How to monitor new political priorities?

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Agenda

• What are considered „new“ political priorities?
• How are they measured, some examples
  • SDGs
  • Sustainable Governance indicators
  • European Digital KPIs
• What more could / should / will be done?
New political priorities

➢ SDGs (sustainable development goals)
➢ ESG (Environmental / Social / Governance)
➢ European Commission:
  • Green Deal / green transition („Fit for 55“) – Just Transition Fund
  • European Health Union (fit for potential future pandemic)
  • Digital transformation (20% of RRF)
➢ Improved level of democratic dialogue & transparency
➢ Welfare vs GDP
Setting the goals

- Base value
- Expected impact
- Target value
- Time horizon

\[
\text{BASE VALUE} + \text{EXPECTED IMPACT} = \text{TARGET VALUE}
\]
1. UN Sustainable Development Agenda („Agenda 2030“)

THE 17 GOALS | Sustainable Development (un.org)

- No poverty (SDG1)
- Zero hunger (SDG2)
- Good health and well being (SDG3)
2. Sustainable Governance Indicators (sgi-network.org)

**SGI DATA**

Survey Structure
Flip through SGI’s three dimensions to get direct access to the underlying components. Pick your issue of interest to learn about countries’ performances.

<table>
<thead>
<tr>
<th>Sustainable Policies Ranking</th>
<th>Robust Democracy Ranking</th>
<th>Good Governance Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Sweden 8.01</td>
<td>1 Sweden 9.29</td>
<td>1 Sweden 8.63</td>
</tr>
<tr>
<td>2 Denmark 7.92</td>
<td>2 Finland 9.15</td>
<td>2 Finland 8.49</td>
</tr>
<tr>
<td>3 Norway 7.83</td>
<td>3 Norway 8.99</td>
<td>3 Norway 8.47</td>
</tr>
<tr>
<td>4 Switzerland 7.57</td>
<td>4 Denmark 8.90</td>
<td>4 Denmark 8.35</td>
</tr>
<tr>
<td>5 Finland 7.42</td>
<td>5 Germany 8.70</td>
<td>5 New Zealand 7.63</td>
</tr>
<tr>
<td>... SGI average 6.17</td>
<td>... SGI average 6.99</td>
<td>... SGI average 6.44</td>
</tr>
<tr>
<td>37 Cyprus 4.88</td>
<td>37 Mexico 5.11</td>
<td>37 Croatia 4.82</td>
</tr>
<tr>
<td>38 USA 4.79</td>
<td>38 Romania 4.85</td>
<td>38 Cyprus 4.60</td>
</tr>
<tr>
<td>39 Greece 4.66</td>
<td>39 Poland 4.83</td>
<td>39 Hungary 4.54</td>
</tr>
<tr>
<td>39 Mexico 4.66</td>
<td>40 Hungary 3.37</td>
<td>40 Romania 4.51</td>
</tr>
<tr>
<td>41 Turkey 4.46</td>
<td>41 Turkey 2.85</td>
<td>41 Turkey 4.25</td>
</tr>
</tbody>
</table>

Create your own rankings by changing component’s relative weighting

Track developments over time with our Time Series

Funded by the European Union.
Sustainable Governance Indicators (sgi-network.org)

Is budgetary policy fiscally sustainable? Is the budget consolidated and the national debt manageable?

Composition:
- 50% Budgetary Policy
- 8.33% Debt to GDP
- 8.33% Primary Balance
- 8.33% Gross Interest Payments
- 8.33% Budget Consolidation
- 8.33% Debt per Child
- 8.33% External Debt to GDP

Slovenia: 6.7

Select Compare to

Funded by the European Union.
Sustainable Governance Indicators (sgi-network.org)

To what extent are the Kyoto emission reduction targets met?

<table>
<thead>
<tr>
<th>Top group</th>
<th>Score</th>
<th>Kyoto Participation and Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>10</td>
<td>---</td>
</tr>
<tr>
<td>Romania</td>
<td>9.0</td>
<td>-54.22</td>
</tr>
</tbody>
</table>

Upper middle group

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
<th>Kyoto Participation and Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>8.7</td>
<td>-49.44</td>
</tr>
<tr>
<td>Latvia</td>
<td>8.6</td>
<td>-48.76</td>
</tr>
<tr>
<td>Estonia</td>
<td>8.2</td>
<td>-41.90</td>
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<tr>
<td>Bulgaria</td>
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<td>Hungary</td>
<td>7.9</td>
<td>-36.93</td>
</tr>
<tr>
<td>Greece</td>
<td>7.8</td>
<td>-34.77</td>
</tr>
<tr>
<td>Slovakia</td>
<td>7.7</td>
<td>-33.45</td>
</tr>
<tr>
<td>Sweden</td>
<td>7.5</td>
<td>-30.12</td>
</tr>
<tr>
<td>UK</td>
<td>7.4</td>
<td>-27.86</td>
</tr>
<tr>
<td>Czechia</td>
<td>7.3</td>
<td>-26.65</td>
</tr>
<tr>
<td>Poland</td>
<td>7.1</td>
<td>-23.23</td>
</tr>
<tr>
<td>Finland</td>
<td>6.9</td>
<td>-20.39</td>
</tr>
<tr>
<td>Croatia</td>
<td>6.8</td>
<td>-19.56</td>
</tr>
</tbody>
</table>
3. ESG KPIs

ESG METRICS
The NASDAQ 2019 ESG Reporting Guide 2.0 lists 30 ESG metrics that can provide clarity and direction for internal audit departments getting involved with their organization’s ESG reporting.

**ENVIRONMENTAL (E)**
E1. GHG Emissions  
E2. Emissions Intensity  
E3. Energy Usage  
E4. Energy Intensity  
E5. Energy Mix  
E6. Water Usage  
E7. Environmental Operations  
E8. Climate Oversight/Board  
E9. Climate Oversight/Management  
E10. Climate Risk Mitigation

**SOCIAL (S)**
S1. CEO Pay Ratio  
S2. Gender Pay Ratio  
S3. Employee Turnover  
S4. Gender Diversity  
S5. Temporary Worker Ratio  
S6. Nondiscrimination  
S7. Injury Rate  
S8. Global Health & Safety  
S9. Child & Forced Labor  
S10. Human Rights

**CORPORATE GOVERNANCE (G)**
G1. Board Diversity  
G2. Board Independence  
G3. Incentivized Pay  
G5. Supplier Code of Conduct  
G6. Ethics & Anti-corruption  
G7. Data Privacy  
G8. ESG Reporting  
G10. External Assurance

ESG SCORECARD 2021 – 2023

ENVIRONMENT

- Natural gas emissions: % Reduction of Total Natural Gas Emissions (vs 2015)
  - 2021: -25.1%, 2023: -36%
- Land Protection & Biodiversity: % Natural Gas Recovered from Maintenance Activities, % Vegetation Restoration of the Natural and Semi-Natural Areas Involved in the Construction of the Pipeline Routing
  - 2023: > 99%
- Energy Savings of Operational Management: MWh of Electricity Production by Photovoltaic Plants
  - 2021: > 860 MWh
- New Business – Green Innovation: Production of Biomethane (in MS(€M))
  - 2021: 19, 2022: 84, 2023: 141
- Energy Efficiency Interventions (Ktons of CO2)
  - 2021: 16, 2022: 34, 2023: 43
- Cumulative Number of CNG and L-CNG Stations
- Supply of LNG Volumes from LNG Infrastructure by 2023
  - 2023: 250 Ktons

SOCIAL

- Gender Diversity & Inclusion: % of Women in Executive and Middle-Management Roles
  - 2021: 21.75%, 2023: 25%
- % of Women in Succession Planning
  - 2021: 25%, 2023: 27%
- Welfare: % Participation in Welfare Initiatives
  - 2021: 40, 2022: 50, 2023: 54
- Safety
  - 2021 Average of Last 5 Years: 49, 2022: 52, 2023: 54
- Local Community Engagement
  - % Employees Hours devoted to SNAM Foundation’s Initiatives Supporting Local Communities
    - 2021: +10%, 2022: +10%, 2023: +10%

GOVERNANCE

- Governance Functioning and Structure
  - % of BOD Time Dedicated to ESG Matters in Strategy Meetings and Induction Sessions
    - At least 40% Annually till 2023
- Infrastructure Reliability
  - Average Annual Customer Satisfaction Rate in Terms of Service Quality
    - 2021: 7.8/10, 2023: 8.1/10
- Anti – Corruption
  - % of Third Party Counterparts on which Reputational Due Diligence Checks have been Performed: 100% Annually till 2023

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4. European digital KPIs, examples

By 2025:

• 90% of people without formal education should be regular internet users (2019: 68%)
• European companies should provide ICT training for 70% of their employees (2019: 24%)
• 6% of employed women should be ICT professionals (2017: 1%)
• 200 million people should have access to 5G
• 70% of European households should have a broadband connection with a speed of 100 Mbps or more (2019: 33%)
• 15% of all material used in the economy should be recycled and reused (2019: 12%)
• 30% of EU citizens should be able and willing to make an appointment with a doctor online (2019: 17%)
• 50% of SMEs should use big data analytics (2020: 12%)
• European countries should spend 3% of their GDP on research and innovation (currently 2%)
• 10% of R&D expenditure should be ICT-oriented (currently 6.9%)

Funded by the European Union.

Fiscal Implications of Structural Reforms
5. European Green KPIs

- climate goals → legal obligations
- cut CO₂ emissions by 55% by 2030 (baseline: 1990)
- From farm to fork initiative
  
  - By 2030, halve the amount of food waste p.c. globally at retail and consumer levels and reduce food losses along the production and supply chain, together with post-harvest loss
  
  - SURS: 118k tons of waste food (2013) – 143k tons (2020), +19% (retail)
  - Same period +19 % in households
  - 68 kg of wasted food p.c. (Slovenia, 2020)
  - 173 kg p.c. (EU-28, 2012)
6. European better society

- European Pillar of social rights
- Fairer taxing of international firms
- ALMA program – for the young to find work experience abroad
- 2022: Year of the European Youth
- Inclusion of the young into Conference on the Future of Europe
- European Defence Union (hybrid, cyber security, space)
## EU 2019 budget with results

<table>
<thead>
<tr>
<th>Natural resources</th>
<th>Cohesion</th>
<th>Research, industry, space, energy and transport</th>
<th>External relations</th>
<th>Other internal policies</th>
<th>Other services and administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 59 billion (40%)</td>
<td>EUR 47 billion (32%)</td>
<td>EUR 15 billion (10%)</td>
<td>EUR 12 billion (8%)</td>
<td>EUR 7 billion (5%)</td>
<td>EUR 7 billion (5%)</td>
</tr>
<tr>
<td>6.2 million farms supported out of 10.5 million</td>
<td>Regions and cities</td>
<td>More than 12,000 small and medium-sized enterprises supported, as well as researchers, laboratories and large organisations</td>
<td>90 non-EU countries and territories receiving direct support, as well as numerous international and non-governmental organisations</td>
<td>Erasmus+: almost 360,000 students supported in 2019 (more than 4.6 million participants since 2014)</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** European Commission annual activity reports.

**Source:** Annual Management and Performance Report for the EU Budget

Funded by the European Union.
EU 2019 budget with SDGs

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, the European Regional Development Fund and Cohesion Fund financing had resulted in an increase in waste-recycling capacity to 765,000 tonnes per year, compared to 48,000 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.

Source: Annual Management and Performance Report for the EU Budget

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7. Level of democratic dialogue

- % of hate speech on social media
- % of fake news in social media
8. Health

- Not anymore only # of expected years of birth (Life expectancy at birth for the world increased from 64.2 years in 1990 to 72.6 years in 2019, expected to increase to 77.1 years in 2050).
- In 2019, number of healthy life years at birth was estimated at 65.1 years for women and 64.2 years for men in EU (78 % and 82 % of total life expectancy for women and men).
8. Health

Healthy life years: at birth

Women
- 65.1 years
- Malta: 73.5
- Sweden: 72.7
- Ireland: 70.5
- Spain: 70.4
- Italy: 68.6
- Bulgaria: 68.4
- Norway: 68.1
- Germany: 67.1
- Greece: 66.4
- EU: 64.6
- France: 64.1
- Poland: 63.0
- Cyprus: 62.8
- Belgium: 62.8
- Hungary: 62.6
- Czechia: 61.9
- Luxembourg: 61.3
- Slovenia: 60.6
- Romania: 60.0
- Switzerland: 59.4
- Netherlands: 59.1
- Lithuania: 59.0
- Iceland (¹): 58.8
- Denmark: 58.5
- Croatia: 58.0
- Austria: 57.8
- Portugal: 57.7
- Estonia: 56.3
- Slovakia: 54.8
- Finland: 54.1
- Latvia

Men
- 64.2 years
- Sweden: 73.8
- Malta: 72.9
- Norway: 71.2
- Spain: 69.6
- Ireland: 68.6
- Italy: 68.1
- Iceland (¹): 65.7
- Greece: 65.6
- Germany: 65.4
- Bulgaria: 64.4
- EU: 63.7
- France: 63.2
- Luxembourg: 63.2
- Netherlands: 62.5
- Belgium: 62.1
- Cyprus: 62.1
- Czechia: 61.7
- Switzerland: 61.0
- Poland: 60.9
- Slovenia: 60.8
- Hungary: 60.7
- Portugal: 60.6
- Romania: 59.9
- Denmark: 59.0
- Finland: 57.7
- Austria: 56.7
- Croatia: 56.4
- Lithuania: 56.0
- Slovakia: 56.0
- Estonia: 53.9
- Latvia

Data refer to 2019.
Norway, Iceland, Switzerland: non-EU countries.
Iceland: data from 2018.

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### 9. Well-being - Prosperity Index 2020

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Adjust Pillar Weighting</th>
<th>Security</th>
<th>Health</th>
<th>Education</th>
<th>Environment</th>
<th>Prosperity</th>
<th>Stability</th>
<th>Growth</th>
<th>Well-being</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Denmark</td>
<td>+</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Norway</td>
<td>+</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>11</td>
<td>25</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Switzerland</td>
<td>+</td>
<td>1</td>
<td>12</td>
<td>7</td>
<td>9</td>
<td>15</td>
<td>3</td>
<td>11</td>
<td>1</td>
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<tr>
<td>4</td>
<td>Sweden</td>
<td>+</td>
<td>14</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>16</td>
<td>6</td>
<td>7</td>
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<tr>
<td>5</td>
<td>Finland</td>
<td>+</td>
<td>16</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>14</td>
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<tr>
<td>6</td>
<td>Netherlands</td>
<td>+</td>
<td>13</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>2</td>
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</tr>
<tr>
<td>7</td>
<td>New Zealand</td>
<td>+</td>
<td>25</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>15</td>
<td>23</td>
<td>24</td>
</tr>
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<td>8</td>
<td>Germany</td>
<td>+</td>
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<td>17</td>
<td>5</td>
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</tr>
<tr>
<td>9</td>
<td>Luxembourg</td>
<td>+</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>28</td>
<td>24</td>
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<td>Austria</td>
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<td>28</td>
<td>22</td>
<td>19</td>
</tr>
</tbody>
</table>
9. Well-being - World Happiness Index

World Happiness Index

GDP
Life expectancy
Generosity
Social support
Freedom
Corruption

as compared to an imaginary country DYSTOPIA
To sum up

- Many political priorities
- A lot of measuring of „new political priorities“
- KPIs in place
- More to be developed
What is your priority

—and how would you measure its progress?