

# Ex ante conditionality for sustainability proofing on national level for all internal funding

In our view a new ex ante conditionality should be introduced about sustainability proofing on national level for all internal funding. This ex ante conditionality should ensure the coherence of that sustainability is mainstreamed into national, regional and local decisions on EU funding, and they also serve the implementation of the Sustainable Development Goals. This increased coherence will help to prevent wasteful spending and increase the efficiency of EU funding. This methodological approach developed by some of our campaign partners is described below.

## What is sustainability proofing?

Sustainability proofing the EU budget could be defined as a structured process of ensuring the effective application of tools to maximise the social, environmental and economic benefits and to avoid or at least minimize harmful impacts of EU spending. It applies to all spending streams under the EU budget, across the whole budgetary cycle and at all levels of governance, and should contribute to a significant progress of the EU towards sustainability assessed against a set of sustainability principles. Sustainability proofing is thus a tool to ensure that environmental integrity is maintained as a precondition for any development, while economic and social development serve the objective of increasing human well-being.

Sustainability proofing needs to be understood as a step-wise process that follows the mitigation hierarchy under which appropriate actions are taken in the following order of priority: (1) avoidance of negative impacts; (2) reduction of negative impacts; (3) rehabilitation/ restoration measures; and (4) compensation measures for significant adverse residual impacts.

## Sustainability proofing instruments

There are ample experiences with climate and biodiversity proofing from the current MFF, which set the basis for sustainability proofing on EU and national level. Three types of sustainability proofing instruments will help to realise this:

- **Substantive instruments** (e.g. the setting of fund objectives and performance indicators, ex-ante conditionalities and fund earmarking) are very important in the first parts of the policy cycle (i.e. setting up the general frameworks of the fund regulations and programming guidelines).
- **Procedural instruments** (e.g. project selection criteria, *ex-ante*, on-going and *ex-post* evaluations, SEA/EIA, ) are important for programming and implementation phases but also monitoring/reporting and evaluation phases.
- **Institutional instruments** (e.g. dedicated administrative units tasked with sustainability proofing and communication mechanisms, working groups and monitoring committees) are needed to support implementation and evaluation phases.

## Key sustainability proofing instruments in the policy cycle

Policy development phase:

- Setting priorities and objectives
- Impact assessment
- Cost benefit analysis

Programming phase:

- Coordination structures, partnerships and expert networks
- Objectives settings with targets and indicators
- Earmarking funds for various objectives
- Design of various sectoral measures
- Assessments and evaluations (Strategic Environmental Assessments, ex ante evaluations, etc.)
- Selection criteria

## Providing guidance in the form of a regulation

The European Commission should help Member States to meet this ex ante conditionality through providing more detailed requirements in the form of a regulation (there is precedent to provide such requirements as complementary to the CPR, as it was in the case with Code of conduct for the application of the partnership principle).