 Actors, Financial Flows and Trends: An Overview of the Financing of the Energy Transition in Germany and France

Das Kopernikus-Projekt ENavi

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Aim and content

- **Aim**
  - To identify actors, financial flows and trends in financing the German and French energy transition

- **Outline**
  - The German climate finance landscape 2010
  - The update for the building sector 2016
  - The French climate finance landscape 2017
  - Similarities and differences in results for both countries
  - Concluding on climate finance data
The German Climate Finance Landscape 2010
The German Building Sector Climate Finance Landscape Update for 2016
The French Climate Finance Landscape 2016

**Sources and intermediaries**
- 7 Administrations publiques
  - Central and local government, agencies, european funds
- 1.7 Public financial institutions
- 15 Commercial banks and financial markets
- 8.3 Household and private companies' own funds

**Project developers**
- 11.4 Public project managers
  - Central and local governments, infrastructure managers, social housing authorities
- special purpose vehicles
  - Private companies
    - 9.8
  - Households
    - 10.8

**Total investment in 2016**
31.8 billion euros

**Financing instruments**
- 7.2 Grants, subsidies and transfers
- 2.7 concessional debt*
- 7.9 commercial debt*
- 4.2 bonds*
- 10.1 own funds* and equity

**Sectors**
- Transport
  - 10.3
- Industry
  - 1.6
- Agriculture
  - 0.3
- Centralized energy production and networks
  - 6.3
- Buildings
  - 13.3

**Investments**
- 11.4 Public investments
- 20.3 Private investments

* including balance-sheet financing in companies

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Climate finance in Germany and France

Climate flows may seem similar, yet tracking methods are different:

- Results cannot be compared 1 on 1
- Need of international standards for tracking climate finance

**Buildings**

- In Germany, climate finance flows are mostly supported by concessional loans and in France by grants
- The residential construction accounts for the biggest share in both countries
- Energy efficiency has drastically risen during the last 5 years

**Industry**

- Relatively small share in total climate investment
- Low energy prices and EU-ETS prices
- More investment is going into R&D than tangible assets

**Energy production**

- More renewable investments in Germany than France, mainly due to different policy frameworks and KfW support
- In Germany, investments are on track to meet the renewable energy goals except for renewable heat

**Transport**

- 2nd largest sector in climate investment in France, incl. urban, rail and waterways, dominated by public financing.
- Much less tracked in Germany

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Climate finance data

**Germany:**

- Very restricted data availability
- No annual climate finance assessment, statistics are not tracked in climate finance terms or in line with energy transition targets
- In 2018, an entity for climate finance was established in the Federal Ministry of Economic Cooperation and Development (BMZ)

**France:**

- Advantage from article 173 and 174 in its energy transition law (2015-992)
- Article 173 will most likely have a major impact in the future once reporting standards are harmonised
- Article 174 ensures a close collaboration between ministries, public institutions and monitoring agencies
- French ministries survey industry and households, also on underlying reasons for investments, which helps to assess climate finance

**Opportunity to cooperate and elaborate a common ground**
Kontakt

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