



Ministero dell'Economia e delle Finanze

Ufficio Stampa

PRESS RELEASE

The Allocation and Impact Report of the 2021 BTP Green issues is now available

The “[2022 BTP Green Allocation and Impact Report](#)” of net proceeds coming from 2021 BTP *Green* issuances¹ is now published. The Report illustrates the allocation of the proceeds of the above-mentioned issuances in accordance with the criteria set out in the Framework for BTP *Green* issues (so-called [Green Bond Framework](#)) and, where already available, the positive environmental impact of the interventions made possible by the mentioned eligible expenditures. It also provides a detailed analysis of the green programmes and projects according to their characteristics (tax benefits, capital expenditures and current expenditures), their time breakdown over the 2018-2021 four-year period and their relative weight on the total amount allocated.

The amounts collected have been fully deployed for financing the six categories of expenditures included in the State budget for the 2018-2021 four-year period and considered eligible to be financed through the BTP *Green* proceeds according to the above-mentioned *Framework*: Renewable sources for electricity and heat production, Energy efficiency, Transport, Pollution prevention and control and circular economy, Protection of the environment and biological diversity and Research.

The net proceeds of the bond have been allocated into the six categories of expenditures homogeneously over the 2018–2021 time horizon, with a slight prevalence for 2018 (with 31.4% of total expenditure) and 2021 (with 29.7% of total expenditure), keeping a balance in the distribution between the various categories.

More specifically, of the total green expenditures indicated as eligible, during the 2018-2021 four-year period, the transport category constitutes the largest item (amounting to EUR 7.62 billion), accounting for 57.0% of total expenditures. A large part of this category is attributable to capital investments (railway infrastructure, electrification of railway sections, construction of new sections of the High Speed/High Capacity rail network – HS/HC), and to contributions in support of railway mobility.

¹The BTP Green maturity is 30 April 2045 and the two tranches were issued on March and October 2021 for a total nominal value of EUR 13,500 (EUR 13,265.13 million in terms of net proceeds).

The second largest category of expenditure concerns the protection of the environment and biological diversity, which accounts for 15.2% of the total envelope (around EUR 2 billion). This category primarily includes measures to protect the soil and combat hydrogeological instability, investments in water infrastructures, as well as expenditures for the construction of the Experimental Electromechanical Module (MO.S.E.) of Venice.

The energy efficiency category accounted for 12.2% (EUR 1.63 billion). A weight of 9.4% of the total expenditure (equal to EUR 1.25 billion) was given to the research category and the National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA) represents the largest beneficiary in this expenditure category. Finally, pollution prevention and control and circular economy measures and incentives to produce energy from renewable sources make up, respectively, for 3.9% (equal to EUR 525 million) and 2.2% (equal to EUR 296 million) of the total.

The process of selecting eligible expenditures started with an analysis of the State budget aimed at identifying expenditure chapters whose headings suggested the possibility of positive environmental effects. The chapters were the base for the interaction between the Department of the Treasury and the representatives of the Ministries that make up the Interministerial Committee for the Green bonds: Italian Ministry of Ecological Transition, Italian Ministry of Economy and Finance, Italian Ministry of Sustainable Infrastructure and Mobility, Italian Ministry of Economic Development, Italian Ministry of Agriculture and Forestry, Italian Ministry of University and Research and the Italian Ministry of Culture. Their representatives were asked to verify compliance with the environmental objectives pursued, the absence of direct funding channels on the same chapters, the ability of the administration to timely monitor the path of expenditure and the effective use of the sums for the purposes intended. In order to draft the present Report, for the selected expenditures all the information was collected with respect to their effects and, where measurable, their environmental impact. In particular, the budget chapters or the part of them that, following discussions with the competent Ministries, are financed with other sources of funding (for example the resources coming from the Recovery and Resilience Facility) have been excluded. Furthermore, budget chapters with potential hurdles in monitoring and reporting were, in whole or in part, excluded.

This document provides, where already available, the positive environmental impact actually observed – or in any case evaluable according to scientific criteria – of the interventions made possible by the expenditures considered here.

Among the categories that are better suited for an environmental impact analysis of the expenditures, tax benefits (so-called tax expenditures) for the production of electric energy and heat from renewable sources can be mentioned. In these cases, the Report utilizes as indicator the reduction expressed in tons of CO₂ emissions determined by the electricity produced by renewable sources-based plants, with available power greater than 20 kW, benefitting from the tax exemption for the use by self-production companies in premises and places other than homes. The CO₂ emissions tons avoided were for 2018, 2019 and 2020 respectively equal to 2,439,839, 4,557,733 and 1,947,698. With respect to the incentives for improving the energy efficiency of buildings in their various categories (Condominiums, Global upgrading, replacement of windows or solar panels) this measure helped to avoid tons of CO₂ emissions only in 2018 of over 283,000.

As far as investment expenses are concerned, a significant impact evaluation is shown in the Report for the transport category: for instance, with regards to the contributions to the FS (the National Railways Company) for plants and infrastructures, the HS/HC network has allowed in many cases for a significant reduction in travel times, producing a modal shift from other forms of transport (e.g. road and air) with tangible benefits for the environment, associated to the reduction of CO2 emitted into the atmosphere. Examples cited in the Report are: the Genoa and Terzo Valico dei Giovi junction project, which allows for the transfer of an important share of traffic from road to rail (in line with European objectives), and the works related to the HS/ HC Naples-Bari railway section or the Brescia -Verona one of the HS/HC Milan-Venice line, with their positive effects on air and noise pollution (emissions at local level) and on climate change (through the reduction of greenhouse gas emissions).

Finally, a further significant deployment of green bond funds has been carried out for Marine Protected Areas, National Parks and State Natural Reserves. The resources raised with the BTP *Green* issuances were indeed also directed towards the national system of protected areas that is made of State and regional natural reserves, regional parks, and other recognized types of protected areas, beyond the national parks and marine protected areas.

Attached to the *Report*, the *External Review* from ISS ESG, an independent review provider selected by the MEF for this purpose, is also published.

Rome, May 13th, 2022