

**I4CE**

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

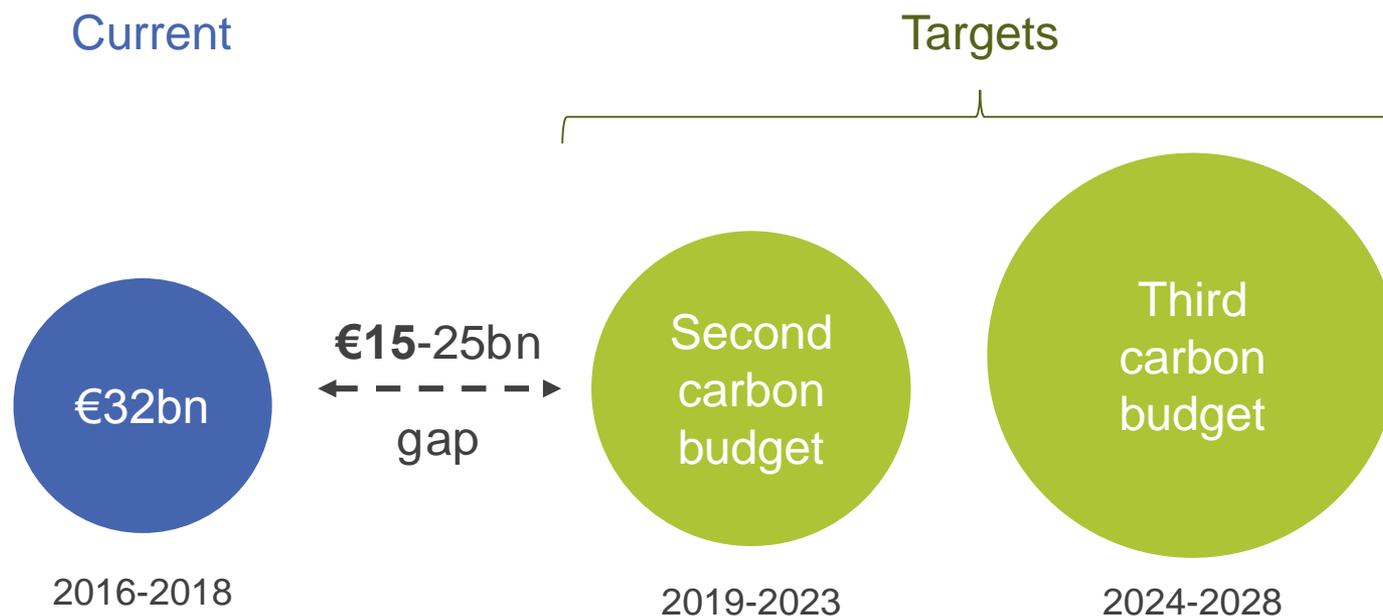
# From Landscape studies to Recovery Plans

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# A longstanding shortfall of investment, made worse by 2020's acute economic crisis, threatens France's climate pledge

Climate investment in France, per year  
(energy efficiency, renewable energy, sustainable transportation)



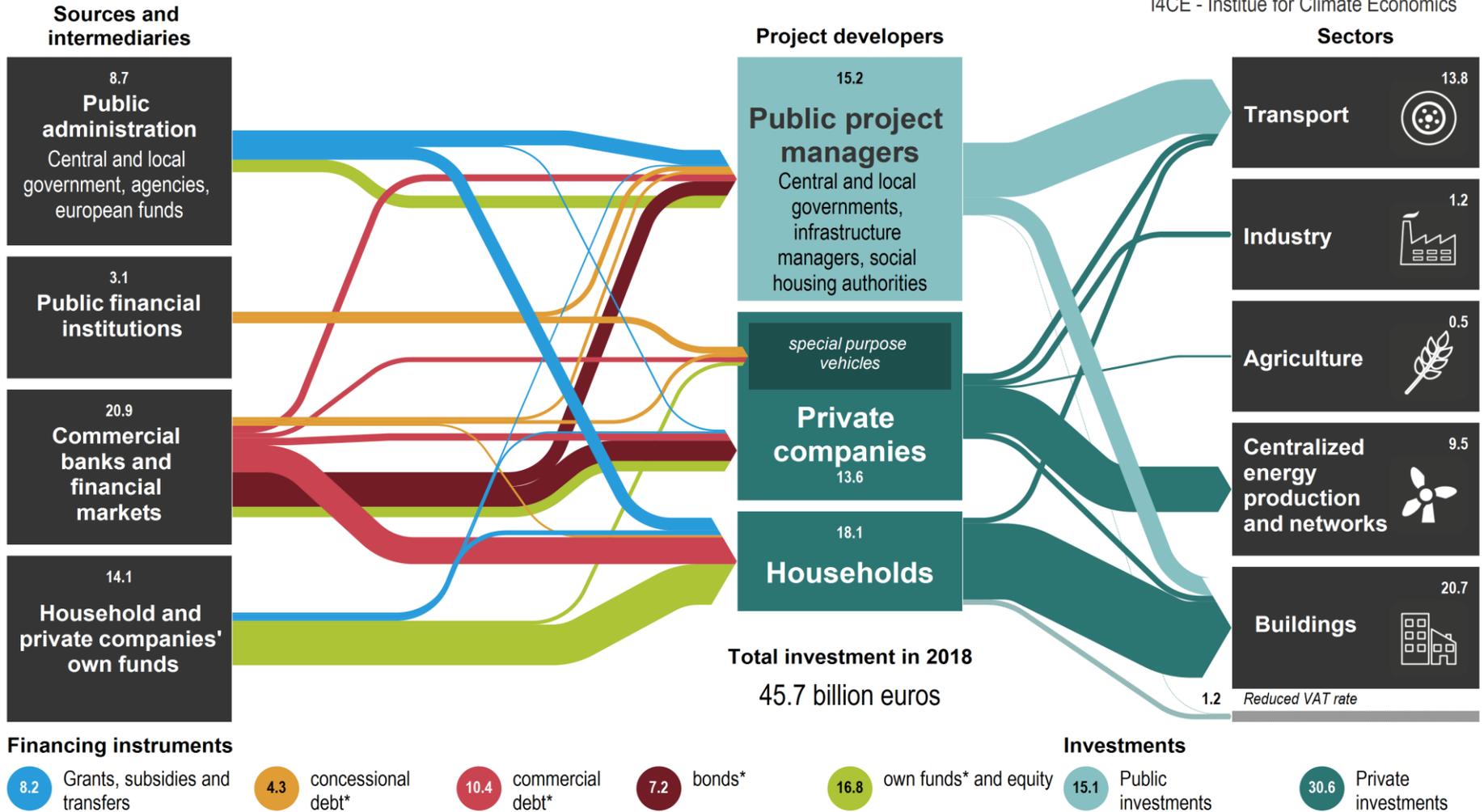
Source: I4CE, Landscape of climate finance in France, 2019 Edition  
Carbon budgets are set in the national low-carbon strategy (SNBC, April 2020)

# The Landscape study provides key data on climate investment trends and funding models

## Landscape of climate finance in 2018

in billion current euros

I4CE - Institute for Climate Economics



\* including balance-sheet financing in companies

## We estimate a €+9bn/year public stimulus would drive €23bn/year additional climate investment, closing the gap

- Bringing co-benefits through GDP growth\*, employment\* and air pollution reduction\*\*
- But achieving medium-term targets would require a much larger public stimulus (+€22bn/year)

In billion euros, per year	Current 2016-2018	Short-term → 2023	Medium-term → 2028
Public spending	15	23	37
Direct investment, subsidies, soft loans, technical support and new regulations (no change in carbon tax)		(+9)	(+22)
Private leverage Bank loans, bonds, equity and own funds	22	36	60
<b>Total climate investment</b>	<b>32</b>	<b>54</b>	<b>89</b>
Public compensation for renewable energy generation	5	6	9

\*: Energy management agency (ADEME) estimated the economic impact of I4CE's proposal to be +0.2 and +1.9 %GDP ; +25.000 and +400.000 jobs (full-time equivalent) compared to BAU scenario in 2020 and 2025 respectively

\*\* : Estimated impact from implementing the National low-carbon strategy

# Caution required on amounts and time frame

## Public stimulus requirements possibly underestimated

- High-emission sectors such as industry, agriculture were not covered
- Current French targets for 2030\* probably not in line with upcoming European climate law
- Ongoing economic crisis could undermine public-private leverage

## Will public stimulus arrive on time for economic recovery?

- Even with public money, removing investment barriers takes time
- Most measures in our proposal deliver long-term, structural recovery rather than short-term relief