

Green Budgeting in Austria

December 2023

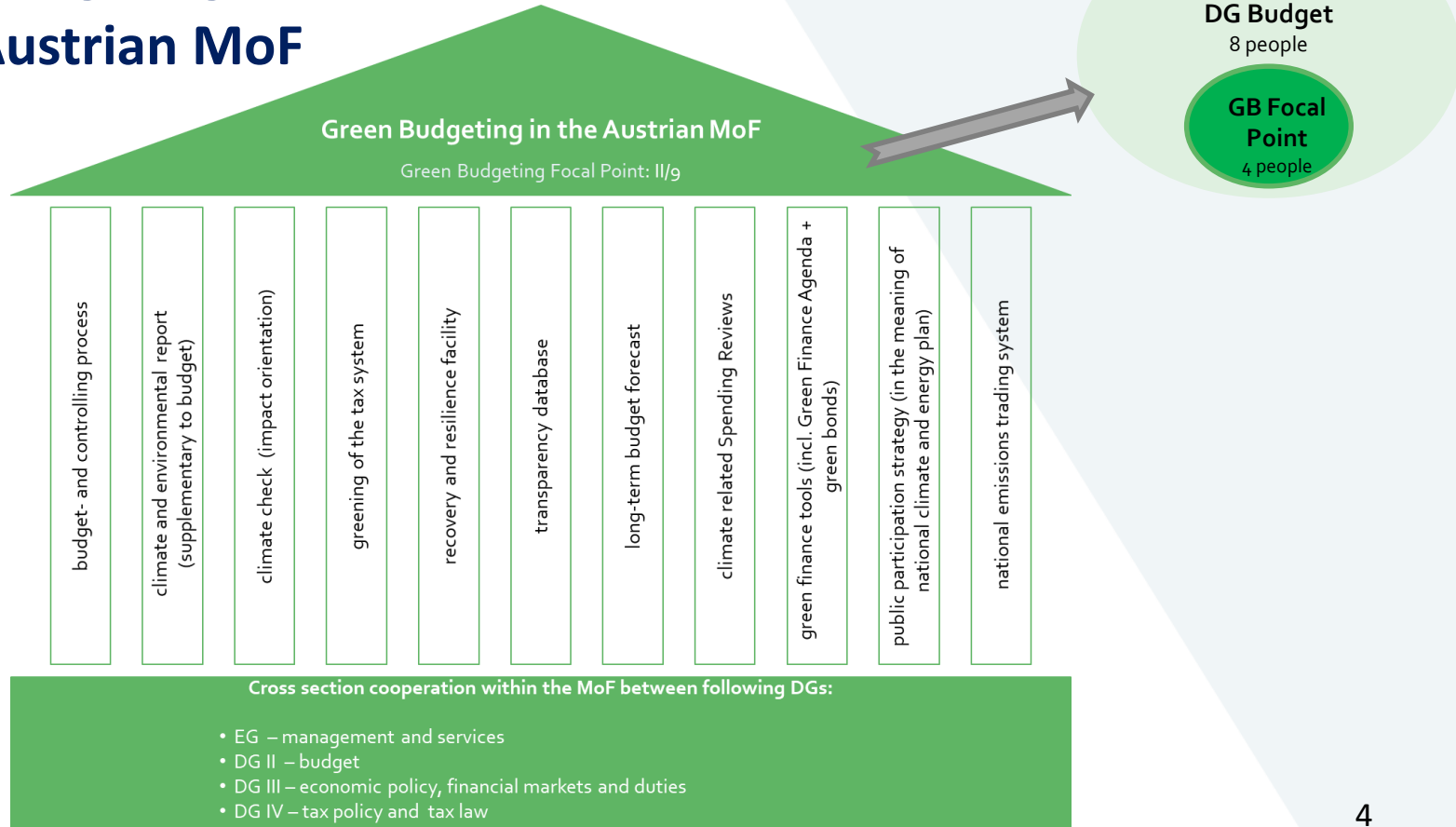
The Austrian Green Budgeting approach - Much more than just climate tagging

- Effort led by the **Federal Ministry of Finance**
- Green Budgeting analyzes and entails all climate and environment related government activities
- Green Budgeting related instruments include i.a.
 - climate tagging, impact assessments, Green Bonds, Green Finance Agenda, Macro-economic modelling of GHG policy effects and much more

Austrian Green Budgeting approach - A set of clear principles

- **„Whole of government approach“**
 - All federal measures/financial flows; no matter how they are organised/structured
- **„Systemic approach“**
 - Expenditures, revenues (e.g. taxes), and legislation: crucial to identifying a cost-effective way towards climate neutrality
- **„Step-wise approach“**
 - GB methodology as a learning system, deep-dives with ministries, increasing level of sophistication

Green Budgeting in the Austrian MoF



Green Budgeting in AT

2022

September

October

First Green Budgeting analysis of federal budget

(Spending Review module 1)

Reporting of the Green Budgeting tagging

-> Score +2
(as supplementary report to the budget)

2023

May

September

October

Green Budgeting deep dive
(innovation and research)

Green Budgeting analysis of the regions
(Spending Review module 2)

GB-analysis of new budget lines of the federal budget
(as part of the budget preparation work)

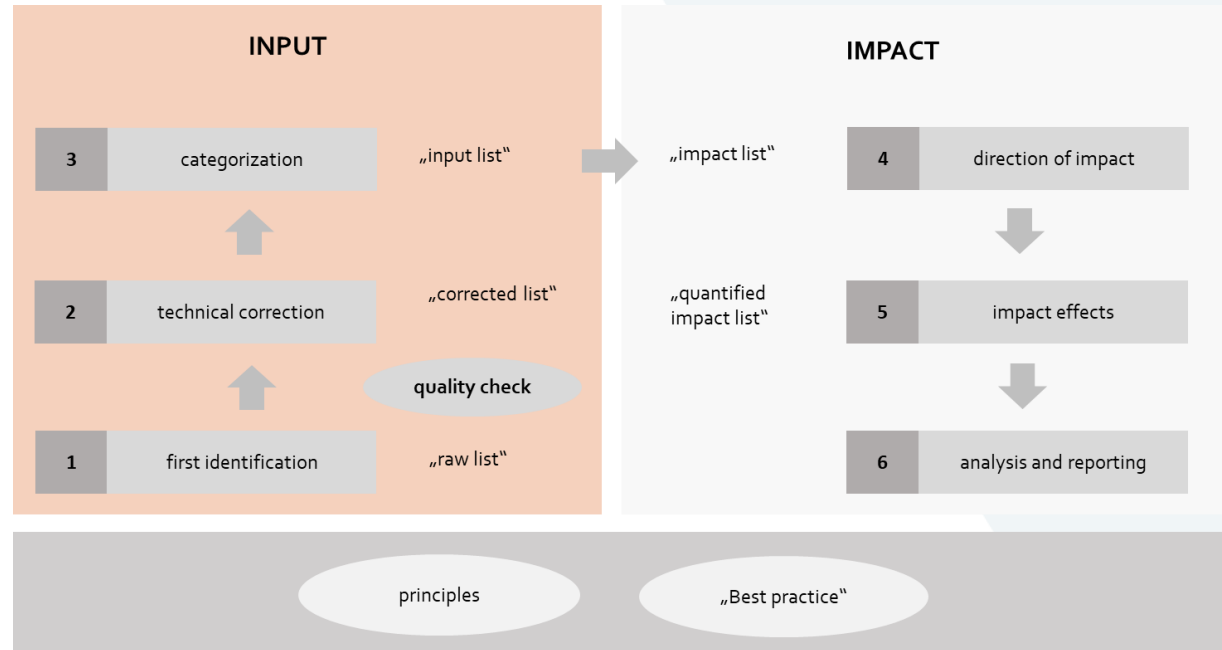
Reporting of the Green Budgeting tagging
Score +2/+1 and counter-productive measures
(as supplementary report to the budget)

GB methodology developed and applied to the federal budget

- Analysis base = budget line = smallest common denominator
- Approx. 40,000 budget lines of the entire federal budget analysed
- A consistent Green Budgeting methodology using an Input/Output approach
 - First establishing, which budget lines are relevant
 - Then estimating their approximate impact – so far using qualitative means, in the future quantitative

Austria Green Budgeting methodology – from Input to Impact

- Based on OECD and EU Green Budgeting frameworks
- The Green Budgeting methodology consists of **6 steps** with an **input/impact approach**



Impact of each budget line is scored using a scorecard

Step 4 of the GB methodology

Assessment of the
direction of impact using
the **Green Budgeting**
scorecard

score	description
- 2	intended counter-productivity
- 1	counter-productivity as a side effect
0	no effect
1	productivity as a side effect
2	intended productivity
99	effect unclear

Impact effects: Impact assessment and impact indicators - Step 5 of the GB methodology

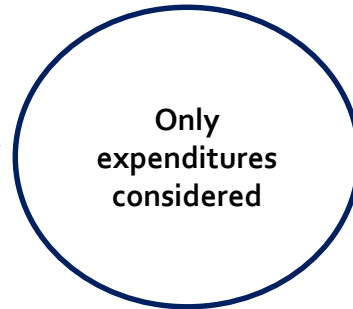
- **Goal:** Simple and transparent GHG Impact Calculations for as many measures/budget lines as possible
- **Successful pilot project:** Reporting impact indicators to the Transparency Database
- Intensive work in the MoF together with academia to standardise impact reporting using GHG multipliers

Alignment of Green Budgeting and Green Bond Processes

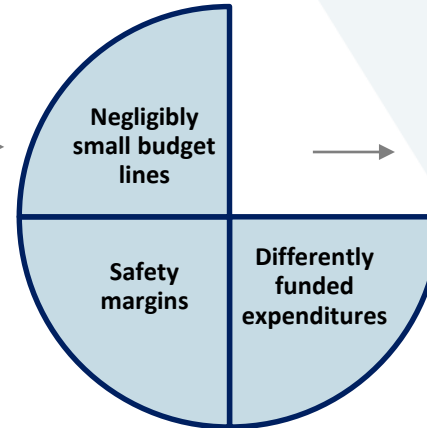
1. Green Budgeting Scorecard

score	description
- 2	intended counter-productivity
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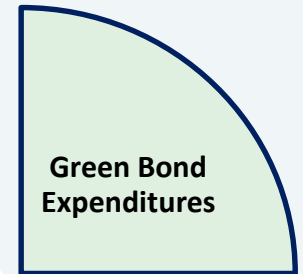
2. Revenues vs. Expenditures



3. Deductions & Adaptations



4. Eligible Green Bond Expenditures



Green Budgeting at subnational level

- MoF efforts this year

Spending Review - focus
on regions

i.a. **Green Budgeting
recommendations for
subnational level**

Green Budgeting
initial analysis of the
regions (by MoF)

There are still some challenges...

- **Institutional** challenges
 - Further convincing of all line ministries/departments of the necessity of Green Budgeting

- **Content-related and methodological** challenges
 - Complete integration of Green Budgeting into the budgetary process
 - Further impact measuring

Next steps

- **Further process for improvements to the Green Budgeting methodology**
 - Deep dives into further budget chapters
 - Pilot projects with the regions
- **Further Green Spending Reviews**
 - Module 3-5
- **Impact assessment**
 - Major MoF project to estimate the GHG impact (greenhouse gas effects)
- **Green Budgeting methodology for Green Bonds**
 - Using the Green Budgeting methodology for future Green Bonds
- **Do no significant harm**
 - Further development of the DNSH approach in AT and link to the GB methodology

Climate policy at the MoF Website

Themen > Klimapolitik

- Steuern
- Bergbau
- Beteiligungen
- Betrugsbekämpfung
- Budget
- Corona-Hilfsmassnahmen
- Digitalisierung
- Finanzmarkt
- Glücksspiel & Spielerschutz
- Telekommunikation & Post
- Wirtschaftspolitik
- Zoll
- Klimapolitik**
- Emissionshandel
- Green Budgeting
- Steuerliche Aspekte bei Photovoltaikanlagen von Privatpersonen
- Sicherheit & Technologie




Klimapolitik

Der zunehmend spürbare Klimawandel stellt unsere Gesellschaft vor große Herausforderungen. Auf Ebene der Europäischen Union (EU) als auch auf nationaler Ebene wurden daher Klimaschutzziele gesetzt, um die Klimaerwärmung einzudämmen. Im Zentrum steht dabei das Ziel der Europäischen Union, ihre Nettoemissionen bis 2030 um mindestens 55 Prozent gegenüber 1990 zu verringern und bis 2050 der erste klimaneutrale Kontinent zu werden.

Die Klimapolitik ist somit ein wesentlicher Schwerpunkt für die Arbeit des Finanzministeriums. Mithilfe von zahlreichen klimapolitischen Maßnahmen und Projekten leistet das BMF einen entscheidenden Beitrag zur Erreichung von Österreichs Klimazielen.

So nimmt das BMF seine Verantwortung für die Umwelt und für künftige Generationen wahr. Klimaschutz und Standortattraktivität sollen dabei keinen Widerspruch bilden. Auch das Potential im Bereich der Green Jobs ist enorm und soll gezielt gefördert werden. Der Einsatz innovativer und emissionsarmer Technologien soll für Unternehmen ebenfalls attraktiver werden.

Die Klimakrise verlangt erfolgversprechende Maßnahmen, eine durchdachte Finanzierung und effizientes Handeln.



Emissionshandel
Instrumente zur Senkung von klimaschädlichen Treibhausgasen

Green Budgeting
Erfassung und Analyse der Klima- und umweltspezifischen Auswirkungen aller budget-, ordnungs- und steuerpolitischen Maßnahmen und Prozesse

Steuerliche Aspekte bei Photovoltaikanlagen von Privatpersonen

Thank you for your attention!

Austrian Ministry of Finance
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<https://www.bmf.gv.at/themen/klimapolitik.html>