



Q&A on Reporting under the Green Bond Framework of 24 August 2020

26. March 2024

The Federal Republic of Germany has been issuing green bonds since September 2020, based on the Green Bond Framework of 24 August 2020. The implementation of the framework by the Core Green Bond Team, now in its fifth calendar year, has resulted in a structured annual reporting system.

1. How does the annual reporting cycle look in practice?

Germany's green bond program is characterised by an annual approach. The core element is a one-year back-looking approach: all Green Federal securities that are newly issued or tapped in a calendar year (for example: issuance year 2020) are fully allocated to eligible budget expenditure from the preceding calendar year (in the example: fiscal year 2019).

This annual cycle is extended to include reporting. The associated allocation report is published in the first calendar year after the issuance year. For the associated impact report, publication in the second calendar year after the issuance year has become established in practice (for example: the 2020 Allocation Report was published in April 2021, the 2020 Impact Report in September 2022).

2. What are the reasons for this annual rhythm?

The principle of annual approach increases the transparency and traceability of the use of proceeds, particularly in the case of a sovereign issuer such as the Federal Republic of Germany, which issues green bonds annually as a permanent issuer and whose budget is based on an annual principle as well.

Market participants have welcomed the fact that we have transferred the clear annual approach to reporting. We will adhere to this approach. In particular, we aim to continue to publish the impact report in the second calendar year following the relevant issuance year, even though the framework generally allows for a more generous timeframe.



3. Which reports have been published so far?

Reporting for the issuances of 2020 and 2021 has been completed:

- The 2020 Allocation Report was published in April 2021, and the 2020 Impact Report in September 2022.
- The 2021 Allocation Report was published in May 2022, the 2021 Impact Report in September 2023.

One report each is already available for the issuance years 2022 and 2023:

- The 2022 Allocation Report was published in March 2023, the 2022 Impact Report is scheduled for publication in 2024.
- The most recent 2023 Allocation Report is dated March 2024. The publication of the 2023 Impact Report is scheduled for 2025.

For the current issuance year 2024:

- It is planned to publish the 2024 Allocation Report in the first quarter of 2025 and the 2024 Impact Report in 2026.

4. Are sector-specific impact reports planned?

According to the framework, it would be permissible to carry out impact reporting separately for each green sector and to declare it valid for several years. Neither is planned. Impact reporting will continue to cover all green sectors. The well-established annual reporting cycle will be continued.

5. Will an impact report be available for each green bond during its term?

An associated impact report is published at least once during the term of the corresponding bond. The impact report covers all green sectors. The impact report is based on one calendar year and is prepared for each calendar year in which at least one green bond was newly issued or tapped. Impact reports are currently generally published in the third quarter of the second calendar year following the respective issue.

These reporting principles, in conjunction with the practice that newly issued securities are tapped over a multi-year cycle, mean that several impact reports are published for one specific security (namely with regard to the calendar year of the new issue, as well as for the calendar years of reopenings of the same security).



In the event of a reopening of a security whose maturity is prior to the regular publication of the next following impact report (or the next following impact reports) relating to the security, the aforementioned rules for the preparation of impact reports may mean that not all relevant impact reports are published for this security within its term. (Due to the annual reporting cycle described above, this may only affect the last impact report relating to the security).

6. Are there any issuance plans for a Green Schatz?

By issuing Green Federal securities, Germany is pursuing the goal of strengthening and further developing the sustainable finance market. To this end, a green Bund curve as an interest rate reference for the Euro area has been successively established in recent years, currently with maturity points in 2025, 2027, 2030, 2031, 2033, 2050 and 2053.

In principle, the two-year maturity segment – alongside 5, 10 and 30 years – is a focus of Germany's capital market activities. Thus, the inaugural issuance of a Green Schatz with a two-year term is not ruled out. From the current perspective, however, the corresponding area of the yield curve (2026/2027) is sufficiently covered by maturing Green Bobls (maturing in 2025 and 2027). The issuance policy therefore prioritises providing the green bonds outstanding through reopenings with higher liquidity and issuing new green bonds specifically in maturity segments that contribute better to the further build-up of the green Bund curve.