DOI: 10.2478/ie-2024-0010

sciendo

Intereconomics, 2024, 59(1), 48-54

JEL: Q56, H23, H61

Fabio Botta, Christian Bender, Thomas Lenk and Mario Hesse

Budgetary Framework Reform in Green Transition in the EU and Germany

The proposal to amend Council Directive 2011/85/EU on the EU budgetary framework may result in changes in the role of environmental sustainability and explicitly the role of green budgeting in decision-making processes. While this topic is still in its infancy in Germany compared to other EU countries, there are some examples that show how green budgeting elements can be integrated in present budget procedures. The few German initiatives at the municipal level refer to very broad sustainability goals, rarely take comprehensive account of ecological impacts and are only extended to parts of the budget on a pilot basis: a genuine green budgeting concept has not been developed. With the focus on green budgeting, the EU is starting to push the climate policy agenda further. However, all international green budgeting practices show that it takes a considerable amount of time to implement a mature approach. Accordingly, time and effort will be needed for member states to adapt, conceptualise and expand approaches in the future.

The European Commission's initiative for a fundamental change in European governance laid the groundwork for a reform that began in the wake of the COVID-19 pandemic. After a public participation process initiated by the Commission and the publication of a subsequent communication in 2022, legislative proposals were published in April 2023 (European Commission, 2023c). The Council formally agreed on the proposed reform in December 2023, resulting in an adapted proposal (Council of the European Union, 2023). The reform proposals on fiscal rules (European Commission 2023a; 2023b) received considerable media and academic interest (Gauret, 2023), while the reform proposals on the EU budgetary framework of Council Directive 2011/85/EU (European Commission, 2023c) drew less attention.

Open Access funding provided by ZBW – Leibniz Information Centre for Economics.

Fabio Botta, University of Leipzig, Germany.

Christian Bender, University of Leipzig, Germany.

Thomas Lenk, University of Leipzig, Germany; and Independent Advisory Board of the Stability Council, Germany.

Mario Hesse, University of Leipzig, Germany.

Substantial changes that could result from this Commission's proposal concern Independent Fiscal Institutions (IFIs), as the authors have recently commented in this journal (Bender et al., 2023). The present article discusses another important side element related to the nature and structure of governance in the EU: the changes concerning the role of (environmental) sustainability issues in the budgetary framework and explicitly the suggestions on the role of green budgeting in the budgetary decision-making processes in the EU and its member states. The proposed changes aiming at incorporating aspects of sustainability into the budgeting process – summarised under the term "green budgeting" in the following – may affect the way budgetary and fiscal policies are designed, monitored and evaluated in the future.

The Organisation for Economic Co-operation and Development (OECD) and the European Commission, among others, are gradually subsuming budgetary resources and climate policy or environmental protection under the term green budgeting and have cast it into an initial definitional framework: green budgeting examines the positive, neutral and negative effects of all budgetary, regulatory and tax policy measures and processes in the public sector. Both financial aspects (input assessment) and assessments of the results dimension (impact assessment) can

Table 1
EU budgetary framework: European Commission's proposal to amend Council Directive 2011/85/EU

	Implementation and reporting	Data reporting demands on budget planning	Governance and implementation in the budget process
Proposal of the Commission	IFIs/medium-term budgetary frameworks: proposed Article 9(2) points (c) and (d)	• Data and descriptive information on expenditure, tax expenditure and revenue items • Evaluation of the budget in terms of favourable and unfavourable green priorities	• Becomes relevant upon adoption of the proposal • Authors' recommendation is to use the established EU institutions and coordination mechanisms, e.g. incorporation in the European Semester
Implementation status in the EU	• No legal obligations at the EU level • Reports are usually prepared on the basis of budget laws • Mostly reporting in annual budget plans, sometimes in execution reports or multi-annual budget plans • Tagging is usually conducted with a set of environmental objectives (e.g. EU Taxonomy)	• Partly issuance of sovereign green/ sustainable bonds • Coverage of the public sector is mostly limited to the central government	• Usually central budget authority is leading the process, closely involving relevant ministries • Information is often provided to the parliament along with the budget documents • Structured dialogue with civil society bodies, independent climate councils, etc.
Implementation status in Germany	• No (legal) anchors for green budgeting • Only target formulations in the coalition agreement at the federal level • Recommendations for a legal anchoring, e.g. in the Federal Budget Code (BHO)	• No genuine green budgeting concept at the federal or state level • Only reports that are related to the topic (e.g., spending reviews, reports on environmentally harmful subsidies) • Pilot initiatives at subnational level	Central players at the federal level (e.g. in the Spending Review) currently appear to be: • Ministry of Finance • Ministry of the Environment • Ministry of Economic Affairs

Sources: Authors' own illustration; for the EU, see European Commission (2023d) and Botta et al. (2023); for Germany, see Bär et al. (2023) and Bär and Bitomsky (2022).

be examined (Battersby et al., 2021; OECD, 2022). Green budgeting can include both *ex post* evaluations and *ex ante* impact assessments. The core instrument of the assessment is usually green budget tagging, a method used for classifying budget items according to their environmental impact and thus directly linking the financial and environmental effects of public services on a rather input-oriented basis (Larch, 2023).

In a higher stage of development, green budgeting is a form of output-oriented or priority-based budgeting that aims to align fiscal and budgetary policies with environmental goals, especially climate goals (Bova, 2021). It aims to provide policymakers and planners with a clear and systematic understanding of the environmental or climate impacts of budgetary decisions, which enables them to prioritise effective measures to achieve environmental policy goals. Therefore, it forms a cornerstone for the systematic and fundamental incorporation of environmental costs, risks and impact assessments into the field of public finance.

This article first clusters the ideas of the proposal to link public finances with climate and environment, then briefly discusses the current role of green budgeting in the EU and subsequently reviews the current state of affairs in Germany. Finally, the article assesses the possible impacts of the proposal on the national budgets and on EU governance in general.

Clustering the proposal's important side element

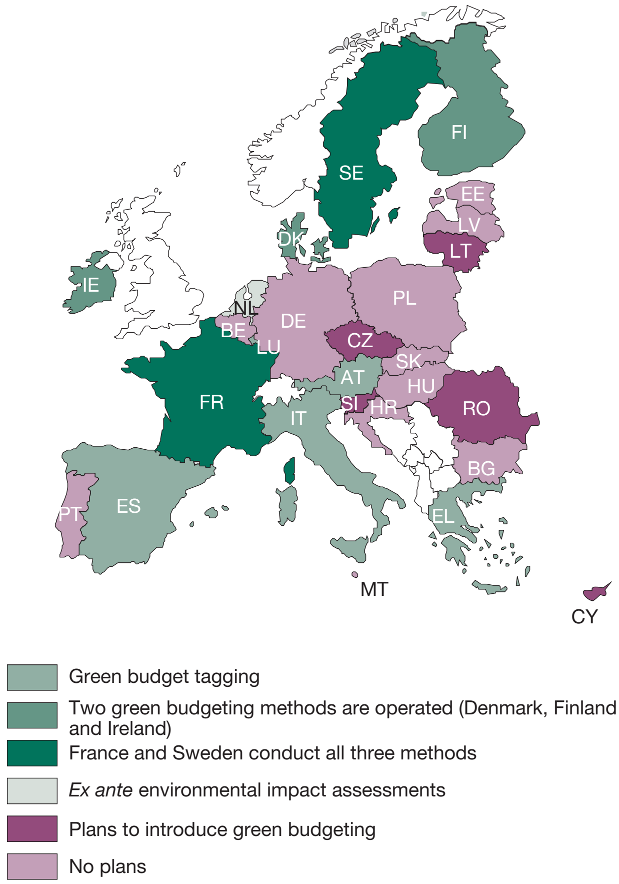
The latest version of the proposal (Council of the European Union, 2023) refers, among other things, to the Commission's communication on the European Green Deal (European Commission, 2019), which calls for "a greater use of green budgeting tools ... to redirect public investment, consumption and taxation to green priorities and away from harmful subsidies". It cites as an impetus the Commission's communication on the new EU strategy on adaptation to climate change (European Commission, 2021), which points to "the macro-fiscal relevance of climate change and highlighted the need to increase Union's resilience to the impacts of climate change" (Council of the European Union, 2023). The proposal also emphasises that budgetary planning should focus more on "macrofiscal risks from climate change, including its environmental and distributional impacts" (Council of the European Union, 2023). It emphasises that one key of national strategies to address the risk arising from climate change is to understand the channels through which climate-related shocks affect public finances.

Specific proposals on sustainable growth and finance as well as green budgeting are made in Article 9. Member states are required to establish a national medium-term budgetary framework "with an impact on general government finances and sustainable and inclusive growth, broken down by major revenue and expenditure item" (European Commission, 2023c, 17). The frameworks shall include an assessment of how the envisaged policies will affect the sustainability of the public finances and sustainable and inclusive growth, taking into account the macrofiscal risks from climate change and its impacts.

Table 1 provides a brief analysis of the proposal and the state of implementation in the EU on green budgeting, with a special focus on Germany. It clusters data reporting requirements by (legal) implementation as well as the governance and the implementation in the budget processes – and thus provides an overview of the content of the subsequent sections.

It is worth noting that the original Council Directive 2011/85/EU did not contain any mention of (environmental) sustainability and climate. Apparently, the political environment has changed since the directive was adopted in 2011, which the Commission itself explains with the decisions and strategies described above (European Commission, 2019, 2021). The reasons given in the proposal for amending the directive are, in particular, the advantages of green budgeting and the assessment the obligations and risks for public finances resulting from natural disasters and climate-related events. The proposal explicitly argues that "Green budgeting tools can help redirect public revenue and expenditure to green priorities" (Council of the European Union, 2023). Before discussing the implications of this proposal, we turn to the current state of green budgeting in Europe.

Figure 1
Green budgeting practices in the EU



Source: European Commission (2023d); authors' illustration.

A new budgetary instrument for the EU

Due to the growing need for financial efficiency, combined with the increasing pressure to act quickly in the face of worsening climate and biodiversity crises, the concept of green budgeting is gaining importance within the EU: prominent and more advanced examples are Austria, Denmark, France, Ireland, Italy, Sweden as well as the EU budget itself (Bär et al, 2022; OECE et al., 2021; OECD, 2022). In addition to the central government approaches, there are numerous subnational approaches, e.g. in Sardinia (Italy), Andalusia and Catalonia (Spain), and Brittany, Grand Est and Occitania (France) (OECD, 2022). Some cases include social security (e.g. Spain and France) or state-owned enterprises (France) (European Commission, 2023d). While some approaches focus more on climate-related budget titles, only on expenditures, or only on environmentally positive budgets, others go well beyond this scope.

Almost two-thirds of member states have introduced or plan to introduce green budgeting approaches (Figure 1).

Twelve EU countries are practicing green budgeting, and five are planning to introduce such practices in the future. Ten countries use tagging as a method, six conduct *ex ante* environmental impact assessments and three carry out *ex post* environmental evaluations. In particular, France and Sweden stand out for practicing all three methods. Denmark also applies both, *ex ante* environmental impact assessments and *ex post* environmental assessments, Finland and Ireland operate through tagging and *ex ante* environmental impact assessments. Germany, Belgium, Portugal and most of the Eastern European countries are lagging behind.

In principle, the data reporting requirements for budget planning vary greatly among the EU countries. Most countries provide information in their annual budgets, while France, Ireland, Italy and the Netherlands do so in their budget implementation reports, and Finland, Ireland, Italy and Luxembourg in their multi-annual plans. Austria, France and Italy publish detailed statements on green budgeting separately from the budget. In addition, Austria, Greece, Finland, France, Ireland and Sweden capture the negative impact of budget items. The analysis of expenditure measures is the most common practice whereas Ireland and Finland are also tagging revenue measures. Furthermore, Austria, Spain, France and Italy have implemented a scaled approach to tagging.

There is also a great variety in terms of governance and implementation in the budget process. In Austria, Spain, France and Portugal, a working group develops and coordinates the process, while supervision is shared with the central budget authority or is integrated within the Ministry of finance. In Denmark and Sweden, the Ministry of the Environment prepares annual evaluation reports in cooperation with relevant agencies (e.g. energy or environmental protection agency) and in Denmark, the Minister for Climate must present parliament with a report on the effects of the government climate policy and answer any questions at an interpellation debate in the parliament. Denmark, Greece, France, Ireland, Luxembourg, Portugal and Sweden, in particular, revise their methodology regularly (European Commission, 2023d).

The French approach is one of the most sophisticated in terms of methodology and content, showing a wide range of results and is also considered an international showcase (Bär et al., 2022). And there are numerous subnational green budgeting initiatives in France, with different regions and municipalities using a methodology based on that used at the national level (OECD, 2022). The French model was initially proposed in 2017 as part of the OECD Paris Collaborative on Green Budgeting, further developed in 2019 by a French interministerial working group and first applied in 2020 for the 2021 budget. In the French model, the government submits the green budgeting report to Parliament as an annex to the Finance Act (Gouvernement de la République française, 2022). Involved institutions are in particular a Sustainable Development Commission, the Ministry for Ecological and Inclusive Transition and the Ministry for the Economy, Finance and the Recovery. The example of France also shows that the EU taxonomy can serve as an orientation and a set of rules for sustainable budgets. In the French system, the budget is assessed by means of six categories for sustainable finances, also defined in the EU taxonomy (climate change mitigation, adaption, water, waste, pollution and biodiversity).

Fundamentally, the impacts of climate change create new challenges for fiscal policy and, correspondingly, for IFIs. In particular, the number of climate advisory bodies in the EU is increasing and, at the same time, many IFIs may be tasked with simulating basic macroeconomic and budgetary impacts of climate change. The reform proposal includes an expansion of the mandatory tasks of IFIs (Bender et al., 2023), which is why one of the main questions for the future is whether the respective IFIs are prepared for their new responsibilities – also in the context of climate policy and green budgeting. In practice, there are already some promising approaches: IFIs in six member states are assessing environmental and climate transition measures as part of cost evaluations. Some IFIs stand out so far. For example, in the Netherlands, the IFI is completing a model-based assessment of the Dutch Climate Agreement, and in Sweden, views on the interaction between climate change and the domestic regulatory framework are summarised in a report (Larch, 2023).

There is still potential for expansion in green budgeting concepts. For example, no comprehensive *ex post* evaluation of green budgeting approaches has yet been completed. Currently, only Austria reports that it is developing such an instrument. However, there are early indications of positive impacts from green budgeting, e.g. in Austria, Denmark, Greece, Ireland, Luxembourg, Spain and Sweden. These impacts are probably mainly due to the fact that sustainability considerations are becoming more prominent in budget planning and deliberations. And in some cases, impact assessments have to be conducted. As a result, policymakers are becoming more aware of the environmental impacts of budget measures. Commission surveys show that EU member states would generally welcome support from the Commission to further develop their green budgeting approaches (European Commission, 2022b; 2023d). In addition to ongoing support, some member states would like to be further supported by the Commission in a number of areas: in evaluating the (national) approach to green budgeting, its effectiveness and impact; in establishing a permanent help desk for green budgeting at EU level; and in extending training to more officials. The country-specific technical assistance already taking place has been generally well received, and some countries may wish to further deepen this cooperation.

Generally, it is advisable to use the established EU institutions and their coordination mechanisms, like the European Semester, which since 2011 has been a cycle of macroeconomic, budgetary and structural policy coordination supporting the implementation of agreed common priorities. It provides a common timetable for EU policy governance, including the publication of country-specific recommendations by the European Commission, which may well have the potential to incentivise structural reforms towards the implementation of green budgeting tools. Thus, the European Semester could act as a hinge between member states and the EU to exchange, pool, and process information on green budgeting progress (Green Budget Europe, 2023).

The state of green budgeting in Germany

Germany is far behind in green budgeting practices (European Commission, 2022b; 2023d). First pilot projects on green budgeting have been initiated – especially under the label of sustainability budgeting and at the municipal level. The state level is not yet intensively involved, acting merely as an advisory institution for the municipalities (e.g. Keilmann and Gnädinger, 2022; Arbeitsgruppe Produktbuch, 2023; Keilmann et al., 2023).

The city of Freiburg im Breisgau was the first municipality to link its sustainability target system to the city budget (Schuster et al., 2021). Other German municipalities have gradually followed this example, with concepts initially being tested and implemented primarily on a pilot basis (Botta et al., 2023). Despite many commitments to a greater coherence between environmental policy goals and budgetary policy, the status quo still shows great inconsistencies between these two policy areas (Bär et al., 2023; OECD, 2023). At the federal level, apart from a few initial approaches that show some connection to the topic, there is no considerable green budgeting concept (see e.g. BMF, 2017, 2021, 2022; Burger and Bretschneider, 2021; Federal Court of Audit, 2022).[1] However, these are rather cursory reports on individual topics; a genuine green budgeting concept has not been developed.

On the one hand, public finances in Germany show high levels of environmentally friendly expenditure in departmental plans (Bär et al., 2023; Destatis, 2023). On the other, there are extensive environmentally harmful subsidies, which is why a green budgeting approach with a systematic analysis of the revenue and expenditure side would contribute to a stronger impact orientation in this mixed burden (Bär and Bitomsky, 2022, 29). The current agreement at the federal level has committed to a stronger target- and impact-oriented budget management and to the reduction of redundant, ineffective and environmentally damaging subsidies and expenditures (SPD, Bündnis 90/Die Grünen and FDP, 2021). In addition, the Federal Court of Auditors explicitly recommends the development of a "climate tracking" (Bundesrechnungshof, 2022), comparable to existing tagging approaches, in order to classify budget items according to their climate impacts (Bär and Bitomsky, 2022). Nevertheless, there are no binding (legal) anchors for green budgeting yet.

1 A scientific project is currently supervising a possible approach to green budgeting, with a project duration from 2022 to 2025 (FU Berlin, 2022; FiFo, 2022).

At present, there are very few approaches being pursued that are comparable with international green budgeting approaches, especially in terms of methodological maturity. In addition to a broad landscape of sustainability concepts, target descriptions and voluntary commitments (some with statutory status), a close link to the public budget has only been established in isolated cases (Botta et al., 2023). The main approach is to use sustainability budgeting, referring to rather broad sustainability goals and only rarely taking ecological impacts into account comprehensively. In most cases, budgeted amounts for specific municipal products are indicated, especially those with which a positive sustainability impact is associated. Meanwhile, consideration of the negative impacts of either municipal expenditures (energy consumption, construction activity, procurement, etc.) or the revenue side are still very limited. Trade-offs due to environmentally harmful financial flows are also hardly taken into account, whereby just the intent to be "environmentally friendly" is often considered sufficient to classify a financial flow as such (Bär and Bitomsky, 2022). In addition, various initiatives on impact-oriented budgeting, e.g. gender budgeting,[2] are also related to (environmental) sustainability budgeting.

In the German use cases of green budgeting, only selective aspects and a few key budget products are linked to sustainability targets and key performance indicators (Botta et al., 2023). Overall, the existing approaches in Germany fall short of a systemic inclusion of the climate impact of budgets (Bär and Bitomsky, 2022). An integrated approach that encompasses all areas of the budget, all levels of the federal system and captures climate effectiveness according to a comparable scheme is still largely open. German budget planning – which is primarily input-oriented – shows a rather low impact or outcome orientation at all federal levels in an international comparison. And one of the main reasons why there still is no uniform green budgeting strategy in Germany is the lack of a methodological and conceptual basis (OECD, 2021). Experiences from budgeting considering broader sustainability aspects also show that estimating the impact of expenditures is fraught with greater methodological difficulties (Martens, 2017; Mulholland and Berger, 2019). In general, the extent to which the ecological impacts of budget systems have so far been considered, and the methods used to do so, vary greatly from one local administration to another. Due to the methodological diversity, it can be assumed that a standardisation of one green budgeting

2 Gender budgeting describes the application of gender mainstreaming in the budget process and involves a gender analysis of budgets that integrates a gender equality perspective in the budget process and redistributes revenues and expenditures to promote gender equality (Council of Europe, 2005).

concept would be beneficial in the medium term for successful nationwide scaling.

Concluding assessment on green budgeting

The implementation of green budgeting comprises a long and complex path. While international comparisons are difficult due to different governmental and administrative structures, all best practices (including the domestic ones) show that a mature green budgeting approach takes years to implement. In addition, there is an evident need for continual adaptation and expansion of concepts, as well as a range of stakeholders and institutions involved.

The Commission's proposal to amend Council Directive 2011/85/EU represents a milestone for the reform of European governance, not only in general or for IFIs (Bender et al., 2023), but also for approaches to climate and environmental public finance. With the focus on green budgeting, it is clear that the Commission is starting to further advance the climate policy agenda. Simultaneously, the implementation of the proposal might lead to an increase in administrative capacity and could be accompanied by a rapid expansion and strengthening of the governance system. This must always be seen against the background of the national implementation strategy. Keeping that in mind, the proposal could demonstrate how effective governance can help to foster good governance in the sense of enhanced political advisory work.

However, some provisions of the proposed regulation remain subject to special and therefore national interpretation. While proposals may be well intentioned, their implementation depends on factors to be negotiated at the national level (Bender et al., 2023). Consequently, even if adopted, it will not automatically provide the resources needed to develop a fully comprehensive green budgeting toolkit for member states. Although the proposal remains relatively vague in terms of concrete implementation measures, it could bring momentum to the green budgeting implementation processes. In order to align resources, political commitment and a framework for green budgeting adapted to the national context are needed.

In Germany, a more legally binding European anchoring of green budgeting initiatives will probably push this process in the political agenda. Policymakers would likely have to act quickly if the proposal was adopted, in order to create Germany's own legal and institutional foundations. However, green budgeting also requires considerable resources (e.g. personnel, know-how) and a substantial monitoring effort. As the implementation of green budgeting in Germany is not very advanced, the adoption of the proposal could also mean that all levels of government would have to invest in their own administrative infrastructure. This raises the fundamental question of whether green budgeting should be initiated top-down, from the EU level down to the member states, or rather bottom-up, from the member states – or even at subnational levels. This questions may be answered differently in the various member states.

Green budgeting concepts require political settings that are aware of their importance and explicitly provide appropriate resources. This would be equally supportable from a policy perspective, as a detailed and comprehensive analysis of impact-oriented budgeting and taxation must also be in the interest of policymakers themselves. Green budgeting generates considerable data in the public sector and thus supports better informed policy decisions. With green budgeting at different levels of government, regionalised policy decisions on climate could also be made, which could have a positive impact on, e.g. planning law, building permits or facility management. Better informed policy decisions would in particular aim at a better estimation of the costs and benefits of specific measures. Sectoral targets can be underpinned by sub-targets, the data basis of which can also be determined using fiscal policy indicators. This can be further enhanced if the data collection process can be integrated into the European Semester. A standardised European database on green budgeting could be helpful in assessing national efforts to implement eco-friendly policies with regard to fiscal policies. At the same time, however, the instrument does not solve political problems by itself: it is a (technical) instrument that is only useful if it is supported by strong political will and is part of a system of budget decisions and other planning instruments – a tool to accompany change, but not a panacea to achieve it (Postic, 2021; Bär and Bitomsky, 2022).

Despite numerous examples of practical application, green budgeting – in the form of a systematic consideration of the environmental impacts of public revenues and expenditures – is still a relatively new concept in both the international and the European frameworks, with core questions still being answered in different ways. In principle, legislative initiatives such as the proposal to amend Council Directive 2011/85/EU can provide a breath of fresh air for the expansion and establishment of approaches throughout Europe.

References

Arbeitsgruppe Produktbuch (2023), ProduktbuchPlus, Erläuterungen zum Produktbereichsplan nach Muster 11 zu § 4 Abs. 2 GemHVO.

Bryn Battersby (IMF), Andrew Blazey (OECD), Elva Bova (EC), Margaux Lelong (OECD), Simona Pojar (EC), Carolina Rentería (IMF) and Tjeerd Tim (2021), Green Budgeting: Towards Common Principles, Organisation for Economic Co-operation and Development, European Commission and International Monetary Fund.

Bär, H., C. Fischle, A. Bitomsky and F. Peiseler (2022), Green Budgeting – internationale Ansätze zur Umweltorientierung öffentlicher Finanzen, Forum Ökologisch-Soziale Marktwirtschaft (FÖS).

Bär, H. and A. Bitomsky (2022), Green Budgeting in Deutschland: Handlungsbedarf, Anknüpfungspunkte und Erfolgskriterien, Forum Ökologisch-Soziale Marktwirtschaft (FÖS).

Bär, H., I. Lund and I. Aleksandrova (2023), Spending Review zur Verknüpfung von Nachhaltigkeitszielen mit dem Bundeshaushalt. Was kann das SDG Budgeting der Bundesregierung leisten? Analyse und Empfehlungen, Naturschutzbundes Deutschland e.V./ Forum Ökologisch-Soziale Marktwirtschaft (FÖS).

Bender, C., F. Botta and T. Lenk (2023), Changing Europe's Budgetary Framework, *Intereconomics*, 58(5), 267-273.

BMF (2017), Spending Review (Zyklus 2016/2017) zum Politikbereich „Klima/Energie" für die Vorlage beim Lenkungsausschuss, Federal Ministry of Finance.

BMF (2021), 28. Subventionsbericht des Bundes, 2019-2022, Federal Ministry of Finance.

BMF (2022), Abschlussbericht Spending Review Verknüpfung von Nachhaltigkeitszielen mit dem Bundeshaushalt 2021/2022, Federal Ministry of Finance.

Bova, E., (2021), Green Budgeting Practices in the EU: A First Review, *European Economy Discussion Paper*, 140, May.

Botta, F., K. Dziurla, M. Hesse, L. Laforet and S. Lautenschläger (2023), Nachhaltiger Haushalt Leipzig – Good Practices im Vergleich, Kompetenzzentrum Öffentliche Wirtschaft, Infrastruktur und Daseinsvorsorge e. V. (KOWID) and InfraRes GmbH.

Bundesrechnungshof (2022), Bericht nach § 99 BHO zur Steuerung des Klimaschutzes in Deutschland, 24 March.

Burger, A. and W. Bretschneider (2021), Umweltschädliche Subventionen in Deutschland, Aktualisierte Ausgabe 2021, Texte 143/2021, Umweltbundesamt.

European Commission (2019), Communication from the Commission, The European Green Deal, 640 final.

European Commission (2021), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change, 82 final.

European Commission (2022a), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Better assessing the distributional impact of Member States' policies, 494 final.

European Commission (2022b), Green Budgeting in the EU, Key insights from the 2021 Commission survey, European Commission.

European Commission (2023a), Proposal for a Regulation of the European Parliament and of the Council on the effective coordination of economic policies and multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97, 240 final, 2023/0138 (COD).

European Commission (2023b), Proposal for a Council Regulation amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure, 241 final, 2023/0137 (CNS).

European Commission (2023c), Proposal for a Council Directive amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States, 242 final, 2023/0136 (NLE).

European Commission (2023d), Green Budgeting in the EU, Key insights from the 2023 European Commission survey of green budgeting practices, European Commission.

Council of Europe (2005), Gender Budgeting – Final report of the Group of specialists on gender budgeting (EG-S-GB), Directorate General of Human Rights.

Council of the European Union (2023), Proposal for a Council Directive amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States – Agreement in principle with a view to consulting the European Parliament, 2023/0136(NLE).

Destatis (2023), Environmental Economic Accounting, Environment, Federal Statistical Office, https://www.destatis.de/EN/Themes/Society-Environment/Environment/Environmental-Economic-Accounting/_node.html (5 September 2023).

FiFo (2022), Green Budgeting, Haushaltspolitik als Instrument der Umweltlenkung, https://www.fifo-koeln.org/de/unsere-arbeit/projekte/green-budgeting (30 August 2023).

FU Berlin (2022), Green Budgeting, Haushaltspolitik als Instrument der Umweltlenkung, https://www.polsoz.fu-berlin.de/polwiss/forschung/grundlagen/ffn/forschung-alt/projekte/laufende/2022_green_budgeting/index.html (30 August 2023).

Gauret, F. (2023, 7 June), Europe's fiscal rules review – what does it mean?, *Euronews*.

Gouvernement de la République française (2022), Report on the Environmental Impact of the Central Government Budget #PLF2023, October.

Green Budget Europe (2023), EU Semester, Building smarter economies through green taxation and spending, https://green-budget.eu/our-work/eu-semester/ (5 September 2023).

Keilmann, U. and M. Gnädinger (2022), Integrierte Haushalts- und Nachhaltigkeitssteuerung, in M. Junkernheinrich, S. Korioth, T. Lenk, H. Scheller, M. Woisin and A. Ranscht-Ostwald (eds.), *Jahrbuch für öffentliche Finanzen*, 2022-2, Neue Knappheitsbedingungen, makroökonomische Unwägbarkeiten und wachsende Transformationsanforderungen, 124-141, Berliner Wissenschafts-Verlag.

Keilmann, U., M. Gnädinger and F. Volk (2023), Integrierte Haushalts- und Nachhaltigkeitssteuerung, in M. Junkernheinrich, S. Korioth, T. Lenk, H. Scheller, M. Woisin and A. Ranscht-Ostwald (eds.), *Jahrbuch für öffentliche Finanzen*, 2023-1, 353-374, Berliner Wissenschafts-Verlag.

Larch, M. (2023), Making climate policy part of the considerations within fiscal policy, Presentation held at the Network of EU Independent Fiscal Institutions' conference on 15 June 2023, The Hague.

Martens, J. (2017), Agenda 2030, Nachhaltigkeitsziele und Haushaltspolitik, Schritte für Politik und Zivilgesellschaft zu einem SDG-konformen Bundeshaushalt, *Global Policy Forum Europe*.

Mulholland, E. and G. Berger (2019), Budgeting for the SDGs in Europe: Experiences, Challenges and Needs, *ESDN Quarterly Report*, 52, ESDN Office.

OECD (2021), *Green Budgeting in OECD Countries*, OECD Publishing.

OECD (2022), *Aligning Regional and Local Budgets with Green Objectives: Subnational Green Budgeting Practices and Guidelines*, OECD Multi-level Governance Studies, OECD Publishing.

OECD (2023), *OECD Environmental Performance Reviews: Germany 2023*, OECD Publishing.

Schuster, F., M. Broll and M. Müller (2021), Nachhaltigkeitssteuerung im Konzern Kommune, *innovative Verwaltung*, 9, 30-32.

SPD, Bündnis 90/Die Grünen and FDP (2021), Mehr Fortschritt wagen, Bündnis für Freiheit, Gerechtigkeit und Nachhaltigkeit, Coalition Agreement 2021 – 2025 between the Social Democratic Party of Germany (SPD), Alliance 90/The Greens and the Free Democrats (FDP).

Sustainable Finance Advisory Committee (2021), Shifting the Trillions, A sustainable financial system for the great transformation, 31 Recommendations by the Sustainable Finance Committee to the German federal government.