Expert in PFM, Environmental Economics and Green and SDG Budgeting

# Technical support to develop green budgeting methodologies in EU region (Lombardy, Italy)

**Duty station:** remote

**Contract type:** service contract

**Duration:** 110 days,January 2025 to October 2026

**Department:** Governance

**Unit:** Transparency, Management and Public Accountability

**Deadline for application is:** December 31, 2024

# Mission Description:

In the framework of the Green Budgeting project for EU regions, Expertise France is recruiting local experts specialized in Public Financial Management, Environmental Economics and Green and SDG Budgeting. We are looking for a local expert from the following beneficiary region:

* Lombardy, Italy

The local expert will provide technical assistance for the development and implementation of a methodology for assessing the consistency of expenditure with long-term strategies for climate and environmental, and sustainable development objectives, i.e. tagging methodologies. The expert will collaborate with focal points from the Lombardy´s Regional ministries of finance and environment, and relevant regional institutions, along with Expertise France´s Project Management team, and partners from the Directorate-General for Structural Reform Support (DG REFORM) of the European Commission.

The expert will support the civil servants from ministries of finance, and environment, in the following outputs and activities:

**Output 1:** Inception Report

**Activities:**

* Preparation and implementation of a round of meetings with the beneficiary authority to understand better their needs and the current situation, to discuss the approach for each task and the action plan, and to collect the information necessary for the next steps. The beneficiary authority is requested to provide background documentation on budgetary procedures, regional and/or national climate, environmental and/or sustainability strategies, and a concise report of their specific expectations from the project at technical and political level. Additional documentation might be requested by the expert.
* Perform an initial analysis of any background documents provided by the beneficiary authorities.
* Drafting of the inception report

**Output 2:** A technical report with specific recommendations on the accurate Green and SDG Budgeting Practices including AS-IS, GAP and TO BE analyses.

The aim of the reports is to provide an accurate and thorough analysis of the current policy, regulatory, governance and institutional framework of the budgetary governance systems of Lombardy, to introduce Green Budgeting practices. This report shall inform the later stages of the project, particularly in terms of further defining the scope for the concerned tagging methodology, actors and resources to be involved in order to achieve a view of current policy and budgetary systems that will need to be adapted to be fit for purpose.

The report shall include identification and review of relevant public policy, legislation that defines green budgeting practices, mapping of relevant regional and central ministries and agencies at the state and regional level that carry out this decision-making and their mandates/involvement, identification of key stakeholders, existing processes and state of play, underlying information system and technical architecture supporting the processes (if existing). The report shall include an analysis of the strengths, weaknesses, opportunities, and threats (SWOT) in this policy.

# Activities:

* Analyse of the regional climate, environmental and/or sustainability strategies, review of the region´s budget legal framework, budget structure, granularity, and classification; with a focus on expenditure lines (allocated or executed TBC)
* Workshop with the regional ministry of finance for identifying current progress, possibilities at methodological and governance level, and gaps regarding the coherence of expenditure with regional sustainable development, climate adaptation and mitigation goals.
* Meetings with the focal points of Lombardy´s regional ministries of finance and environment to agree on key topics to focus the foreseen capacity building and peer exchanges phase. In addition, to agree on concrete baselines and targets.
* Drafting of the AS-IS reports
* Presentation of the report findings, including key differences between the AS-IS and the TO-BE situations (i.e. the gap analysis) and summary of related tools, research and ongoing projects.

**Output 3:** A technical report with a green budgeting tagging methodology adapted to the regional context; including indicators, and operational guidelines to implement the methodology within the budgetary process. The output will elaborate a green tagging methodology for Lombardy, with guidelines for its application, and a first green budgeting report, i.e., a report on the environmental impact of the respective regional budget.

# Activities:

* Workshop on the recommendations for the establishment of a task force and operational working group
* Development of reporting templates, dashboard for agents to pilot the green budgeting exercise which must be independent from the budgeting IT system, identification of scientific sources allowing arbitration in terms of climate adaptation and climate mitigation and other sustainability objectives. Development of proposals for a rating method for the tagging, data collection tools, and inter-ministerial communication plan to obtain information on budget lines from line ministries or directorates
* Workshop to test and improve the methodology
* Drafting of the technical report and validation of the methodology by regional ministries and relevant institutions, including key actors, such as the Ministry of Finance in Lombardy, and the Presidency of the Regional Government of Lombardy, DG REFORM and DG ECFIN.

**Output 4:** Technical report with recommendations from the pilot phase with focus on how to improve output 3. This output aims at conducting a pilot implementation of the methodology proposed. The testing period will be agreed with the regional focal points. The results of the testing period will allow to improve output 3.

# Activities:

* Pilot Preparation: agreement on clear objectives and success criteria; establishment of timeline and allocation of resources; identification of key civil servants and institutions involved in the testing of the methodology, including selecting a representative sample of expenditures and a line ministry to apply the green tagging methodology.
* Pilot implementation of the methodology
* Pilot Evaluation: evaluate the effectiveness of the green tagging methodology based on the predefined objectives and success criteria; identify strengths, weaknesses, opportunities, and threats (SWOT analysis) associated with the methodology; incorporate feedback and lessons learned to refine and improve output 3.
* Drafting of the recommendations report summarizing the results, including key insights, recommendations, and next steps.

**Output 5:** Technical note on how to develop and implement green budgeting tools, based on the content of the training. This output aims to provide practical guidance on the methods and tools to develop and implement a green budgeting tagging methodology. At least three trainings per region shall be organised. The technical note should include recommendations for potential further training.

# Activities:

* Analysis of the training needs for the beneficiary region, identify gaps in skills and knowledge, and produce training maps
* Preparation and implementation training in cooperation with the beneficiary authorities and other relevant stakeholders, as research institutions providing the training sessions
* Drafting of the technical note

**Output 6:** Recommendations report based on key insights shared by peers from other EU Member States during the civil servants´ exchange programme

Lombardy will benefit from exchanges of experience on regional green budgeting practices with civil servants that have implemented green budgeting methodologies, e.g., the Region of Andalusia, Catalonia, Brittany, Occitanie and Sardinia or France at national level.

# Activities

* Contribute to identifying relevant regions to exchange knowledge and best practices with and to the development of the program content for the exchanges
* Accompany the civil servants in the exchanges and gather insights to produce the recommendations report

**Output 7:** Final conference and summary report of the conference including the agenda, the presentations, the list of participants and the main conclusions drawn. The objective of the closing conference shall be to present the results of the project to different stakeholders, such as representatives of other regions and Ministries of Finance, the European Commission (DG REFORM, and other services) and other stakeholders.

* Contribute to the preparation, implementation and reporting of the conference

**Output 8**: Final report. A final report with one separate chapter per beneficiary authority will be produced summarizing lessons learned and assessing the beneficiary authorities´ progress towards achieving Green Budgeting practices at regional and central level.

* Contribute to the drafting of the final report

# Deliverables and work plan

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| **Deliverables** | **Estimative deadline** |
| Output 1: Inception Report | January 2025 |
| Output 2: A technical report with specific recommendations on the accurate Green Budgeting Practices including AS-IS, GAP and TO BE analyses | Mars 2025 |
| Output 3: A technical report with a green budgeting tagging methodology adapted to the regional context; including indicators, and operational guidelines to implement the methodology within the budgetary process | May 2025 |
| Output 4: Technical report with recommendations from the pilot phase with focus on how to improve output 3 | January 2026 |
| Output 5: Technical note on how to develop and implement green budgeting tools, based on the content of the training | June 2026 |
| Output 6: Recommendations report based on key insights shared by peers from other EU Member States during the civil servants´ exchange programme | April 2026-June 2026 |
| Output 7: Final conference and summary report of the conference including the agenda, the presentations, the list of participants and the main conclusions drawn | Mars-April-May 2026 |
| Output 8: Final report | May 2026 |

*Note: the precise dates for the activities will be agreed between the selected Expert and the project team.*

# Context of the project

The European Union has set itself the objective of achieving zero net emissions by 2050, and it launched in December 2019 the European Green Deal as the roadmap to achieve carbon neutrality. This strategic package of policy measures has also provided the basis for the post covid-19 EU Recovery Plan. This led to strict conditions on the use of expenditure from the recovery and resilience facility (RRF), namely that **37% of EU RRF funding** should be

dedicated to climate projects, and that **100% of expenditure should respect the “do no significant harm” criteria.**

Greening national budgets is key for climate action and the green transition. Budgets are one of the main expressions of how a government intends to implement its political ambition. The 2019 European Green Deal Communication highlights that “a greater use of green budgeting tools will help to redirect public investment, consumption and taxation to green priorities and away from harmful subsidies”.

At the subnational level, regional authorities are directly confronted with climate change, biodiversity loss and increasing air, water and soil pollution issues in their respective perimeters. With increasingly stressed budgets and gradually rising energy and fuel prices, it is a major challenge for cities and regions to finance and implement measures and projects for mitigation and adaption to climate change. At the subnational level in the European Union (EU), the European Committee of the Regions adopted in its Commission for the Environment, Climate Change and Energy an opinion on “the implementation of green budgets at local and regional levels” (2022/C 375/07) in September 2022. The opinion calls for exempting green investments from the regional public deficit calculation and from the debt limit "golden rules".

Regional and local governments have jurisdictions and competences over crucial ecological- related policy areas such as housing development, land-use planning, transportation, wastewater treatment, and waste management. Therefore, subnational governments have a strong ability to mitigate and adapt to the negative impacts of climate-change through their local regulations and policies. This includes environmental protection policies, and more generally, mainstreaming environmental and climate considerations throughout the entire subnational policy framework and policy decision-making processes.

Subnational governments play a key role through their budget, whose share represents, on average, 37% of all public spending, 55% of all public investment and 32% of all tax revenue in the OECD in 2022 . Subnational governments have therefore strong means that they can leverage to achieve carbon neutrality and climate resilience. Budget allocations made by subnational governments have an environmental and climate impact, be it positive, neutral, or negative.

Beneficiary regions

Following the Technical Support Instrument (TSI) 2024 call, two European regions requested for specific and tailored technical support from DG Reform for the development of transparent and easily applicable method for climate tagging, as well as its integration in the budget cycle. The Regional Ministry of Environment and Climate of Lombardy (Italy) as well as the Ministry of Finance of Baden-Württemberg (Germany) requested this specific support to achieve climate neutrality by 2040.

It is worth noting that Baden-Wurttemberg and Lombardy, together with the regions of Auvergne-Rhône-Alpes (France) and Catalonia (Spain), are part of the cooperation agreement constituting the network of the “Four Motors for Europe”. All four regions are strong in terms of economic as well as research performance. Together the Four Motors for Europe encompass 36 million inhabitants and account for approximately 9 % of EU´s economic output. By collaborating the four regions seek to further develop their top position as dynamic regions in Europe. The four regions wish to learn from each other and thereby to find innovative solutions

for key topics of the future. The fields of today’s cooperation encompass economic development, research and innovation, training and higher Education, climate and environment, transport and mobility, health, agriculture, civil society and the arts.

*Lombardy*

It is the most populous Italian region (10 million inhabitants), and with the highest GDP in the country (439.9 billion euros in 2022), while it is in second place for per capita GDP (about €46 000/inhabitant in 2022). These particularities make Lombardy one of the Four Motors of European development. The advanced economy, the high number of companies, and the rate of innovation make it suitable for experimenting with new economic and social models, oriented towards a different development paradigm and particularly climate change mitigation and adaptation.

As mentioned in Lombardy’s 2022 voluntary local review on SDGs implementation, the region’s key sustainability challenges concern “the protection and enhancement of the environment and natural capital, the adoption of circular production models, the transition to an energy system not dependent on fossil sources and zero emissions, the stop land use and resilience to climate change, leaving no one behind”. Specific targets on climate mitigation are set by the Regional Energy, Environment and Climate Program, whose objectives are shared with regional stakeholders and whose actions span across all economic sectors and aim to create a new Lombardy paradigm, with the growth of the Lombardy production system at the service of decarbonization. Lombardy is working at the adoption of a regional Climate Law, the first in Italy, and is updating the regional climate change adaptation strategy and action plan.

With a broader perspective on sustainable development, Lombardy Region has elaborated its own regional strategy for sustainable development between 2019 and 2021, after signing a collaboration agreement with the Ministry of the Environment and Energy Security, which acknowledges the need for appropriate tools to align public budgets with climate and environmental objectives. The Strategy has been related to the annual Economic-Financial Document of the Region and includes a 200-indicator monitoring system and 70 binding quantitative targets for the Region. Specific tools for greening the regional budget are the Catalogue of environmentally harmful subsidies (EHS), updated every year from 2020, and the Action plan for green public procurement, adopted in 2020.

# Desired profile

-Advanced degree (Master’s or PhD) in environment or economics/management, environmental science, public finances management or other relevant fields with at least 7 years of professional experience in the outlined areas;

* Track record of providing technical support to the development and implementation of Green PFM tools, as well as experience in executing capacity building activities;
* Track record in strategic engagement with multidisciplinary teams, and with senior-level government, private sector, NGOs, and/or international cooperation partners;
* Fluency in both English, and the language of the region where expertise will be provided, i.e., Italian and German;

-Experience with providing technical support in projects financed by the European Commission is an asset