

2023 NTT Group Sustainability Conference



New Methodology for Green Budgeting (SUB)

The origin of the initiative arises from the commitment to climate action established in the European Green Deal and the Paris Agreement 2015.

Since then, the European Union have committed developing policies and commitments aimed at meeting.

The NTT DATA team has succeeded in developing and implementing an effective methodology that meets the regulatory requirements of the current legal provisions and the climate and environmental commitments contained in the Paris Agreements, Kyoto Protocol, 2030 Agenda and European Green Taxonomy.

A unique and pioneering methodology for analyzing and quantifying the budgetary effort devoted to the fight against climate change and to enhance environmental preservation.

Public budgets are an essential element of climate action, as recognized by the OECD in its Green Budgeting Guidelines.

This project has an impact on the entire Public Budget of each Administration that implements it; potentially reaching an annual impact of approximately €596.101 billion in Spain.

Currently NTT DATA has contributed through this project to:

Monitoring and including the climate perspective in the economic planning of the Public Administration in the region of Andalusia, a climate impact of €115 million in public accounts has been traced so far.

- 1) The number of actions identified as having an impact on the climate has increased by 211%.
- 2) The number of administrative centers that carry out a climate impact analysis of their actions has increased by 200%.
- 3) It is contributing to the achievement of SDG 8 and SDG 13 of 2030 Agenda and achieving high alignment with the green taxonomy.
- 4) The project is in the process of being replicated in 6 additional Public Administrations.

It is also a very profitable project, offering margins of over 48%.

- 5) This initiative has had an impact on the Joint Research Centre (European Commission) and the OECD, who has recognized the project as a best practice in green budgeting.

This initiative brings together the capabilities of NTT DATA's business consulting team with experience in environment and sustainability; expertise in innovation; technology and data (as one of the objectives is facilitating monitoring and automated decision making).

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The strategic combination of know-how from consulting and the technology available at NTT DATA plays a fundamental role, since the synergy between the two fields allows a deep understanding and an effective implementation of sustainable practices.

Our team work with two entities of the Regional Government, the Regional Ministry of Sustainability, Environment and Blue Economy and the Regional Ministry of Economy, Finance and European Funds.

Furthermore, we have collaborated with the Joint Research Centre of the European Commission, in the validation of this methodology to be replicated in different EU regions.

This is a 4-year that we are developing the methodology replicable for all Public Administrations.

It has been taken as a reference in Spain for the development of other subsequent regional regulations.

This is a high-impact project that underpins a new approach to the transformation and formulation of public accounts.

Green budgeting is a tool that, when applied in the Public Administration, can be used to promote sustainability through integrated financial and policy approaches, ensuring greater coherence and effectiveness of green policies, a multiplier effect in promoting sustainable practices, attracting private investment, increasing financial incentives for green budgeting, and supporting sustainability.

This initiative will contribute to the channeling, management, and control of economic funds allocated to green initiatives through e.g., green bonds instruments, and the implementation of the DNSH principle in the Spanish Administration.

It is a driving force for the sustainable transition, and we believe it can open many doors at the international level in a field where there is not a great specialization in consulting services, but they will be increasingly in demand in the future.