

Eligible green expenditures

Which expenditures are included?

The Danish sovereign green bonds are earmarked to allocate green expenditures that contribute the transition to a green economy through transportation and production of renewable energy, see *table 1*. Within a given year, the issuances of Danish sovereign green bonds can finance green expenditures from the current year as well as refinance green expenditures from the previous year. These expenditures comply with the selection criteria stated in *Kingdom of Denmark Green Bond Framework*. Thus, the revenue generated from the Danish sovereign green bond issuance in 2022 can be used to finance eligible green expenditures in 2021 and 2022.

The eligible green expenditures entail accounts on the budget act and two additional tax expenditures that are calculated separately from the budget act, see *table 1*. The realized expenditure amounts will be presented in an *Allocation Report* when the yearly report and the national financial annual report is published. The report will also present the finalised estimates for the two tax expenditures.

Numbers for the eligible green expenditures in 2022 awaits the governmental approval of the budget act for 2022.

Authority	Appropriation account ¹	Eligible expenditure amount (m DKK)	
		2021 (Budget Act)	2022
Danish Ministry of Climate, Energy and Utilities			
Subsidies for renewable energy (PV systems and other small WE systems)	29.25.12.15	279,6	TBA
Disbursements for PSO-subsidies (Offshore wind)	29.25.14.20.33	2.741,5	TBA
Disbursements for PSO-subsidies (Onshore wind)	29.25.14.20.33	803,7	TBA
Subsidies for renewable energy (Household wind systems)	29.25.12.25	75,9	TBA
Danish Ministry of Taxation			
Taxation of electricity (Exemption for own consumption of electricity from solar energy)	38.22.01.20*	325,0	TBA
Registration tax (Reduced registration tax for low-emission and zero-emission vehicles)	38.23.03.10*	1.751,4	TBA
Ministry of Transport			
Rail infrastructure investment projects	28.63.08	2.718,4	TBA
Banedanmark – Rail infrastructure renovation and maintenance	28.63.05.10.22	1.448,8	TBA
Banedanmark – Rail infrastructure renovation and maintenance	28.63.05.10.51	1.136,2	TBA
Banedanmark – Rail infrastructure renovation and maintenance	28.63.05.20.51	61,9	TBA
Banedanmark – Rail infrastructure operation	28.63.04	394,2	TBA
Total		11.736,6	TBA

Note: *The two expenditures are calculated separately from the budget act and are based on estimates from the Ministry of Taxation.

Kilde: Kingdom of Denmark Green Bond Framework (2021).

The list of eligible green expenditures that are included in the Danish sovereign green bond program will be under review annually. New green expenditures can be added to the list as long as they comply with the criteria in the *Kingdom of Denmark Green Bond Framework*.

¹ Links to the respective appropriation accounts in the budget act for 2021. Budget acts and the national financial annual report for other years can be found here: <https://oes.dk/oekonomi/offentlige-regnskaber/statsregnskabet/>