyen has established 6 political priorities to respond to today's challenges encompassing budgetary and legislative means (see below “EU Budget supporting the Commission' political priorities”).



Multiannual Financial Framework 2014-2020 (EU 28) adjusted for 2020 in current prices.
Source: Communication from the Commission to the Council and the European Parliament, Technical adjustment of the financial framework for 2020, COM(2019) 310 final

The EU budget focuses on areas where pooling resources to tackle common challenges for all Europeans can deliver results that could not be achieved as effectively or efficiently by Member States acting alone. This applies in areas as diverse as cross-border infrastructure, external border management, large-scale space projects and pan-European research. In all these areas, the EU budget is uniquely placed to deliver ‘**European added value**’.

Strengthening performance is an overarching goal for the Commission, as clearly stated by the President of the European Commission: *"Every action we take must deliver maximum performance and value added"*. In this sense, systematic efforts are undertaken to deliver the best possible results and to tackle unexpected crises with the EU budget as well. The performance of the EU budget not only means that EU programmes are well managed, but also that they deliver results.

Programme Statements: Purpose and structure of the document

The Financial Regulation (Art. 41(3)(h)) requires the Commission to prepare the Programme Statements to justify funding requested for each of the EU spending programmes. They report on the indicators defined in the legal basis of each of the programmes and provide details on their corresponding resources. The Programme Statements are the first working document accompanying the draft budget proposal and have the aim of supporting the Commission requests for the annual budget allocations for operational expenditure. They allow to draw lessons from the past and answer the following questions:

- Is the EU budget achieving its goals?
- Is it reaching the expected impact? To what extent?

The Programme Statements present the most comprehensive and up-to-date performance information for the 60 operational programmes and financial interventions of the EU budget. It is one of the main sources for the high-level annual reporting of the Commission in the Annual Management and Performance Report¹, which is part of the Integrated Financial and Accountability Reporting Package. This is a central input for the annual 'discharge procedure', by which the European Parliament and the Council hold the Commission to account for its use of taxpayers' money.

The Programme Statements were first introduced to support the draft budget 2014 and are updated each year in the context of EU budget preparation procedure. They are discussed in annual budget hearings with the Commission services responsible for the spending programmes and revised based on the outcomes of these hearings.

By definition, performance reporting is a backward-looking exercise. Therefore, the Programme Statements cover the multiannual financial framework 2014-2020 and present the results achieved until end 2019.

Each Programme Statement follows the same structure in 3 sections: (1) information on what the programme is about and highlighting its European added value; (2) the state of play of the implementation of the programmes; and (3) the assessment and evidence on performance and contribution to the mainstreaming policies.

This year, as the results are presented for the 6th year of implementation of the spending programmes, we have added a new section dedicated to the assessment of the performance of the programmes until end 2019.

Structure of each Programme Statement:


I. Programme overview

This section presents a short programme overview and highlights EU added value of the programme

II. Programme Update

- Implementation status (2017-2019)
- Key achievements
- Evaluations/studies conducted
- Forthcoming implementation
- Outlook for 2021-2027

III. Programme key facts and performance framework

- Financial programming and reference amounts
- Implementation rates (2019)
- **Performance assessment of the programme** 
- Indicator reporting per objective
- Contribution to Europe 2020 Strategy and mainstreaming of policies(climate actions, biodiversity, clean air and gender)
- Programme contribution to the Sustainable Development Goals

Stronger focus has also been put on the contribution of programmes towards the **Sustainable Development Goals**. Finally, the Programme Statements include a new section regarding the EU spending programmes contribution to **clean air** (see the dedicated sections for the sustainable development goals and clean air below.)

¹ https://ec.europa.eu/info/publications/annual-management-and-performance-report-eu-budget-0_en

The EU budget performance framework

The performance framework of EU spending programmes is defined in each of the relevant legislative acts consists of objectives, indicators to measure progress and monitoring, reporting and evaluation arrangements.

The system of performance indicators for the EU budget during the MFF 2014-2020

The EU budget has an advanced framework for measuring and reporting on performance. The leading principles of this system are set out in the Financial Regulation, which requires the provision of information on the achievement of specific, measurable, achievable, relevant and timed objectives measured by indicators. The Commission's Better Regulation Guidelines provide instructions on setting indicators, their link with objectives and stage of implementation of a programme or policy area. These principles are implemented in a set of indicators set out in the legal basis of the respective spending programmes.

Indicators perform several functions: aggregating information; measuring progress toward EU objectives; providing early warning on programme implementation; and communicating about the EU budget.

Number of indicators and reporting frequency

The current performance framework of the spending programmes includes more than **700 indicators** measuring the performance against more than 60 general and 220 specific objectives. Not all measure EU budget performance directly. Some provide either high level contextual information (e.g. "the Europe R&D target of 3% GDP" or "share of researchers in the EU active population") or process related information (e.g. "quality of project applications", "number of participants"). Additionally, not all indicators are available immediately after the start of the programme. The reporting varies from one programme and type of indicator to another and is influenced mainly by the following factors:

- Type of performance indicators chosen determines when first performance information is available. Input indicators, used rarely in the PS, are available much sooner than result or impact indicators which require an action – potentially large-scale investment – to be finalised.
- The time lag between the input and the outcomes generated (e.g. the grants allocated for students under Erasmus+ can be monitored on an annual basis while the results for the infrastructure investment programmes like CEF will only be known when the projects financed by the programme reach the necessary maturity).
- The mode of implementation (shared, direct, or indirect) influences the way performance information is collected, aggregated and transmitted to the decision makers. Around three-quarters of the EU budget is implemented by Member States (under shared management) and the rest by the Commission or the executive agencies (direct management); or via agreements with third parties such as the European Investment Bank or international financial institutions (indirect management). The range of activities covered by the programme. Cohesion policy has a solid performance framework in terms of objectives and indicators in relation to the operational programmes. However, these indicators are not always easy to aggregate and report on policy achievements because of the diversity of the activities supported by each fund.
- The reporting frequency also depends whether the data could be collected internally (for example internal Commission' database systems, such as Horizon 2020, regional policy projects database or LIFE project database) or whether it is derived from external sources such as Member States (indicators used in the European Structural and Investment Funds) or international organisations (indicators measuring Sustainable Development Goals). In the latter case, the delivery of the information could be delayed as the reporting chain is much longer with a number of intermediaries.
- Cost of collection: some indicators for which the collection of data is expensive or complex can only be collected at a lower frequency (for example every 2 or 3 years). As a result, for some objectives the established indicators allow progress to be tracked on an annual basis while for some others the frequency is much lower.

Indicators in the 2021 Programme Statements

In budgetary terms, 2019 was the sixth year of implementation of the current 2014-2020 MFF. The spending programmes are now fully operational following some delays at the beginning of the implementation period and results can be assessed. The type of data reported depends on the life-cycle of the programmes, ranging from outputs to results. The most recent data are available from the programmes directly managed by the Commission. In most of the cases, the reported achievements are values recorded by the end of 2019. The programmes under shared management present values recorded and reported by the Member States as by the end of 2018. The programmes under indirect management present a mixed picture; some have achievement reported up to 2019 while the others depend on the reports or surveys carried out by the international organisations.

Practical limits of indicators

Indicators should, to the extent possible, provide the most direct evidence of the effects they are measuring. However, it is important to stress that the indicators alone are not sufficient to draw conclusions on whether a policy or programme is successful. The set of indicators presented in the PS as part of this working document does not represent any judgment. It is an objective and robust data source to help understand, monitor and inform of progress of spending programmes.

The EU budget performance framework under the 2021-2027 MFF

The Programme Statements accompanying the draft budget 2021 mainly focus on the performance of the spending programmes of the 2014-2020 programming period, for which substantial information is available by now. In parallel, the Commission continues working on the performance framework for the next generation of programmes.

The EU budget contributes to the realisation of EU policy in a wide range of policy areas, using multiple instruments and funding sources, under different management modes and involving different actors. This complex environment requires strong accountability and control mechanisms to ensure that the budget is properly and effectively spent; transparent reporting; and clear and effective communication to connect with citizens.

As confirmed by the Organisation for Economic Cooperation and Development (OECD), the EU budget has a very advanced framework for measurement and reporting on performance.² The preparation of the 2021-2027 multiannual financial framework has provided the opportunity to further improve, taking into account lessons learnt from the past, in order to construct a fully-fledged performance framework for the EU Budget, for the following purposes:

Communication on how EU spending programmes contribute to EU policies & priorities: link spending with the policy objectives and inform policy makers for better decision-making, including through interim and ex post evaluations;

Accountability & reporting on implementation: monitor progress and achievements of EU programmes, providing managers with an early warning and calibrating more effective interventions;

Performance monitoring and assessment: gather coherent and consistent information for monitoring performance continuously and for performing evaluations.

What will be strengthened under the future performance framework for the EU budget?

Lessons Learned	We need to streamline indicators	We need high-quality indicators for providing good information	We need to turn a long-term vision into well-defined results
What's new in the EU budget performance framework	<p>Core Performance Indicators</p> <ul style="list-style-type: none"> Streamlined indicators representing relevant aspects of the interventions Reported regularly in the Programme Statements Included in the legal acts of each spending programme 	<p>More systematic and complete metadata...</p> <ul style="list-style-type: none"> For each indicator a description of its technical characteristics <p>... and metrics</p> <ul style="list-style-type: none"> For each indicator, baselines, milestones and targets are defined using a solid methodology or approach 	<p>Clearer link between EU spending and policies</p> <ul style="list-style-type: none"> Clear explanation of what the intervention is intended to achieve and how this contributes to policy goals <p>Programme narrative</p> <ul style="list-style-type: none"> How the intervention is expected to progress over time and to achieve its objectives

EU budget supporting the Commission' political priorities

The achievement of the European Commission's political priorities is pursued via a variety of methods, including the EU budget, legislation, policies or coordination. The overall progress is reported in the General Report on the Activities of the European Union³. The EU budget is thus only one of the tools supporting the implementation of the Commission's political priorities.

2019 marked the end of the mandate of the Juncker Commission and the beginning of the new Commission's mandate under President von der Leyen. Throughout this transition, the political compass of the European Commission continued pointing to the Union's fundamental values, i.e. respect for human dignity and human rights, freedom, democracy, equality and the rule of law. This has ensured the continuity among the outgoing and the incoming Commission's political priorities and has allowed the EU budget to seamlessly provide its support to all of the Commission's political priorities.

In the budgetary procedures under the Juncker Commission, there was a particular focus on supporting policies to boost competitiveness and economic convergence, to create jobs and growth as well as to respond to crises, notably the refugee crisis and security threats derived from war and instability in Europe's neighbourhood. The new Commission President von der Leyen has set six political priorities for the Commission⁴. These priorities aim at addressing the strategic challenges that Europe faces, i.e. improving the rule of law and fundamental rights, further promoting a Sustainable Europe, improving the Internal Market, encouraging the Social Market Economy, promoting a rules-based global order and enabling a better living together.

² <http://www.oecd.org/gov/budgeting/budgeting-and-performance-in-the-eu-oecd-review.pdf>

³ For further information, please consult: <https://europa.eu/xr49vR>

⁴ For further information, please consult: <https://europa.eu/kK49uD>

Climate mainstreaming

Cross-cutting policy objectives such as climate, environment and gender are pursued in a coherent and holistic manner under the 2014-2020 financial framework by reading across sectoral programmes to identify spending on such horizontal priorities. All major EU policies including cohesion, agriculture, maritime and fisheries, research and innovation, and external aid programmes therefore contribute in the form of so-called mainstreaming. Mainstreaming is achieved through a range of requirements for benchmarking, monitoring and reporting (using appropriate indicators) for all relevant EU policy instruments.

What do we do?

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

- **Adaptation.** This is about finding solutions and ensuring preparedness for the adverse effects of climate change, taking appropriate action to prevent or minimise the damage they can cause or taking advantage of opportunities that may arise.
- **Mitigation.** This consists of 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 well adapted to the changes in the environment. It is applied across the EU budget in the programmes supporting infrastructures. 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 provision regulation.

Why do we do it?

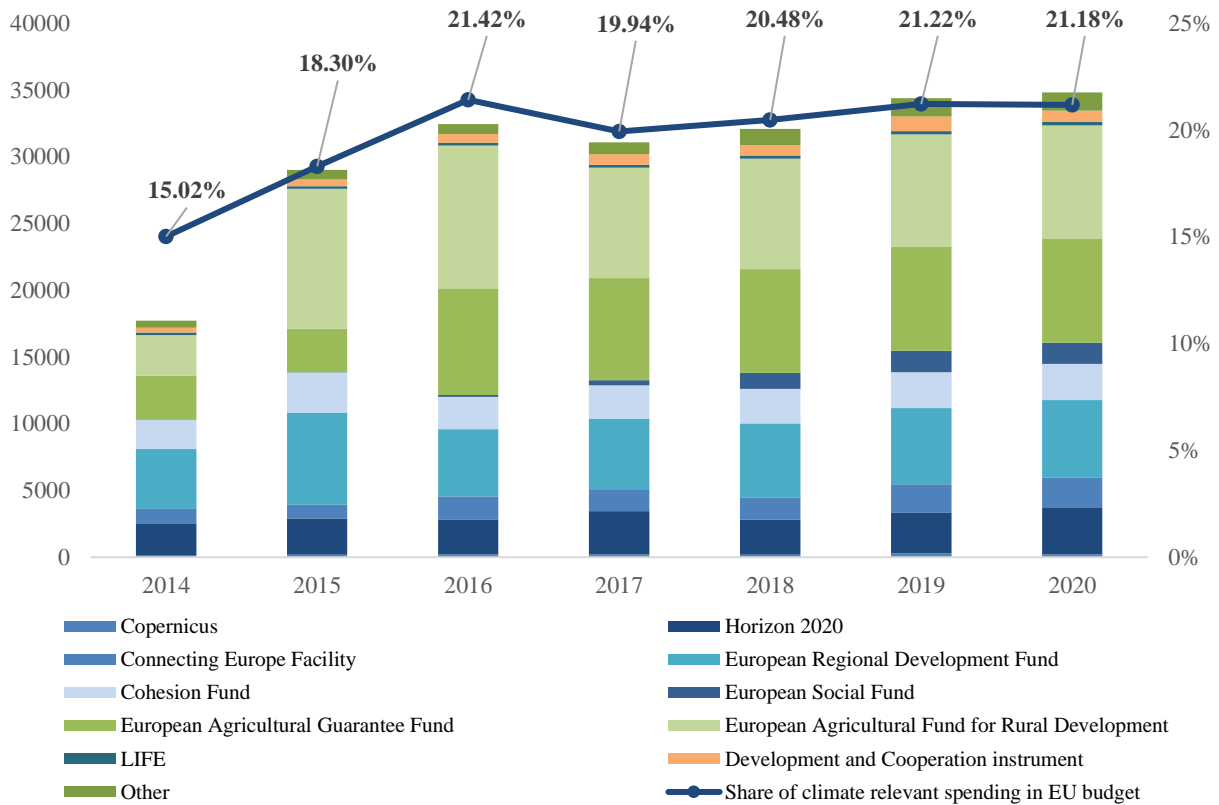
The fight against climate change is, by its very nature, a fight that transcends national boundaries. In order to develop new clean technology, deploy the best solutions and adapt our economies in favour of a more sustainable path, action at EU level is needed. EU action enjoys significant economies of scale, pulling together the resources to reach critical mass and building a stronger position in the international arena.

How much do we spend (in EUR million)?⁵

Heading	2014	2015	2016	2017	2018	2019	2020	Total	% of the heading
1A	3 651,7	3 956,8	4 583,4	5 056,5	4 514,4	5 552,7	5 968,9	33 284,4	22%
1B	6 655,6	9 924,8	7 585,5	8 236,7	9 330,6	9 995,4	10 132,1	61 860,7	16%
2	6 673,3	14 066,2	19 044,8	16 280,5	16 416,0	16 609,1	16 698,2	105 788,1	25%
3	6,9	6,1	6,9	5,9	6,0	19,8	27,6	79,2	0,2%
4	740,1	1 073,1	1 225,2	1 505,3	1 815,6	2 211,9	2 013,9	10 585,1	15%
TOTAL	17 727,6	29 027,0	32 445,8	31 084,9	32 082,6	34 388,9	34 840,7	211 597,5	19,83%

For the period 2014 – 2020, the EU budget dedicates EUR **210 billion** to the fight against climate change, or **19.83%**.

⁵ To track the EU budget expenditure, an internationally recognised methodology, called OECD Rio markers, is used. The methodology implies that for each project/objective/strand/programme a coefficient of either zero, 40% or 100% will be applied to reflect the different degrees of integration of climate considerations. The EU budget mitigates its potential negative impact on climate by embedding climate considerations in every programme, climate proofing and the “exclusion list” of projects.



What have we achieved? Examples of achievement

143 045 tonnes of CO₂eq	30 000 registered users	79% of total EU Agricultural area
in CO ₂ equivalent thanks to Cohesion Fund investments.	of Copernicus Climate service	subject to at least one "greening" obligation, increasing the environmental impact of the measure

- **Horizon 2020** projects address technology development and market barriers, and accelerate the uptake of renewable energy technologies. On a regional basis, CoolHeating supported the implementation of small modular heating and cooling grids in south-eastern Europe using improved business strategies and innovative financing schemes. The project ‘best practices and implementation of innovative business models for renewable energy aggregators’ explored the aggregation of various distributed renewable energy sources. WinWind project partners drafted a number of good-practice measures based on those from their own countries to improve social acceptance of wind energy in the target regions. Biomass is also a valuable source of renewable energy, and so Securechain ensured optimal management of the EU’s woody biomass supply chain. LIFES 50plus focused on floating 5-10 MW wind turbines installed at water depths ranging from 50 metres to about 200 metres. In a climate-neutral EU, power generation should be fully decarbonised by 2050, with more than 80% of the EU’s electricity produced by renewable energy.
- Thanks to the **European Structural and Investment Funds**, in 2018 an estimated annual decrease in greenhouse gas emissions of 142 035 tonnes of CO₂ equivalent was achieved, and the energy consumption classification for 9 938 households was improved.
- The **European Social Fund** also contributes to climate objectives, notably through higher support for training and labour market measures linked to green jobs. For example, in Czechia, the European Social Fund supported 111 projects in the coal regions with a total allocation of EUR 21.3 million. More concretely, in North Moravia, the public employment service implemented a European Social Fund-supported project called ‘Outplacement’, which supported 265 miners by providing them with training in welding, driving or gaining a professional licence and other skills.
- Under the **common agricultural policy**, the ‘greening’ layer of direct payments accounts for 30% of Member States’ annual direct payment ceilings and covers annual obligations that are beneficial for the environment and climate (e.g. crop diversification, maintenance of permanent grassland), and the dedication of 5% of arable land to ecologically beneficial areas (‘ecological focus areas’). As of 2018, 79% of the total EU agricultural area was subject to at least one ‘greening’ obligation, increasing the environmental impact of the measure.
- In 2018, a total of 3.4 million hectares of **agricultural and forest land** was covered by management contracts contributing to carbon sequestration or conservation. This equals 89.5% of the 2023 target of 4 million hectares.

- The **LIFE** ‘agri adapt’ project aims to increase the resilience of EU agriculture to climate change by demonstrating sustainable best-practice adaptation measures with an ecosystem-based approach at farm level. The project aims to adapt 120 farms by its end.
- Under the **Development Cooperation Instrument**, the global climate change alliance plus initiative, as a thematic flagship initiative, will continue to enhance vulnerable partner countries’ resilience to the effects of climate change and to enable them to engage in low-carbon development processes by supporting them.

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, such as the following (results refer to the Brussels site during the period 2005-2018) ⁽⁶⁾:

- energy for buildings = – 65% (MWh/person);
- CO2 emissions for buildings = – 87% (tonnes/person);
- since August 2009, 95% of the Commission’s total electricity consumption in Brussels has come from 100%-renewable sources.

Biodiversity tracking

What do we do?

To halt and reverse the decline of biodiversity in the EU is a major objective of the Union, as also foreseen in the political guidelines from President von der Leyen and the European Green Deal. The European Green Deal Investment Plan (2020) further reaffirms the importance of biodiversity financing. The EU ambition on biodiversity is in line with international biodiversity policy. The global Strategic Plan for Biodiversity, 2011-2020, the Aichi Biodiversity Targets and subsequent decisions adopted by the Conference of the Parties of the Convention on Biological Diversity call for Parties to CBD to report domestic and international biodiversity expenditures, funding needs, gaps and priorities, prepare national financial plans for biodiversity, and mobilize financial resources from all sources to reduce the gap between identified needs and available resources at domestic level. The upcoming EU Biodiversity Strategy and the post 2020 global biodiversity framework will provide further orientations regarding biodiversity financing and resource mobilization. The Union finances the protection of biodiversity by including the objectives of the EU Biodiversity Strategy to 2030 via the main funding instruments. The Commission tracks how much is spent on these objectives to ensure that spending has the desired positive outcomes for biodiversity and our society. As a party to the CBD, the EU reports on its domestic and international biodiversity-related financial flows. The Commission will assess and revise its biodiversity tracking methodology to adapt it to next MFF and other relevant developments.

Why do we do it?

The preservation of biodiversity ensures the long-term stability of ecosystems and enables sustainable preservation of natural resources for future generations. Tackling biodiversity loss and restoring ecosystems requires significant investments, including ones to ensure a more resilient society and combat the emergence of diseases linked to ecosystem degradation and wildlife trade. Nature-based solutions – including ecosystem restoration – have the potential to provide a significant proportion of the mitigation potential needed to meet our international climate objectives in a very cost-effective way.

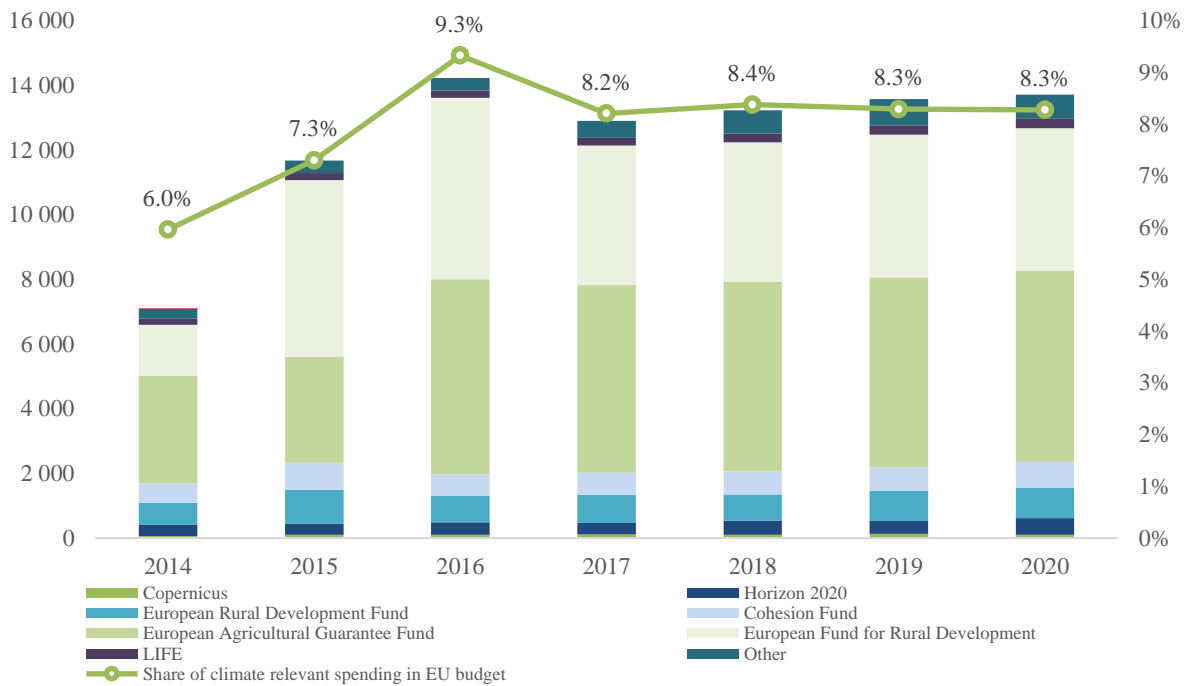
How much do we spend (in EUR million)?⁷

	2014	2015	2016	2017	2018	2019	2020
Heading 1a	419,2	449,9	491,1	467,4	535,7	523,5	613,9
Heading 1b	1 274,1	1 878,8	1 481,6	1 556,5	1 527,	1 668,3	1 742,3
Heading 2	5 216,0	9 067,2	11 992,2	10 477,5	10 566,9	10 691,8	10 747,8
Heading 4	128,7	182,2	160,3	293,0	490,7	552,1	502,5
Total	7 038,0	11 578,1	14 125,2	12 794,4	13 120,9	13 435,7	13 606,5
%	6,0%	7,3%	9,3%	8,2%	8,4%	8,3%	8,3%

For the period 2014 – 2020, the EU budget dedicates EUR **85 billion**, or **8,03%** of the MFF, to the fight against biodiversity loss.

⁽⁶⁾ For more details, please consult the environmental statement of the Commission (https://ec.europa.eu/environment/emas/pdf/other/ES2019_consolidated_volume_web_edition_optimised.pdf).

⁷ To track the EU budget expenditures an internationally recognised methodology, called OECD Rio markers, is used. The methodology implies that for each project/objective/strand/programme a coefficient of 0%, 40%, 100% will be applied to reflect the different degrees of integration of biodiversity considerations.



What have we achieved? Examples of achievement

<p>Improving conditions of 186 different species</p> <p>262 LIFE actions are aimed at improving conditions of 186 different Wildlife species: 84% of actions are expected to lead to an increase in the population of the species</p>	<p>Almost 7 million hectares – roughly the size of Latvia – of natural habitats</p> <p>supported under EU Cohesion policy</p>	<p>16% of agricultural land were contributing to biodiversity</p> <p>In 2018 16.1% of agricultural land was under management contracts contributing towards biodiversity, which is close to the targets of 17% for 2023.</p>
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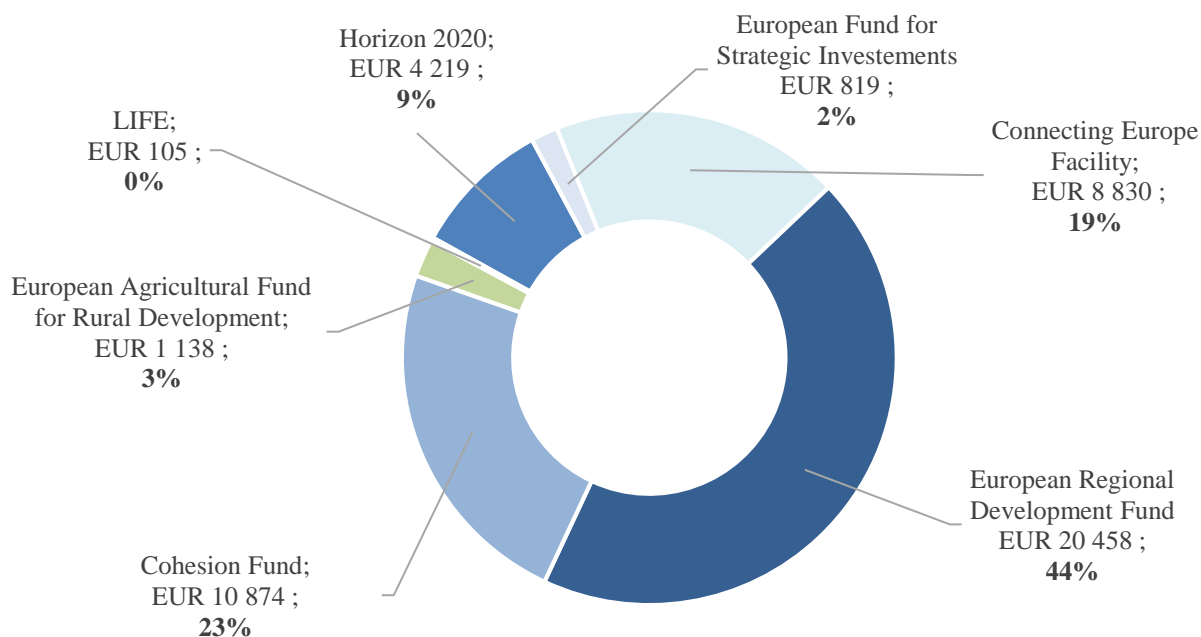
- **EU cohesion policy** is a key instrument to support Member States’ investment in biodiversity, nature and green infrastructure. During 2014-2020 period, Member States have allocated EUR 3.7 billion of EU financing to this area.
- Two examples of projects on wildlife species showing the potential catalytic effect of the **LIFE** programme are LIFE EUROTURTLES and LIFE Medturtles which, although presented by different organisations, are working together to tackle a relevant number of threats at nesting and foraging sites in a wide number of countries (Croatia, Cyprus, Greece, Italy, Malta and Slovenia – the first project - and Spain, Albania, Tunisia, Turkey). This allows to really spread best practice for the conservation of the loggerhead turtle (*Caretta caretta*) and the green turtle (*Chelonia mydas*), both listed as priority species in Annex II of the Habitats Directive.
- Through the **Development and Cooperation Instrument**, the B4Life Flagship project contributed to integrating the conservation of biodiversity and ecosystems in development strategies and poverty eradication. The EU budget also mobilised substantial funds for combatting forest and wildlife crime, including to build national capacities of police, justice and customs authorities (through Interpol and the UN Organisation for Drugs and Crime) and to combat poaching and trafficking on the ground through civil society organisations in Africa (Congo Basin, Liberia, Kenya), Latin America (Peru, Ecuador, Bolivia, Colombia, Brazil) and Southeast Asia (Mekong region).
- **Horizon 2020** contributes significant financial resources to the conservation of biodiversity. **ECOPOTENTIAL** developed tools to connect Earth observation techniques with field measurements to study ecosystems and better manage protected areas such as National Parks, UNESCO World Heritage and Natura2000 sites, and marine ecosystems. **AQUACROSS** advanced knowledge on ecosystem management to enhance the resilience of aquatic ecosystems and arrest biodiversity loss. Wetlands are the ecosystems with the highest rate of loss around the world.

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 EU over time and emissions of several air pollutants have decreased. This has been possible thanks to EU clean air legislation and efforts to integrate both environmental protection requirements in general and clean air priorities in particular into sectoral policies, including stricter control of emissions of harmful substances into the atmosphere. Joint efforts at EU, national, regional and local levels, including the provision of EU budget funding 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 quality challenges, EU funding has been made available and successfully used by Member States under various financial streams. Clean air projects have been supported directly, or clean air objectives have been effectively mainstreamed in other investments (e.g. infrastructure, rural and regional development). To monitor progress in the Member States' uptake of EU funds for clean air objectives, the Commission has started to track 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 fulfils the Commission obligation to report on Member States' uptake of EU funds in support of the objectives of Article 11(1)(c) of Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants (known as the national emission ceilings directive).

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 mandated by Article 11 of the Directive.



Clean air spending by programme

Programme	Estimated clean air contribution 2014-2020 (in EUR million)
Horizon 2020	4 219
European Fund for Strategic Investments*	819
Connecting Europe Facility*	8 830
European Regional Development Fund	20 458
Cohesion Fund	10 874

European Agricultural Fund for Rural Development	1 138
LIFE**	105
TOTAL	46 443

* Data available for the period 2014 - 2019

** Data available for the period 2014 - 2018

Gender equality

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 normally involved in policymaking⁸". 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 discrimination⁹.

The Commission is committed to gender mainstreaming as a strategy for the promotion of gender equality in all its policies and activities, as set out for the first time in its Communication on 'Incorporating Equal Opportunities for Women and Men into all Community Policies and Activities'¹⁰. Building on this commitment, the Commission 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 recently new momentum with the adoption of the Gender Equality Strategy 2020-2025¹¹ in March 2020, 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 women and men, girls and boys, in all their diversity, are 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.

With regard to the integration of gender mainstreaming in the EU spending programmes, the overview of the information reported on in the programme statements is as follows:

- 35 out of 60 spending programmes contain some qualitative or quantitative information related to gender mainstreaming. This marks the third consecutive year where an increase in the number of reporting programme statements is observed (33 programmes in 2019, 25 in 2018, and 20 in 2017).
- ten programmes provide some financial estimates on the EU budget contribution to gender mainstreaming, compared to eleven programmes in 2019 and eight programmes in 2017.
- six programmes include actions to tackle violence against women and girls.

With a view to reinforcing gender mainstreaming in the post-2020 programming period, the Gender Equality Strategy sets out that, 'in line with repeated calls by several Member States and the European Parliament, the Commission will look at the gender impact of its activities and at how to measure expenditure related to gender equality at programme level in the 2021-2027 MFF. The outcome of the recently launched audit by the European Court of Auditors on gender mainstreaming in the EU budget to promote equality will contribute to this process. This will improve gender mainstreaming in the Commission's budget process, further increasing the contribution made by policy design and resource allocation to gender equality objectives'. Accordingly, the Commission intends to strengthen the related reporting in the documents accompanying the draft budget 2022.

The EU budget and Sustainable Development Goals (SDGs)

The United Nations' (UN) 2030 Agenda for Sustainable Development with its 17 Sustainable Development Goals (SDGs) and 169 targets have 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

⁸ <https://www.coe.int/en/web/genderequality/what-is-gender-mainstreaming>

⁹ <https://europa.eu/!kg64Cb>

¹⁰ <https://europa.eu/!dY44NY>

¹¹ <https://europa.eu/!QR89gN>

playing an active role to maximise progress towards the SDGs, as outlined in its Communication ‘Next steps for a sustainable European future’¹².

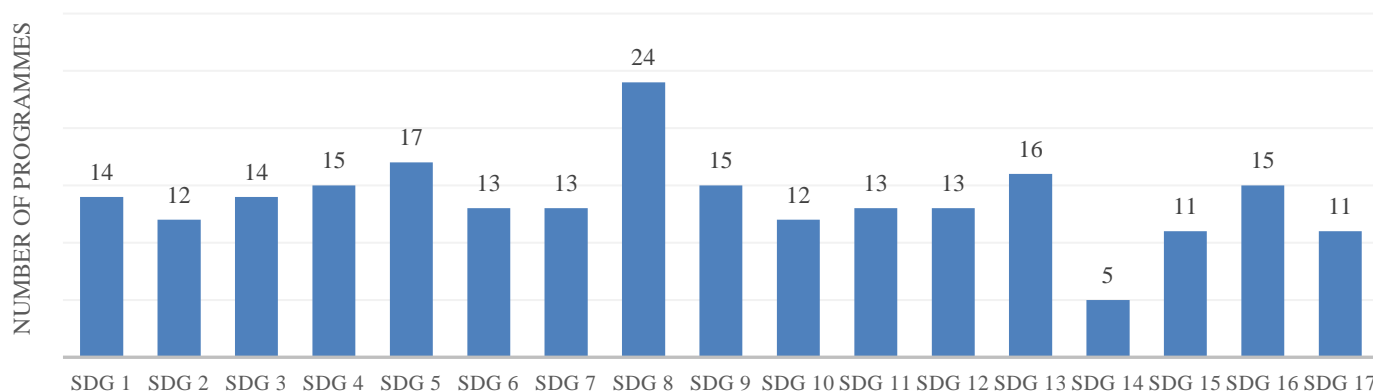
This lasting commitment to SDGs constitutes an overriding political priority for the von der Leyen Commission. Sustainability, productivity, fairness and stability have been identified in the Commission’s Annual Sustainable Growth Strategy 2020¹³ as the four pillars on which the EU’s economic policy must rely to implement reforms and investments in the European Union. 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. Bearing this in mind, the refocusing of the European Semester into an instrument that integrates the SDGs is a key priority for the von der Leyen Commission¹⁴. As of 2020, the European Semester country reports will feature a reinforced analysis and monitoring of how each country’s economic, social and fiscal policies have contributed to its progress towards the SDGs, based on Eurostat’s EU SDG indicator set.

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 aims 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, 75% (45 out of 60) of the EU spending programmes contribute towards SDGs. In this context, 24 spending programmes contribute to SDG 8 for the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The 17 programmes contributing to SDG 5 for the achievement of gender equality and the empowerment of all women and girls attest to the EU’s focus on gender mainstreaming with the integration of a gender perspective in the relevant policies. The number of programmes contributing to individual SDGs is presented in the graph below:

Number of contributing programmes per SDG



In the light of the transverse 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. With a view to further enhancing the reporting on the performance of its programmes and providing a deeper understanding of the EU policy coherence, as of this year the Commission presents the SDGs to which each EU programme contributes along with examples of its contribution.

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.

¹² <https://europa.eu/!Pv74QX>

¹³ <https://europa.eu/!dg34Ck>

¹⁴ <https://europa.eu/!kK49uD>



In 2018 the **Asylum, Migration and Integration Fund** awarded over EUR 194 million for a cash assistance and accommodation scheme in Greece, providing approximately 25 000 places in apartments and suitable shelters to the most vulnerable migrants.



The **Spotlight Initiative's** 'safe and fair' programme (EUR 25 million), aims at ensuring that labour migration is safe and fair for all women in the region covered by the Association of Southeast Asian Nations.



Food assistance reached 12.6 million people in 2018 through the **Fund for European Aid to the Most Deprived**.



By the end of 2018 **Cohesion Fund** financing had resulted in an increase in waste-recycling capacity to 714 936 tonnes per year, compared to 47 245 tonnes per year at the end of 2017.



27.5 million people had benefited from improved health services financed by the **European Regional Development Fund** by the end of 2018.



With financing from the **Development Cooperation Instrument**, Switch Africa Green provides funding to green business projects in Africa. In its first phase, it supported 3 000 micro, small and medium-sized enterprises and contributed to creating or securing 10 000 green jobs.



In 2019, under the Africa–Europe Alliance, over 8 000 African students and staff were granted scholarships in EU universities by **Erasmus+**, bringing the total to over 26 000 since 2014..



Humanitarian aid provided financing to 24 countries and for six regional interventions in 2019 to strengthen the disaster preparedness of national response systems and mitigate the impact of climate-induced disasters on humanitarian needs.



EUR 2.4 billion were committed by the **European Social Fund** to projects targeting gender equality by the end of 2019. For example, the 'nidi gratis' project in Lombardy, Italy has provided 30 000 low-income families with free access to nursery schools for their children..



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



Since 2014, over 3 million people have been provided access to high-quality drinking water and wastewater treatment under the **European Regional Development Fund** and the **Cohesion Fund**.



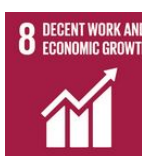
The diversifood project, financed by **Horizon 2020**, aims at achieving organic and low-input agriculture by enriching the diversity of cultivated plants within diverse agroecosystems.



The **European Fund for Strategic Investments** has helped provide renewable energy to approximately 10 million households and save over 5 000 gigawatt hours of energy per year.




The **Justice** programme supported the participation of 1 358 participants in judicial training programmes in 2018, thereby fostering a common legal and judicial culture.



Innovation management capacity assessments and guidance are provided to more than 4 000 SMEs per year under the **Competitiveness of enterprises and Small and**



Free, full and open data access resulting from the **Copernicus** international cooperation arrangements is expected to reach approximately 50% of the world's population via a local data hub.

	Medium-sized programme.	Enterprises
	<p>Galileo's search and rescue service allows the time required to detect emergency distress beacons to be reduced to 10 minutes.</p>	

EU budget and financial instruments

The Union can intervene and pursue its objectives by means of traditional as well as innovative instruments in addition to regulatory and other non-spending policy initiatives. Traditional direct non-repayable subsidies or grants coexist with innovative instruments including sometimes complex market-based tools, categorised under the broad terms of financial instruments and budgetary guarantees. First launched in the mid-1990s, financial instruments have been growing in importance and scope, albeit accounting for less than 3% of the EU budget (with grants at almost 90%). More recently, EU policies have witnessed the further expansion of budgetary guarantees. The External Lending Mandate in 1994 was followed by the European Fund for Strategic Investments (EFSI) in 2015 and the European Fund for Sustainable Development (EFSD) became operational in 2018.

Finally, the EU can also use “blended” instruments, characterised by a combination of budget guarantees and/or financial instruments and/or grants aiming to further expand the scope of the EU financing supporting sustainable development goals¹⁵.

The shift towards financial instruments and budget guarantees is largely driven by efficiency criteria, notably to maximise the impact of EU investments and its leverage effect. These instruments should be aligned with EU spending priorities in different areas: cohesion, research and innovation, SME support, climate change and energy, etc. However, grants remain the essential implementation mode in the policy areas where market-based tools cannot apply or parts of programmes targeting policy development where beneficiaries are public authorities (e.g. taxation, customs, fight against counterfeiting of euro, etc.).

The 2021 Programme Statements in this working document include information on financial instruments financed by the specific programme. This information should be considered for information purposes and does not constitute the official reporting on the financial instruments financed by the EU budget. The *Working Document X* on financial instruments attached to the 2021 Draft Budget presents more detailed information on quantitative aspects of the financial instruments.

EU budget and Trust Funds

A Trust Fund is a legal arrangement with a distinct financial structure that pools the funds of several donors to jointly finance action on the basis of commonly agreed objectives and reporting formats.

Since 2013, the EU has the possibility to create and manage trust funds (EUTFs) in the area of external action. EU Trust Funds offer a number of advantages: they are EU-led tools, offering better coordination with Member States; better control of operations by the Union and other donors and enhanced EU visibility. Trust Funds benefit from fast decision-making processes and from their capacity to pool larger sums from different donors and sources making them a flexible, proactive and adaptable tool. The contributions from the EU budget to a EUTF are decided during the budgetary year based on implementation needs.

To date, the Commission has set up 4 EUTFs. The 2021 Programme Statements contain a point indicating how a specific programme contributes to a Trust Fund(s). This information should be considered for information purposes and does not constitute the official reporting on the EU budget contribution to the EUTFs. The *Working Document XII* on EUTF attached to 2021 Draft Budget presents more detailed information on the EU budget contributions to the EUTFs and implementation of their activities.

Table 2: List of EU Trust Funds and EU spending programmes contributing to the EU Trust Funds

EUTF	Full title	Origin of EU budget contribution to EUTFs
AFRICA EUTF	The European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa	<ul style="list-style-type: none"> Development Cooperation Instrument (DCI) European Neighbourhood Instrument (ENI) Humanitarian aid

¹⁵ http://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending_en.

		Asylum, Migration and Integration Fund (AMIF)
BÊKOU EUTF	The EU Trust Fund for the Central African Republic	Development Cooperation Instrument (DCI)
		Humanitarian aid
COLOMBIA EUTF	The European Union Trust Fund for Colombia	Development Cooperation Instrument
		Humanitarian aid
MADAD EUTF	The EU Regional Trust Fund in Response to the Syrian Crisis	Development Cooperation Instrument (DCI)
		European Neighbourhood Instrument (ENI)
		Humanitarian aid
		Instrument for Pre-accession assistance (IPA II)

Source: European Commission