

# I4CE

INSTITUTE FOR  
CLIMATE  
ECONOMICS

Une initiative de la Caisse des Dépôts et  
de l'Agence Française de Développement

# Landscape of climate finance in France 2011 - 2014

Presentation of key findings

12/11/2015

Finance, Investment and Climate research program

Authors:

Hadrien Hainaut

Romain Morel

Ian Cochran

Finance, Investment and Climate research program

With the support of

**ADEME**



Agence de l'Environnement  
et de la Maîtrise de l'Énergie

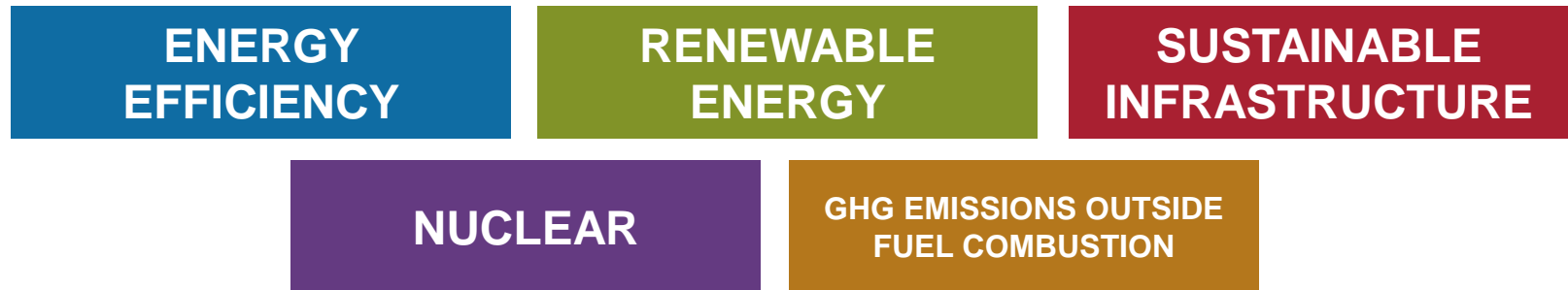


# Objectives

- « Mapping the flows supporting domestic investments in GHG mitigation across the French economy »
- A comprehensive study of financial flows in favor of climate and the broader energy transition in France
- Findings compared:
  - to the general characteristics of the financing of the French economy
  - to projected investment needs in the short and medium term to be in line with energy transition objectives

# Scope

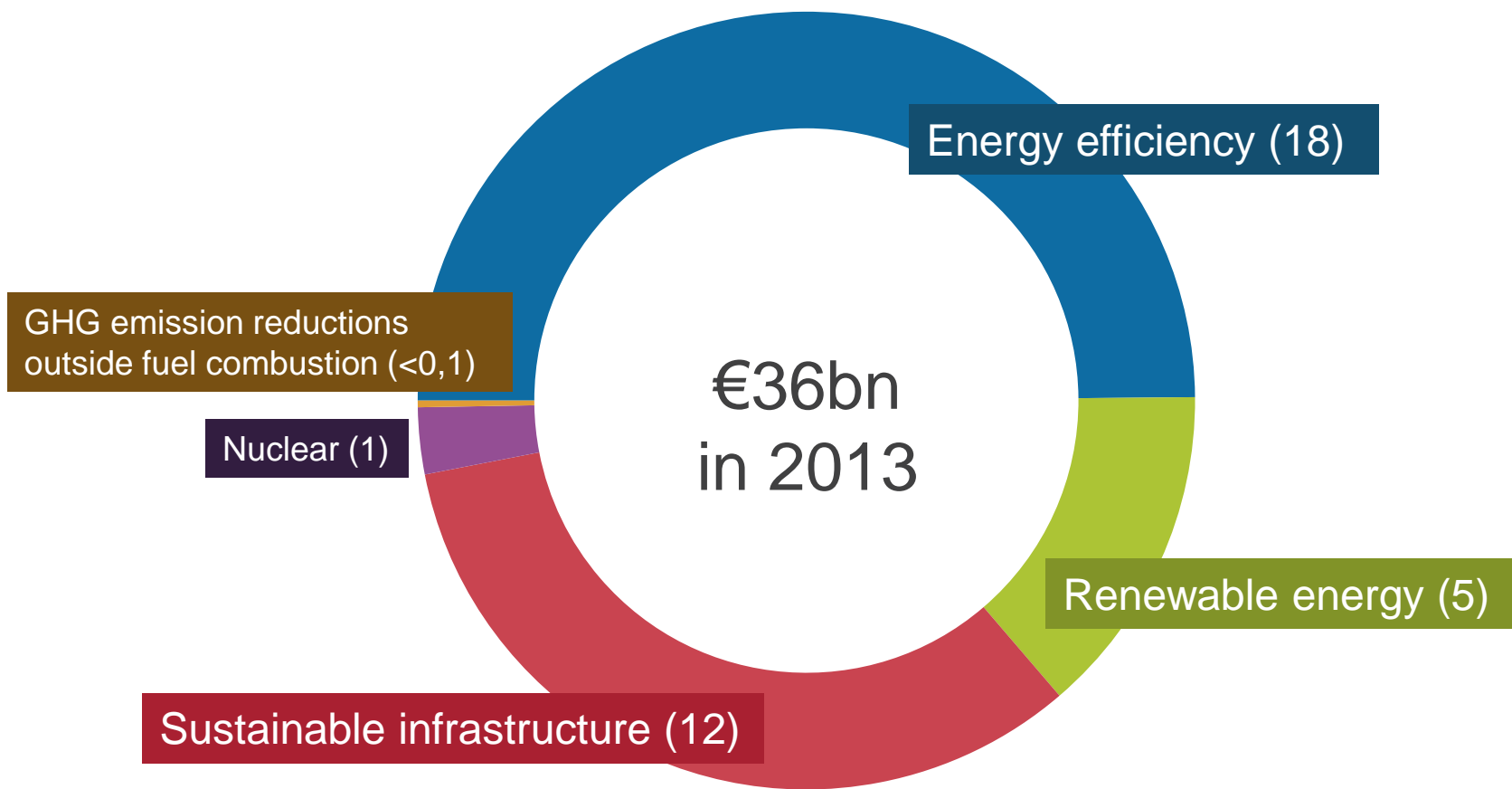
- Investment in tangible assets producing direct or indirect reductions of GHG emissions in France
- Grouped in five main domains:



- Transparency and disaggregation to allow the study of specific sectors or domains

# €36bn in climate investment in 2013

Climate investment in France  
Billion euros, 2013



# Climate investments increased €6bn between 2011 and 2013



## Increased investments in :

- New buildings
- Transport infrastructure



## Stable investment in:

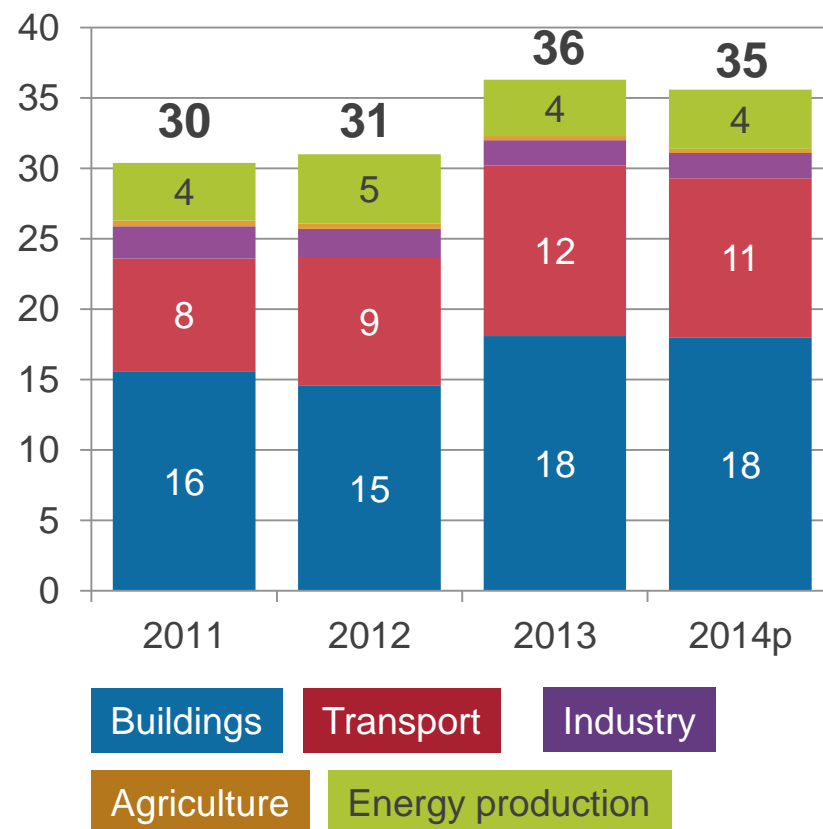
- Buildings retrofitting
- Industrial sector



## Decreasing investments in:

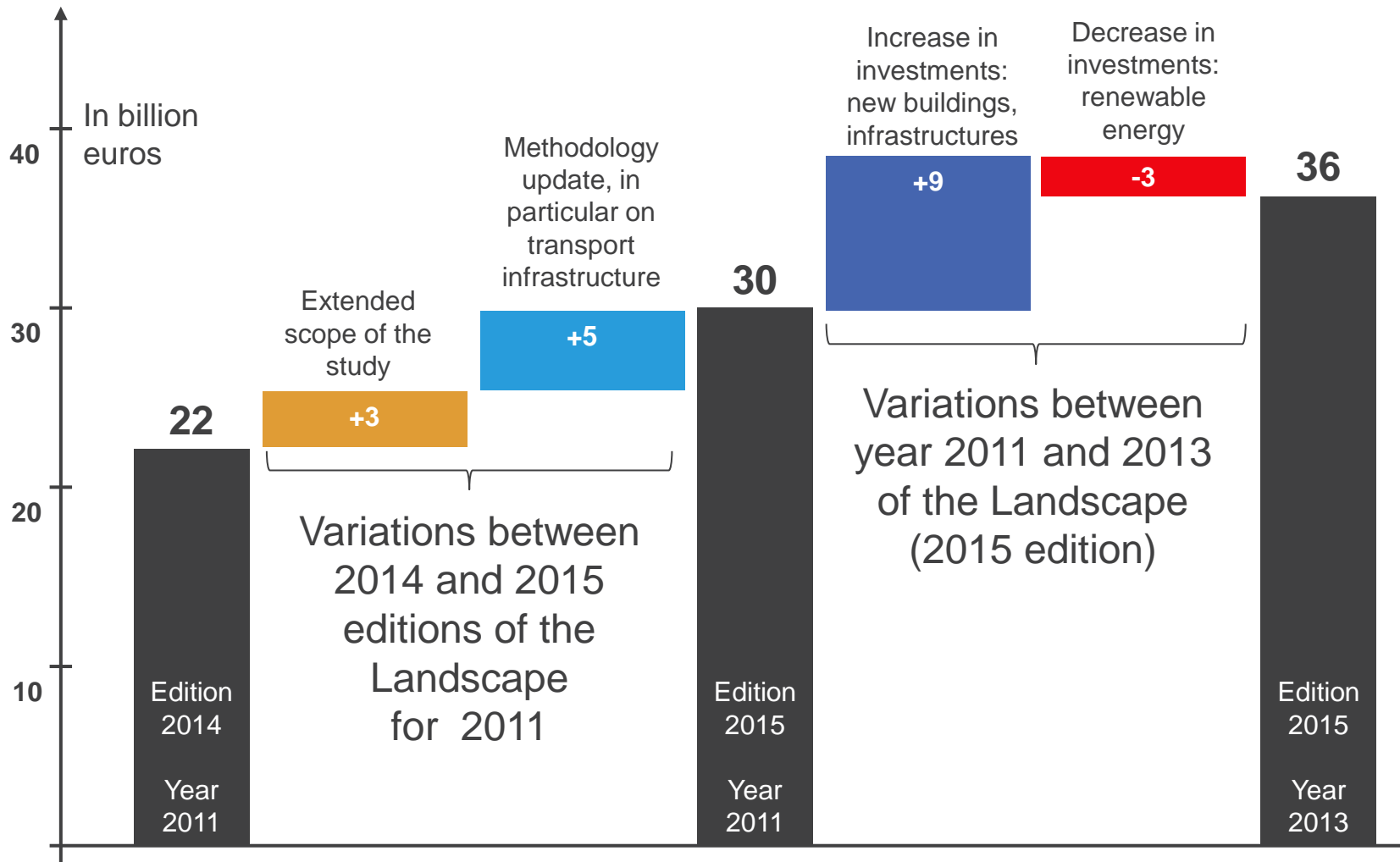
- Renewable energy
- Agriculture

Evolution of climate investment in  
 France, 2011-2014  
 Billion euros

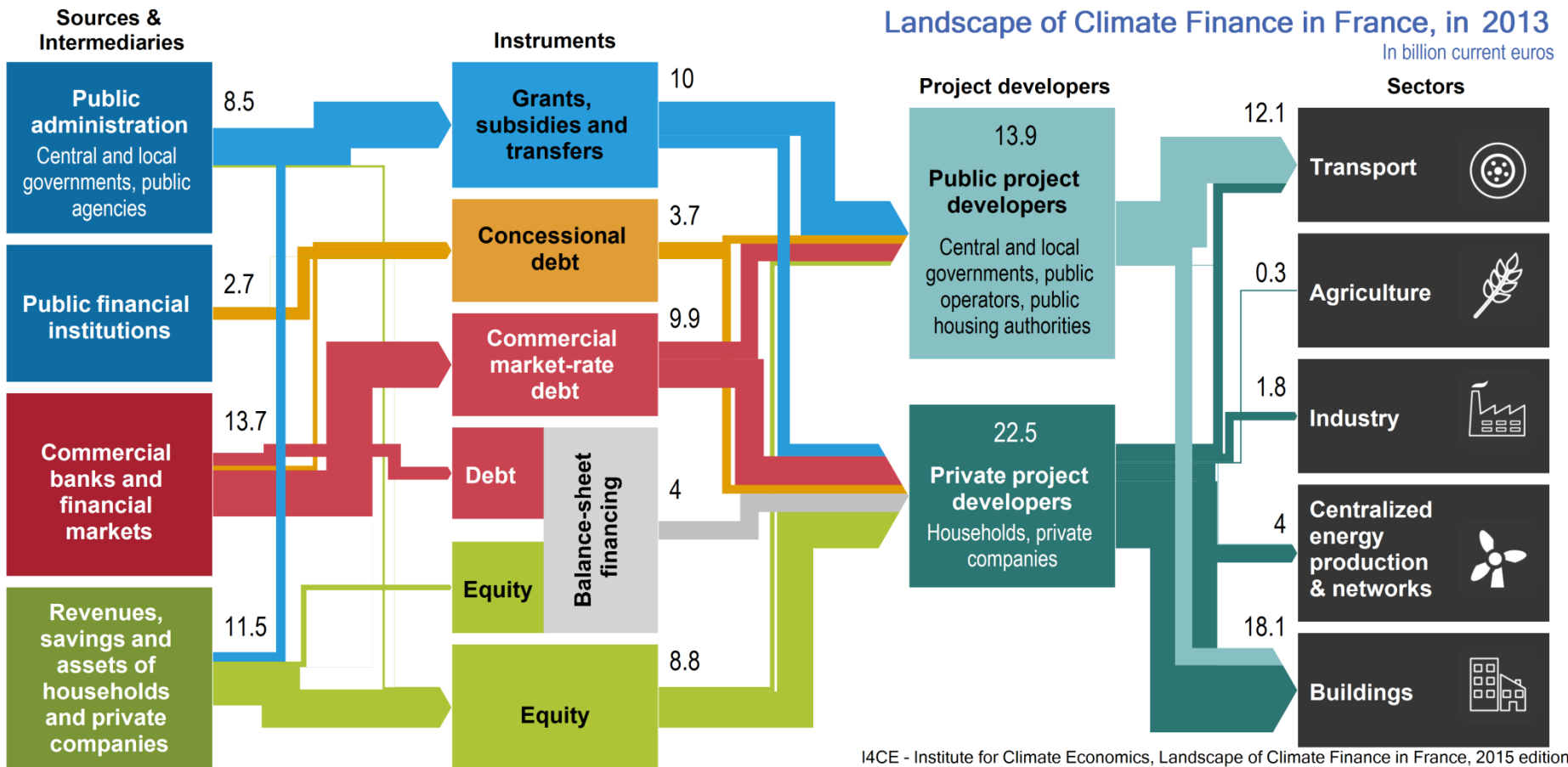


Note: in this edition of the Landscape, estimates for the year 2014 are provisional

# Improvements since the 2014 edition of the Landscape



# A comprehensive overview of climate finance in France

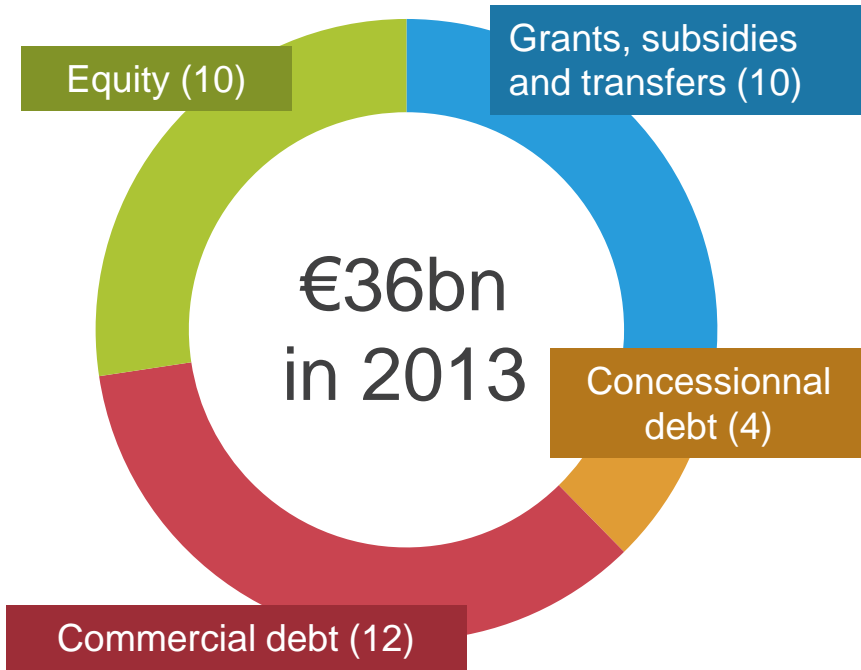


I4CE - Institute for Climate Economics, Landscape of Climate Finance in France, 2015 edition

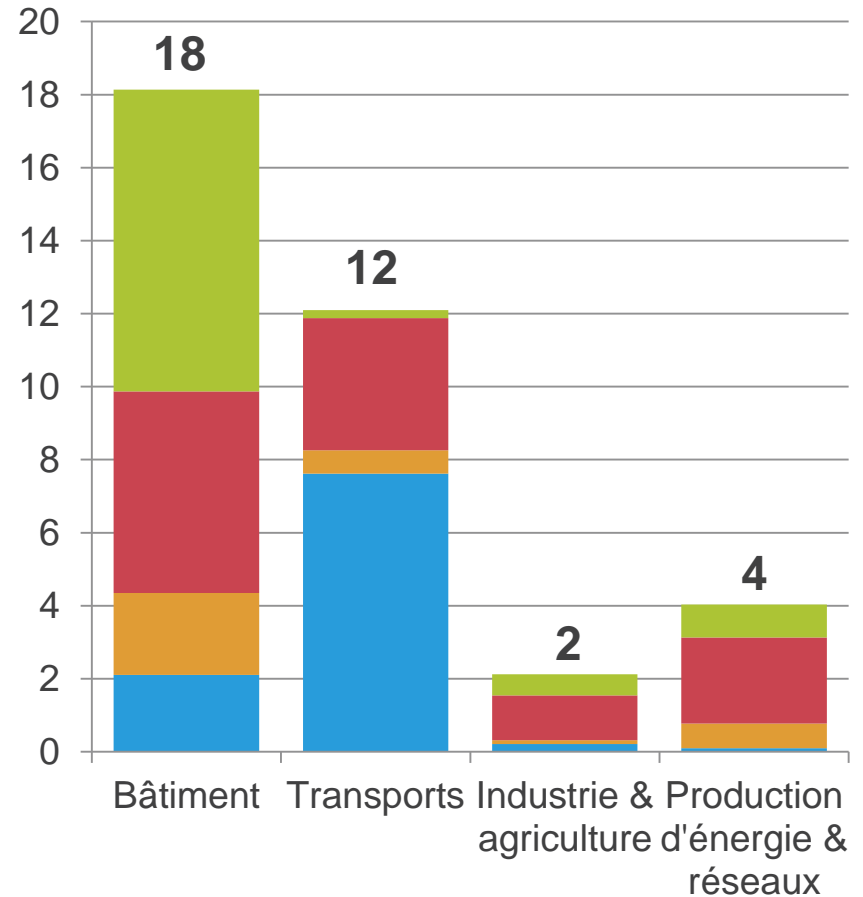
Notes: this simplified diagram reports how investments in tangible (material) assets reducing GHG emissions are financed. the term “project developer” is used in a broad sense and refers principally to the owner of the asset in question. This includes households, project SPVs (special purpose vehicle), public operators, and local governments, among others. For more information, please see the full Executive Summary.

# Financing instruments are specific to each sector

Climate finance in France in 2013, by instrument, In billion euros



Share of financing instruments in each sector in France In billion euros





# Public support of climate investments and mainstreaming

- Instruments to support climate investment
  - By helping public and private actors to bridge the gap between business-as-usual and climate-friendly projects
- Mainstreaming climate into investment decisions requires:
  - The greening of public policies in sectors where the State is traditionally the main investor
  - Strengthening incentives to reorient private finance and investments from private project developers
  - A broader economy-wide framework:
    - upstream and downstream signals to shape investment decision
    - Improving relative risk-return profile of individual projects

## How did the public sector finance the energy transition in France?

« In 2013, around half of the flows financing individual investments was supported by the public sector »

**38%** = The greening of traditional interventions of the public sector in the French economy

+

**13%** = Public incentives to reorient private finance towards energy and climate-friendly investments

## How do current investments compare to estimated needs for the energy transition?

- More investment does not always mean better climate results
  - Higher investments can mean higher infrastructure costs or overspending on major projects
  - Lower investments can mean better efficiency in production, decreasing overnight costs or progress in the learning curve
- Draft National Low-Carbon Strategy (SNBC)
  - In the buildings retrofitting and the energy production sectors an additional estimated €10-15bn is needed to reach the medium and long-term needs
  - On the right path, but significant future effort required

## Key messages

- Up to €36bn in climate investments in France
- Households initiated 38% of total investments, mostly in the building sector
- Half of investments were supported by the public sector; 13% of public finance on providing incentives to reorient private investments
- Mainstreaming climate into investment decision also requires a global regulatory framework to boost the relative risk-return profile of projects
- Investments are increasing, but there is still a gap to bridge to reach the levels estimated as necessary to reach national climate objectives

# All publications at [www.i4ce.org](http://www.i4ce.org)

## Executive summary

**Panorama des financements climat en France**  
Edition 2015 - Résumé pour décideurs  
November 2015  
Hadrien Hainaut | François Morel | Ben Cochrane  
Programme Finance, Investissement et climat

**EN**

**Landscape of climate finance in France 2011-2014**  
2015 Edition - Executive Summary  
November 2015  
Hadrien Hainaut | François Morel | Ben Cochrane  
Finance, Investment and Climate Research Program

**EN**

## Slides

**Panorama des financements climat en France**  
Edition 2015 - Présentation des résultats  
12/11/2015  
Hadrien Hainaut | Programme Finance, investissement et climat

**FR**

## Full report

**Available end of November 2015**  
**Panorama des financements climat**  
Edition 2015 - Rapport principal  
November 2015  
Hadrien Hainaut | François Morel | Ben Cochrane  
Programme Finance, Investissement et climat

**FR**

## Sectorial factsheets

**RÉSULTATS - SECTEURS**  
AGRICULTURE ET FORÊTS

**RÉSULTATS - SECTEURS**  
INDUSTRIE

**RÉSULTATS - SECTEURS**  
TRANSPORTS

**RÉSULTATS - SECTEURS**  
PRODUCTION D'ÉNERGIE CENTRALISÉE ET RÉSEAUX

**RÉSULTATS - SECTEURS**  
BÂTIMENT

**FR**