The pathway for climate investments in turbulent times

ANNUAL REPORT 2024

I4CE
INSTITUTE FOR CLIMATE ECONOMICS
Une initiative de la Caisse des Dépôts et de l'Agence Française de Développement

FOREWORDS

We are witnessing a withdrawal of commitments to climate action. In the US, President Donald Trump does not hide his hostility to what he calls the 'climate hoax'. In Europe and in France, new narratives around competitiveness, strategic autonomy and security are gaining ground, reflecting a new political reality. If there is still a broad consensus on the long-term objective of climate neutrality, how to get there is increasingly challenged, generating uncertainty. The scarcity of fiscal resources impacts the willingness to embark on the green transition.

At the same time, we experience the impact of climate change through extreme weather events with high human, economic and material costs. Hesitations or backtracking on climate action will generate delays that translate into increased costs of mitigation and adaptation measures in the future. We cannot afford it – neither people nor planet. Moreover, decarbonisation delays hamper energy competitiveness.

10 years after the adoption of the Paris Agreement, Donald Trump's withdrawal and determination to increase domestic oil and gas production, put the commitment of others at risk. EU's leadership and capacity to build new alliances for an ambitious climate agenda at the global level, is needed more than ever. Europe's clean industrial transition is an opportunity to demonstrate that decarbonisation and competitiveness can go hand-in-hand.

If the context is challenging, 2025 also offers momentum for advancing the cause for climate, including at COP30. **I4CE** is determined to respond to a new political context offering a long-term perspective and evidencing that an efficient, effective and socially fair climate transition is the only possible pathway ahead. To achieve this, we must operate with persistence and resilience, whilst doubling our efforts to shape new partnerships to increase our reach.

Jean PISANI-FERRY,
Chair of I4CE

FOREWORDS

2024, was a roller coaster of change in France. Despite rapid turnovers and short-lived governments, we maintained a constructive dialogue with ministers, cabinets and their administrations on the public policy mix required to meet the objectives of the climate transition and efficient public investments in times of budgetary constraints.

In Europe, we started the year with the launch of our flagship report on the European Climate Investment Deficit. A milestone in our involvement with the EU institutions, it provided a solid contribution as the new political mandate kicked off, with a reinforced focus on investments to both boost competitiveness and decarbonise the economy.

Our international engagement has grown through new strategic partnerships. We have consolidated our expertise on country financing plans and investment needs assessments, while contributing to reinforcing alignment with the Paris Agreement through facilitation of dialogue between public and private financial institutions.

Internally, we have consolidated our team and structures following a period of growth, ensuring stability and effective work processes going forward. A thriving team is essential to the quality of our work, for our expertise to continue to grow and for our continued engagement with policy makers.

We are proud of the progress achieved in a year full of challenges and change. As the pertinence of our research grows, we see an increased recognition of our expertise and a continued impact on the debates and developments that shape the policies for the climate transition.

In 2025, is not only the 10 years anniversary of the Paris Agreement but also of our Institute, and we are looking forward to celebrating with partners and friends. Although we have challenging times ahead of us, we are confident that we can continue to build our momentum.

Benoît LEGUET,
Managing Director
of I4CE

WHO WE ARE?

The Institute for Climate Economics (I4CE) is a research organisation that provides independent policy analysis on climate change mitigation and adaptation. We promote climate policies that are effective, efficient and socially fair. Our 40 experts engage with national and local governments, the European Union, international financial institutions, civil society organisations and the media. Our work covers three key transitions – energy, agriculture, forestry – and addresses six economic challenges: investment, public financing, development finance, financial regulation, carbon pricing and carbon certification. **I4CE** is a registered non-profit association heir to the CDC Climat research team and the Mission Climat of the Caisse des Dépôts. The Institute was founded in 2015 by the Caisse des Dépôts and the Agence française de développement.

IMPACT-DRIVEN RESEARCH FOR FINANCING THE CLIMATE TRANSITION

I4CE contributes to the climate policy debate with innovative expertise. But we don't just write reports, we want to have an impact. We reach out to decision-makers, the media and stakeholders to learn from them and make concrete progress on these policies. As you read through our activity report, we invite you to discover the main outcomes of our research in 2024 and some of our ongoing projects in France – at the local and national level - in the EU and internationally.

I. INTERNATIONAL CLIMATE AND DEVELOPMENT FINANCE

To reinforce our engagement at the international level, we strengthened our work in our two priority areas, transition financing plans at country level and public development banks, through new partnerships and project developments. On transition financing plans, we developed our blueprint and deepened our understanding of current national practices regarding investment needs assessments and forward planning for financing these needs. This will in turn inform the development of specific tools to bridge identified gaps in developing such assessments, especially on the side of finance ministries and national planning entities. We also joined forces with other think tanks to leverage our efforts and promote alignment of public development banks with the Paris Agreement, for development action to support the climate transformation.

At the start of 2025, Donald Trump's Presidency has been an immediate and wide-ranging force of disruption of the global development and climate agendas, with potential to generate delays, disengagement and reduced ambitions. At the same time, through our engagement in more technical and non-governmental arenas of policymaking, there is momentum ahead and important milestones on the international agenda that generate opportunities for advancing action for climate investment.

1. Transition financing plans at country level

➜ **TEAM:** Diana CÁRDENAS MONAR, Louise KESSLER, Sébastien POSTIC

In November, COP29 in Baku - the "Finance COP" - faced a major challenge: revisiting the US$100 billion North-South finance goal and mapping out a realistic pathway between the conclusions of the First Global Stocktake (GST) and the new Nationally Determined Contributions (NDCs) to be published in 2025. Towards COP30 and beyond, the **Baku-to-Belém roadmap** is expected to make progress moving the set goal of US$300 billion closer to the estimated needs, while ensuring quality and impact.

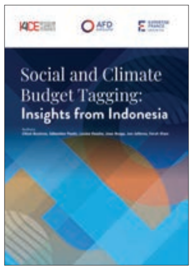
To contribute to these ongoing efforts, we **developed a I4CE blueprint for transition financing plans at country level.** We first analysed the lessons learned from the French experience on the topic. Then, we mapped out, across 10 countries, the existing building blocks towards realistic, country-owned financing plans, grounded in a detailed understanding of investment needs and pathways to meet them. We analysed the progress made against a set of indicators to highlight strength and weakness across the financing plans, including in achieving robust investment needs assessments.

In addition to this macro-level reflection, we worked with more concrete tools related to financing plans. We did an a**ssessment of how social considerations are integrated into Indonesia's green budgeting process** and through a significant carbon pricing study, we developed a deeper understanding of how carbon pricing revenues are used, and how these instruments can be better aligned with national transition financing strategies.

In 2025, we are reinforcing our value proposition related to country-led financing plans as a tool for developing the NDCs. We will also invest into developing a better understanding and appropriate use of financing needs estimates for emerging markets and developing countries.

MAIN PUBLICATIONS

> **Thinking about the implications:** How countries plan to finance their climate transition



> **Social and Climate Budget Tagging:** Insights from Indonesia

2. Paris Alignment of Financial Institutions

➜ **TEAM:** Blandine ARVIS, Sarah BENDAHOU, Claire ESCHALIER

Through our role in the Secretariat of the Mainstreaming Climate in Financial Institutions initiative, we facilitated dialogue between the 55 public and private financial institutions from developing and developed economies participating in this initiative. The monthly exchanges **focused on the operational opportunities and challenges related to Paris alignment,** climate risk management and the mainstreaming of these issues into their organisations, contributing to knowledge sharing and capacity building.

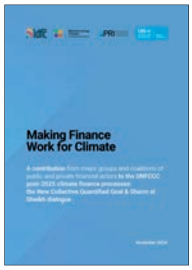
To increase our outreach, we have advanced with strategic partners. Through the Mainstreaming initiative, we joined forces with the International Development Finance Club (IDFC), UNEP Finance Initiative (UNEP FI) and UN Principles for Responsible Investment (PRI) on the position paper Making Finance Work for Climate, addressed to country representatives ahead of COP29. We also worked with a coalition of three other think tanks to publish **a position paper providing direction for public development bank stakeholders** (including shareholders, staff and clients) **on what ambitious Paris alignment should mean** for public development banks.

We have continued leading research to broaden the understanding of concepts related to the alignment of financial flows with the objectives of the Paris Agreement. In 2025, we will further reinforce our involvement with public development banks by supporting alignment with climate objectives within Finance in Common (FiCS), the global network of all public development banks.

MAIN PUBLICATIONS


Ambitious alignment with the Paris Agreement in public development banks

> **Ambitious alignment with the Paris** Agreement in public development banks


Making Finance Work for Climate

> **Joint-contribution-making-finance-work-for-climate-final.pdf**

3. Early retirement of coal plants – the role of public development banks

➜ TEAM: Sarah BENDAHOU, Claire ESCHALIER

How can public development banks best contribute to accelerating the retirement of existing coal plants in developing countries? Aiming to respond to this question, **we published a report examining existing phase-out initiatives** led by public development banks as case studies and looked at the instruments that they can use to help **address barriers to coal phase-out** and the associated challenges and risks.

Our report contributed to new insights on how public development banks can engage with governments, utilities, and independent power producers to address energy transition barriers. It served as a contribution to wider research inputs during the G20 in Brazil, on sustainable climate action and inclusive just energy transitions, and to internal discussions at the French Development Agency, on its role in supporting the energy transition, as part of their revised climate and nature roadmap.

The research, which was a collaboration with NewClimate Institute, ensured our involvement in the work of the Coal Transition Commission, an initiative launched at COP28, co-chaired by the French and Indonesian governments.

MAIN PUBLICATIONS

> **Financing Coal Phase-out:** Public Development Banks' Role in the Early Retirement of Coal Plants

II. EUROPE – THE CLIMATE TRANSITION THROUGH A COMPETITIVENESS LENS

Our engagement at the European level took a leap forward against the backdrop of the European elections and a new mandate for the European Commission. The Draghi report on European competitiveness gave impetus to rethinking EU priorities going forward. The European Green Deal was reframed in the context of energy security and resilience concerns. While the need for increased investment in Europe is broadly recognised, public and private investment clearly must cover a growing number of urgent priorities. If the EU's long-term climate ambitions are still strong, how to achieve them is hotly debated in a new political reality.

The challenge in 2025 will be to ensure progress towards a long-term investment plan for Europe, that can mobilise public funding and private finance for the climate transition across a range of initiatives. It is with this perspective that we will continue our work on tracking climate investment in EU27, on policy and tools to finance Europe's clean tech manufacturing, on a robust and pragmatic framework for carbon farming and certification, and on prudential transition plans for Europe's banking sector.

1. **Tracking climate** investment in the European economy

➜ **TEAM:** Clara CALIPEL, Caroline HENRY, Thomas PELLERIN-CARLIN

We published our **first edition of Europe's Climate Investment Deficit report,** tracking climate investments in EU27 across 22 sectors, establishing a **€406 billion deficit in 2022** to meet the 2030 climate targets in the EU.

The study produced new data and a solid method for assessing the climate investment deficit to meet the EU's climate objectives. This allowed us to address the so far limited overview at the EU level of current investment needs in the climate transition to implement the legislative targets for emission reductions agreed with the Green Deal, undermining the ability of the EU institutions to address the investment gap.

It gave a leap forward to our visibility in the European bubble and its network, particularly with the European Commission. The report and data have been widely referenced since by the EU institutions and the stakeholder community, including the ECB, the EEA, and the European Parliament. Closing the knowledge gap is the first step towards mobilising the financing needed to reduce the climate investment deficit in Europe.

In 2025, we will continue our efforts to consolidate the research by widening and deepening the scope, including also investment in clean tech manufacturing.

MAIN PUBLICATIONS

> **European Climate Investment Deficit report:** an investment pathway for Europe's future

> **State of EU progress** to climate neutrality

2. Improving industrial policy for cleantech in Europe

➜ **TEAM:** Ciaràn HUMPHREYS, Thomas PELLERIN-CARLIN

As the EU turned its attention to its cleantech manufacturing sector, we **explored how the EU investment framework can be improved** to ensure adequate access to public and private finance by the cleantech ecosystem. We published the first EU policy brief on **recommendations for the Clean Industrial Deal**, the European Commission's new flagship initiative.

The wide range of EU funds supporting cleantech are not targeted at cleantech manufacturing or are inefficient in their design. Attempts at regulatory industrial policy, such as the Net Zero Industry Act (NZIA), have so far been underwhelming. Competing with large economic blocs using strong industrial policy to support cleantech, the EU is now at a disadvantage, faced with a backlash which is both economic and social, and with geopolitical risks for the climate transition.

We are establishing **I4CE** as a leading cleantech voice through a strong presence in EU media and through engagement with EU policy and decision-makers, including on the future of the EU's R&D funding.

MAIN PUBLICATIONS


Making a Success of the Clean Industrial Deal
A step forward for green industrial policy, or another stumbling block?

> **Making a Success of the Clean Industrial Deal:** A step forward for green industrial policy, or another stumbling block?

3. Carbon certification and carbon farming – putting best practice to good use

➜ **TEAM:** Julia GRIMAULT, Simon MARTEL, Clothilde TRONQUET

We contributed to **the European framework for the evaluation and certification of agricultural and forestry carbon removals and "carbon farming" practices.** Our participation is based on dedicated research projects but also on our experience with France's national certification framework, the Low-Carbon Label, sharing lessons learnt for a robust and pragmatic framework at the EU level.

The adoption of the Carbon Removals and Carbon Farming (CRCF) Regulation in 2024, creates **the first EU-wide voluntary framework** for certifying carbon removals, carbon farming and carbon storage in products. The regulation will especially facilitate investment in sustainable carbon farming solutions, while addressing greenwashing.

We participated via the European Commission's expert group and contributed to both the legislative debates and the technical materials for agriculture and forestry methodologies.

As for 2025, specific recommendations for forestry will be published ahead of the delegated acts for the sectoral implementation of the regulation. Also, we will publish a study in early 2025 analysing carbon farming projects financed in France, identifying possibilities for improvement, and exploring how best to strengthen the financing of these essential transition tools.

MAIN PUBLICATIONS

> **Improved forest management practices integration into carbon certification schemes:** where are we and how to move forward?

4. **Risk management** and banking transition plans

TEAM: Natasha CHAUDHARY, Julie EVAIN, Romain HUBERT

2024 was marked by significant advances in financial regulation in Europe. The new “Banking Package” (consisting of the CRD6 Directive and the CRR3 Capital Requirements Regulation) was officially adopted by European legislators, with significant impacts on ESG risks for the banking sector.

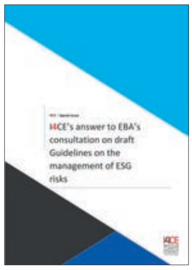
Our aim was to **ensure that banking transition plans were integrated into the prudential mandate,** and that **ESG risk management outcomes met Europe's transition needs**. It is encouraging to see that our efforts have paid off, as the prudential transition plans have been included in the final text.

We published a policy brief outlining the key considerations for the European Banking Authority (EBA) in drawing up the minimum standards and definition for a comprehensive prudential transition plan. We also responded to the EBA’s public consultation on the draft guidelines for ESG risk management, which lay the groundwork for prudential monitoring of transition plans and overall ESG risk management practices. With prudential transition plans included in the final text, our efforts paid off.

Risk management policies, processes, and mitigation actions should not only ensure financial stability of the European banking system but also proactively direct crucial financial flows to achieve Europe’s transition objectives. We published a series of papers to feed policy debates around this novel proactive approach, including our latest work on stranded asset risk management. We will continue our engagement with European and national-level supervisors, private banks and civil society.

MAIN PUBLICATIONS

> **Prudential transition plans:** what's next after the adoption of the Capital Requirements Directive?



> **I4CE’s recommendations to the European Banking Authority** on prudential transition plans

III. FRANCE – A NARROW PATH FORWARD FOR CLIMATE INVESTMENT

In a turbulent year for French politics with a green backlash and a strong focus on the public budget constraints reducing the fiscal space for investments, we delivered several landmark reports with recommendations for the ways forward for the climate transition. Using scenarios for 2030, we illustrated the pathways possible through different policy mixes and better spending. Our research on the affordability of the transition for households, effective public spending in the sectors of agriculture, food and forestry, and the cost of climate adaptation, contributed to a nuanced debate despite the rapidly changing policy landscape and government turnover.

Despite the turmoil, 2024 saw the first release of the French multiannual financing plan for the transition (SPAFTE). The challenge for 2025 will be to achieve an updated version of this plan with more comprehensive responses to the challenges related to effectiveness in public spending and policy tools. At **I4CE**, we will continue to invest in identifying possible solutions for better public spending in the climate transition.

1. Effective policy tools for public investments in France

➜ **TEAM:** Maia DOUILLET, Hadrien HAINAUT, Erwann KERRAND, Louise KESSLER, Maxime LEDEZ, Solène METAYER

In 2024, budgetary constraints and a deadlocked Parliament substantially degraded public funding for France's climate transition, now threatening to bring national low-carbon investment to a halt.

Still, there is a narrow path forward for climate investment. In a first-of-its-kind publication, our policy and funding scenarios 2030 demonstrated that **the need for additional public funding could be reduced** if other fiscal and regulatory reforms were pursued to **boost private funding**. Balancing sufficient funding with regulatory reforms became the focus of our engagement towards the 2025 finance bill.

However, spending more won't be enough, **public money also needs to be spent better.** We advocated for a new approach to policies supporting households in their transition, showing potential for a more targeted and efficient public intervention, while making the transition accessible to all. This is crucial for transforming a fragile debate into productive discussions that enhance the effectiveness of policy tools required to implement the national decarbonisation plan.

MAIN PUBLICATIONS

> **Financing the climate transition in France:** what room for manœuvre on public funding needs?

> **Climate:** The data driving budget debates in France. Public spending today and tomorrow

2. Empowering local authorities to align finance and climate objectives

➜ **TEAM:** Aurore COLIN, Laura-Lou DE JESUS, Axel ERBA, Marion FETET, François THOMAZEAU

We developed an evaluation of the investment needs and financing levers of French local authorities to reach climate neutrality as well as a toolbox for local policy makers to develop climate finance strategies.

Our objective was to define a national economic model for local authorities' budgets that would be compatible with the investment required for the necessary acceleration of their climate action, while empowering local authorities to align their financing strategies with their climate objectives.

Our research delivered **an updated data set on the investment needs** of the French local authorities in the **transport, energy and buildings sectors,** as well as a modelling of available financing levers and the financial capacities of local authorities to fund these investments.

Our **« green budget »** methodology was adopted by the French government as a scoring standard as part of an obligation imposed on large local authorities starting in 2024.

MAIN PUBLICATIONS

> **Overview of Climate Financing** for French Local Authorities

3. Climate adaptation: the costs of preparing for +4°C

➜ **TEAM:** Vivian DEPOUES, Guillaume DOLQUES, Romain HUBERT, François THOMAZEAU

In its 2024 annual report, the French Court of Auditors highlighted the lack of reference points on the budgetary impact that adapting to a warmer climate will have on public finances and on the scale of expenditure.

Ahead of the third French National Plan for Adaptation to Climate Change, we provided **the first cost assessment for a +4°C scenario** to feed into a debate on adaptation choices in France. We clarified the orders of magnitude for the cost implications for three major sectors: **construction, land transport infrastructure and agricultural crop production.**

We also developed an analytical framework for adaptation costs as a mix of choices of anticipating and reacting to the impacts of climate change. Our research contributed to building a stronger collective capacity on climate adaptation costs – in public administrations, civil society and the media. Our results emphasise the importance of **mainstreaming an "adaptation reflex" across all structural investments** already planned for other purposes, e.g. energy renovation, urban regeneration or modernisation of infrastructure. These investments offer opportunities to take the future climate into account. It is the most effective and cheapest way to **strengthen the resilience of the economy.** To not use these opportunities means getting locked in trajectories of vulnerability. This idea has been widely taken up by the third National Climate Change Adaptation Plan and is now supported by the Ministry of the Environment and the Ministry of the Economy.

MAIN PUBLICATIONS

> **Anticipating the impacts of a 4°C warming:** what is the cost of adaptation in France?

> **Adapting French buildings to heatwaves:** what do we know?

4. Public finance for agriculture and food: contribution to the ecological transition

➜ TEAM: Samuel FÉRET, Lucile ROGISSART, Olia TAYEB CHERIF

Ahead of the presentation of the 2025 Finance Bill, we have contributed to informing the parliamentary debate on public funding for the food system. Our efforts focused on a comprehensive inventory, quantification, and analysis of these funds, with the aim of identifying ways to improve the efficiency of public spending.

We conducted a specific study on the **inventory and analysis of public expenditures related to agricultural crises.** This work revealed a significant increase in the amounts allocated to compensating for agricultural crises (health, climate-related, etc.) since 2013, reaching over €2 billion in 2022. This increase raises questions about the current agricultural risk management strategy.

More broadly, we also clarified the overall scale of current public support for the agriculture and food sectors and **analysed its contribution to the ecological transition.** In our analysis, we considered all forms of public support (European, national, and local budgets) dedicated to the entire agricultural and food sectors (agricultural production, agri-food industry, distribution, and catering). We identified which public funds support the ecological transition, which could potentially be redirected or strengthened in favour of this transition, and the challenges these reallocations would pose.

MAIN PUBLICATIONS

> **Estimation of Public Spending Related to Agricultural Crises** in France Between 2013 and 2022

> **Public spending in the French food system:** which contributions to the ecological transition?

5. Forestry and Wood – better prioritisation of funding allocation

➜ TEAM: Julia GRIMAULT, Océane LE PIERRÈS

We started **analysing public funding committed to the forestry and wood sector** (reforestation plan, but also wood transformation, distribution and final use) in the context of the government-led France 2030 Plan and assessed its consistency with the climate objectives.

The research aims to evaluate public spending so far and **shape a vision for the future allocation of public support** to the uses of wood, guiding funding for a better contribution to the climate objectives, both mitigation and adaptation.

To this end, our study of the Label Bas Carbone allowed us to provide insights and recommendations for public funding allocation for the French “reforestation plan”. Our research on long-life wood products has also delivered new insights and material for working groups of the French Third National Low-Carbon Strategy. Our work on public financing for the treatment and uses of wood will continue in 2025, supporting a better prioritisation of the allocation of funding for public projects in accordance with the climate transition goals, in times of budgetary constraints.

MAIN PUBLICATIONS

> **Improved forest management practices integration into carbon certification schemes:** where are we and how to move forward?

> **Developing long-life wood uses to improve carbon storage:** where are we in Europe? Key takeaways

6. **Affordability** of the ecological transition for households

➜ **TEAM:** Louise KESSLER, Sirine OUSACI, Charlotte VAILLES,

One of the conditions for the ecological transition is that households have access to affordable alternatives and solutions, for example in terms of public transportation, electric cars and housing insulation. We have therefore **assessed the conditions for household access to the ecological transition,** particularly for low- and mid-income households. Our research includes an analysis of the economic capacity of households to make the necessary investments for the transition, as well as an analysis of other access conditions such as the availability of necessary infrastructure, jobs and skills.

Our objective is to contribute to **a better consideration of the barriers and specificities of low- and mid-income households in the development of public policies,** so that these policies provide access to transition solutions. In the context of the debates on the French finance bill, we want to document the evolution of access conditions to transition solutions for low- and mid-income households, to identify those that should receive specific attention from public policies.

Our work has introduced an innovative approach to the affordability of transition solutions and has helped enhance the understanding of household heterogeneity in relation to the ecological transition. This approach has formed the basis for constructive discussions with the French public administration and decision-makers.

MAIN PUBLICATIONS


Observatoire des conditions d'accès à la transition écologique
Édition 2024

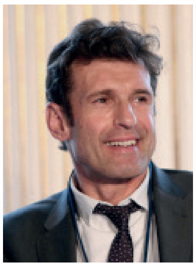
> **French Observatory of Access Conditions to the Ecological Transition,** 2024 Edition

GOVERNANCE 2024

I4CE – Institute for Climate Economics is a registered non-for-profit organisation, founded by the Caisse des Dépôts and the French Development Agency (AFD).
It is administered by a Board, composed of eleven members and chaired by Jean Pisani-Ferry.

Jean PISANI-FERRY
Chair of the Board members – Qualified person –Economist, Professor in Sciences Po, Paris / EUI, Florence / Bruegel, Brussels / PIIE, Washington DC.

Nathalie TUBIANA
Secretary – Director of finance and sustainable policy at the Caisse des Dépôts Group.



Jean-Michel BEACCO
Treasurer – Managing Director Institut Louis Bachelier (ILB), Associate Professor at the Paris-Dauphine Université.

Jean BOISSINOT
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STRATEGY

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Office manager

Malika BOUMAZA
Partnerships Manager

COMMUNICATION

Sacha PORÉE
Communication officer - Social networks and web

Amélie FRITZ
Head of Communication and press relations

I4CE AT A GLANCE

TEAM

40 TEAM MEMBERS

PUBLICATIONS

85 ANNUAL PUBLICATIONS

EVENTS

40 ORGANISED EVENTS

+100 PARTICIPATIONS

+100 MEETINGS WITH HIGH LEVEL DECISION MAKERS

MEDIA PRESENCE AND SOCIAL NETWORKS

+800 PRESS ARTICLES

+9000 NEWSLETTER SUBSCRIBERS

+24000 LINKEDIN FOLLOWERS

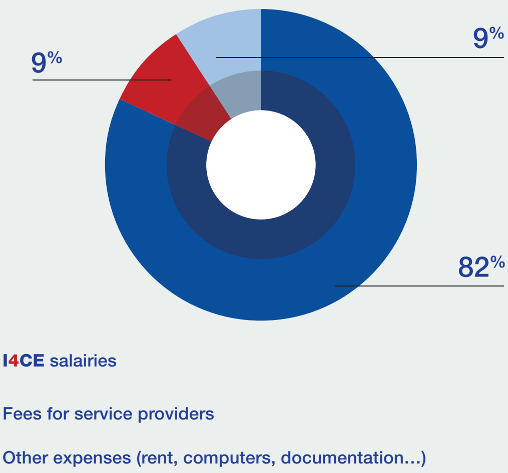
BUDGET AND PARTNERS

In 2023, I4CE's budget reached 4.7 million euros, up almost 20% compared to 3.8 million euros in 2022.

What is this money used for? Primarily, these funds are used to employ the experts that work for **I4CE** and the support staff that assist them on a daily basis: administration, communication and management. Unlike other comparable institutes or think tanks, **I4CE** has chosen to produce its studies with experts who are employed directly by the Institute and are developing their skills within the organisation. This approach eliminates the need to outsource experts who are volunteers, paid on a per-assignment basis or having working groups that bring together experts from other organisations.

How is I4CE funded? First of all, it is important to note that the Institute's funders do not define our work program. It is the **I4CE** team that programs its activities, with the main orientations given by its Board of Directors, and that solicits the support of funders. **I4CE** is solely responsible for its publications, no funder validating its publications. It is very rare that **I4CE** responds to calls for tenders, and only when the commissioned studies are in line with the Institute's work priorities.

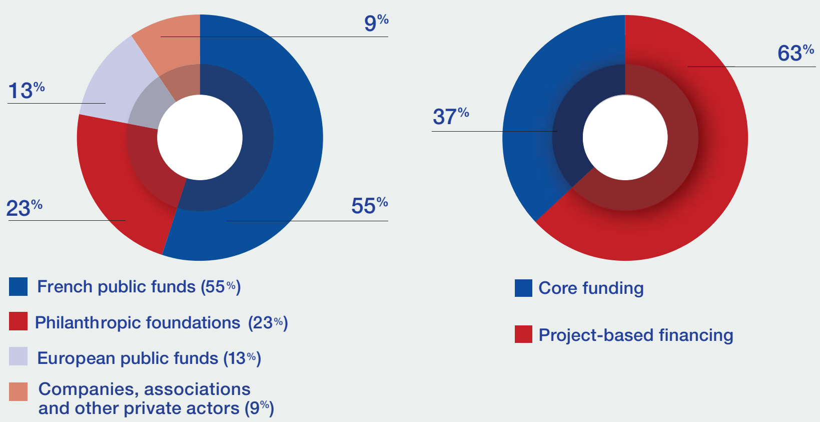
EXPENSE DISTRUBUTION IN 2023



Nearly 40% of I4CE's funding comes from core-funders, who support **I4CE**'s work as a whole rather than individual projects. Initially, the core-funders and founders of **I4CE** were the Caisse des Dépôts and the Agence Française de Développement. In 2016, **I4CE** welcomed the addition of the Caisse de Dépôt et de Gestion du Maroc and more recently they have been joined by GRDF and the asset manager Meeschaert. This core funding is extremely valuable. It allows the Institute to launch new and innovative projects and gives **I4CE** the freedom to choose its research projects. It also allows the Institute adequate time to promote its work effectively.

In addition to this core funding, I4CE benefits from project-based funding, which is targeted on specific projects. Many of the project-based funders have been collaborating with **I4CE** for many years. As a result, the institute gains visibility on its funding and is able to build a relationship of trust with its funders. However, project funders do not define the **I4CE** projects. The Institute conceives projects of general interest and then approaches its funders for support. **I4CE** rarely responds to tenders and if they do, it is only when the studies commissioned are aligned with the Institute's work projects.

FUNDING DISTRIBUTION IN 2023



Core-funders:
- CDC (founding member)
- MEAE
- PWC
- GRDF
- SNCF
- DOMORROW
- MEESCHAERT

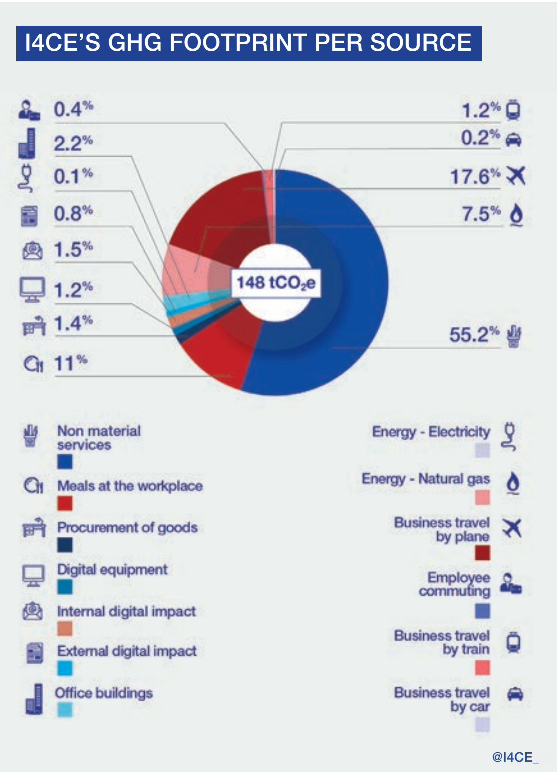
Project-based financing:
- ECF
- ADEME
- MTE
- Horizon Europe
- Breakthrough Energy
- GIZ
- AFD

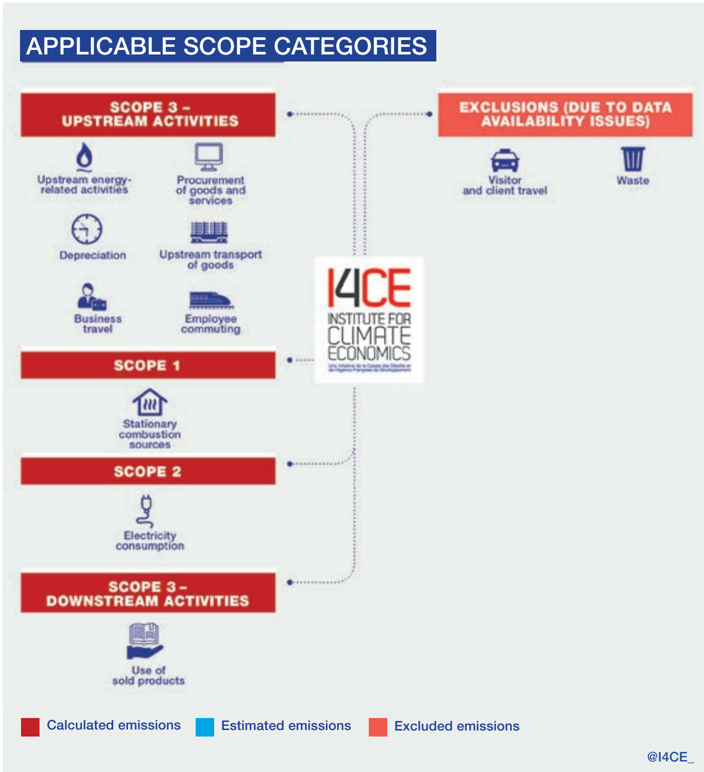
@I4CE_

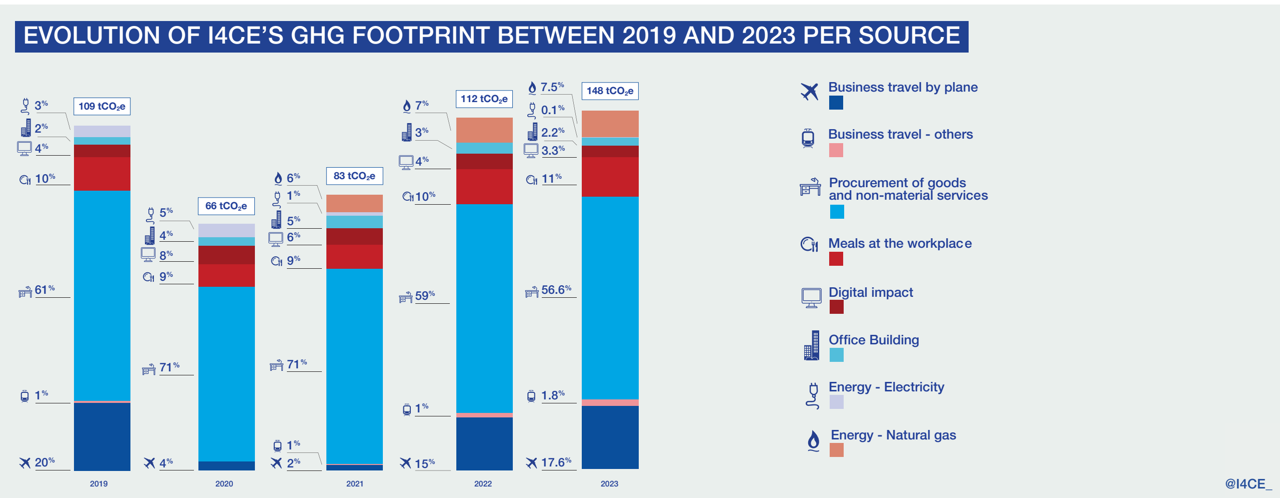
CARBON FOOTPRINT

As it has every year since 2019, I4CE is committed to calculating and publishing the environmental footprint of its research activities. By carrying out this assessment, we are able to structure a process for reducing emissions. While the rise in emissions between 2021 and 2022 represented the “return to normal” that followed the Covid years, 2023 was marked by a 32% increase in emissions compared with 2022 (112tCO_2e in 2022 and **148tCO_2e in 2023**).

The reasons for this rise are mainly linked to the increase in internal headcount and in the number of trips made by team members. **I4CE** has grown from 38 to 42 FTEs between 2022 and 2023. Relative to the number of FTEs, the balance rises from 3 tCO_2e/FTE in 2022 to **3.5 tCO_2e/FTE** in 2023. Regarding the number of employee trips, it is above all air travel that is on the rise. This figure should be seen in the context of **I4CE**'s dynamic internationalization, which includes the participation of our teams in international events such as the COPs. Indeed, it is the increase in air travel that explains the significant rise in our carbon footprint in 2023. Of course, these figures imply that we need to rework these issues and go beyond existing commitments, such as giving priority to train travel over air travel when an alternative of less than 6 hours exists.







INSTITUTE FOR CLIMATE ECONOMICS

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