



Annual Report 2015

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FOREWORD

In 2015, I4CE – Institute for Climate Economics, succeeded CDC Climat Research, the research team specialising in the economy of climate change, created ten years ago, within the Caisse des Dépôts group. This Institute takes the form of an association whose founding members are the Caisse des Dépôts and the Agence Française de Développement. This new structure aims to increase the impact of I4CE and to encourage its openness to other sponsors, supporting its move towards internationalisation.

Since its creation, I4CE – Institute for Climate Economics - has benefited from the expertise and reputation which CDC Climat Research acquired over ten years through our publicly available research, our discussions with public and private decision makers, and our research partnerships with other teams in France, Europe and around the world. I4CE brings together the best academic work and the constraints of political and economic action.

The creation of I4CE in 2015, marked by the Paris Conference (COP21), is a step towards creating an agenda of solutions for the climate. Its research programme can be broken down into four areas: energy and carbon pricing; cities and infrastructures; agriculture and forestry; and finance and investment. It aims to provide public and private decision-makers with the keys to understanding and taking decisions.

This annual report covers the highlights of 2015, looking at the team's work in terms of the production of expertise, capacity building and contributions to the public debate.



PIERRE DUCRET
President



BENOIT LEGUET
Managing Director

I4CE BACKGROUND

I4CE is a climate economics research institute founded by the Caisse des Dépôts and the Agence Française de Développement. The think tank conducts analyses and expertise on economic issues relating to climate-energy policy in France and throughout the world.

I4CE was created to help public and private sector decision-makers to better understand, anticipate and facilitate the use of economic and financial instruments aiming to encourage the transition to a low carbon economy adapted to climate change.

We focus on three research areas, of interest to stakeholders in the energy transition:

- **Industry, energy and climate:** understanding policies to promote the low-carbon transition of the industry and energy sectors;
- **Territories and climate:** identifying and analysing possible activities for agricultural, forestry and urban areas in light of climate change;
- **Finance, investment and climate:** highlighting and analysing how climate is mainstreamed into public and private stakeholders' financial decisions.

I4CE aims to bring together, within a centre operating in the public interest, the skills required to provide independent advice on economic questions relating to energy and climate policies. Its aim is to contribute to the creation of conditions which can promote energy transition.

Our work with public and private partners in France, Europe and internationally, can be divided into three areas:

Providing expertise for the general interest

I4CE develops research projects on various working themes, often in the form of partnerships. It publishes studies, publications and expert reports aimed at public and private decision makers.

Strengthening the capacities of economic actors

I4CE disseminates the knowledge emerging from its expert assessments through accessible publications. It carries out research-action projects in order to create new tools for public and private economic actors. It also organises local, national and regional training.

Contributing to public debate

I4CE organises a number of different events, including conferences, workshops and breakfast meetings. It responds to public consultations led by French, European or international bodies, and participates in expert working groups.



A. Governance of the Institute

I4CE – Institute for Climate Economics, is chaired by Pierre Ducret and managed by Benoît Leguet.

The Board of Directors sets the strategic direction for the association, and supervises its implementation. In 2015 there were six Board members.

Board Members

Pierre Ducret

Chair of the Board of Directors
Chair, Climate Advisor for the *Caisse des Dépôts Group*

Nicolas Blanc

Deputy Manager for Manager of the '*Climate Change*' division, *Agence Française de Développement*

Pierre Forestier

Manager of the '*Climate Change*' division, *Agence Française de Développement*

André Pouillès-Duplaix

Directeur des appuis transversaux, *Agence Française de Développement*

Mihoub Mezouaghi

Deputy Director of the Study and Research Division, *Agence Française de Développement*

Romarc Viteau

Independent Board Member

B. Presentation of the financial structure

On 1 July 2015, the Caisse de Dépôts decided to transfer the research team and activities of CDC Climate to the Association pour la Promotion de la Recherche en Economie du Climat (APREC). This transfer represents a partial contribution of assets amounting to €533,840. On 22 September

2015, APREC took the name I4CE – Institute for Climate Economics and this became the name under which the association operates.

This transfer led, in 2015 to an increase in APREC's resources and expenditure.

1. APREC profit and loss account

PROFIT AND LOSS ACCOUNT (In euros)		Financial year ending 31 December 2015	Financial year ending 31 December 2014
		Net	Net
Total revenue for the financial year	(a)	2,191,760	345,007
Total expenditure for the financial year	(b)	1,905,000	159,194
Carry-over of unused expenditure from previous years	(c)	179,450	-
Projected use of allocated funds	(d)	361,276	179,450
SURPLUS (a)+(c)-(b)-(d)		104,934	6,363

Where do the association's resources come from?

In 2015, our resources amounted to €2,191,760, compared to €345,007 in 2014.

57% came from public bodies, 31% from European funds, 8% from private funds, 3% from the French Ministry and 1% from regional authorities.

At the end of the financial year, the balance of resources received by the association, recorded in the projects and not yet used, are given in the liability section. These are the 'projected use of allocated resources', which amounted to €361,276 on 31 December 2015.

What are the association's expenditures?

The 2015 expenditure amounted to €1,905,000.

This funds our three study areas, relating to energy transition stakeholders:

- Industry, energy and climate
- Territories and climate
- Finance, investment and climate

They also cover the operating costs, the main items of which are rent, IT systems and accounting and financial reporting.

2. Simplified balance sheet

ASSET BALANCE <i>(In euros)</i>	Financial year ending 31 December 2015	Financial year ending 31 December 2014
	Net	Net
Total I - fixed assets	64,738	5,000
Debts	1,597,613	90,000
Available	480,516	201,556
Total II - Current assets	2,078,129	291,556
Total III - Prepaid expenses	3,336	0
GENERAL TOTAL	2,146,203	296,556

LIABILITIES <i>(In euros)</i>	Financial year ending 31 December 2015	Financial year ending 31 December 2014
	Net	Net
Total I - Association funds and reserves	649,053	10,280
Total II - Reserves for risks and charges	45,028	0
Total III - Ringfenced funds	361,276	179,450
Total IV - Debts	996,132	106,826
Total V - Prepaid expenses	94,714	0
GENERAL TOTAL	2,146,203	296,556

The association funds include the partial asset contribution from CDC Climate, which amounts to €533,840.

After appropriation of profit, equity amounts to €649,053 and are entirely allocated to the reserves.

The net cash position was €480,516 compared to €201,556 the previous year.

€361,276 total ringfenced funds correspond to the funding covered by grants from our partners, allocated to research projects in line with agreements signed with them and not used at 31 December 2015.



C. Team



Marion Afriat
Project Manager
"Industry, Energy and Carbon pricing"



Emilie Alberola
Program Director
"Industry, Energy and Climate"



Cécile Bordier
Project Manager
"city"



Malika Boumaza
Partnerships
Manager



Ian Cochran
Program Director
"Finance, Investment and Climate"



Lara Dahan
Research Associate
"Carbon Pricing and International Negotiations"



Mariana Deheza
Project Manager
"Climate and Development"



Marion Dupont
Business
Development
Manager



Claudine Foucherot
Project Manager
"Agriculture"



Julia Grimault
Project Manager
"Forest-Wood"



Hadrien Hainaut
Project Manager
"Landscape of Climate Finance"



Matthieu Jalard
Project Manager
"Industry, Energy and Decarbonation"



Benoit Leguet
Managing Director



Alexia Leseur
Program Director
"Territories and Climate"



Alpha Macky Ly
Communication officer



Simon Morbois
Financial and Administrative Director



Romain Morel
Project Manager
"Financial Regulation and Climate"



Romain Hubert
Research Associate
"Climate Risk"



Jessica Pereira da Costa
Even Coordinator and Administrative Assistant



Igor Shishlov
Project Manager
"MRV of Financial Instruments"



Guillaume Simonet
Project Manager
"Adaptation"



Clothilde Tronquet
Research Associate
"Agriculture"



Manasvini Vaidyula
Research Associate
"Industry, Energy and Carbon pricing"



Vivian Depoues
Research Associate
"Adaptation"

D. Main productions in 2015

2015,
the birth of a new actor
with a decade of experience

On 22 September 2015, the Caisse des Dépôts and the Agence Française de Développement launched I4CE – Institute for Climate Economics the think tank on climate change economy, which incorporated the CDC Climate Research team.

The I4CE project aims to contribute to the creation of conditions which can promote energy transition. Through its applied research, I4CE helps public and private decision-makers to better understand, anticipate and use economic and financial instruments capable of developing a low carbon economy which is adapted to climate change and, more broadly, to contribute to the public debate on the energy transition economy.

Incorporating the CDC Climate Research team, I4CE consists of around twenty researchers working on three areas of interest to energy transition stakeholders:





INDUSTRY, ENERGY AND CLIMATE

Historically, the team began working on this area in 2005, focussing on carbon price rates and, in particular, the energy and industry sectors. In 2015, the flagship project turned to the coordination of energy and climate policies. Supported by the public sector and French private companies, the project aims to assess the 2020 energy and climate package in order to clarify the 2030 energy and climate package negotiations, involving measures which will constitute the EU's 'contribution' to COP21. The team also monitors carbon regulations and energy efficiency in around 40 countries. This information feeds back into more occasional research on carbon pricing policies in specific countries.



TERRITORIES AND CLIMATE

The second programme focuses on climate policies and action on the regional level. The four working themes are agriculture, forestry, cities and adaptation to climate change. Alongside leading partners in the field, the team leads three research clubs on agriculture, forestry and cities, and carries out several research projects. The main project, known as Abstract-Colurba, examines barriers to regional authorities' adaptation strategies.



FINANCE, INVESTMENT AND CLIMATE

Initiated in 2012, this research aims to facilitate the integration of climate into financial decision making. It also analyses the interaction between public policy (regulations, subsidies, support mechanisms, investment programmes) and private investment in energy transition. Some of the main pieces of work carried out or underway in 2015 include the Landscape of Climate Finance for energy transition in France, the French case study on greening the French financial sector, and several publications on how international funding bodies mainstream climate into their work.

2015,
the year of COP21



1. 2015: the year of COP21

In 2015, I4CE established its position as a leading resource in the economics of climate change, through its very strong presence during the Paris Conference (COP21). In 2015, I4CE launched a series of publications, ClimasCOPE, to analyse the issues behind COP21 and produced seven videos to illustrate these publications.

I4CE organised around ten breakfast meetings, either alone or in partnership with the Institut

Français des Relations Internationales (IFRI) and invited international climate ambassadors to present their countries' climate strategies.

During COP21, I4CE shared its expertise by organising or participating in around thirty side events on our areas of expertise: carbon pricing, climate finance, regions, etc.

2. Producing expertise through research projects

In 2015, I4CE researchers were involved in several French, European and global research projects. The main projects are listed below.



COPEC – Coordination of EU Policies on Energy and CO₂

Launched in partnership with Enerdata, this programme brings together a French coalition of public and private decision makers to examine the revision of the European emissions trading system (EU ETS) for 2021-2030. It aims to provide a factual, independent and costed analysis of how the EU ETS operates and its economic impacts between now and 2030. Following five workshops, a final report was published in September 2015. Several discussion events were organised, including a conference in Washington led by the French embassy.



CARISMa

Launched in March 2015 as part of the European H2020 funding programme, this programme aims to provide public and private decision makers with an information platform and data analysis to improve their understanding in the field of climate change. In partnership with ten European partners (Enviros, CEPS, ZEW, SEI, the University of Graz, NTUA, the University of Radboud, the Joint Implementation Network and the University of Piraeus), I4CE contributed towards the assessment of climate change mitigation policies, in particular, examining the interaction between different policies in the industrial sector.



Carbon pricing case studies

In partnership with the International Emissions Trading Association and the Environmental Defense Fund, in May 2015, I4CE published a series of 20 case studies exploring the implementation of carbon pricing systems around the world.



Public policies and private funding

This project addresses the levers for action which are available to public decision makers to ensure that private capital reaches climate projects. It focuses on the financial sector and its interactions with other stakeholders. It seeks to create a typology of these types of actions, to understand the rationales used by actors, and to study specific existing or proposed tools. Several conferences and publications were carried out over the course of 2015.



Landscape of climate funding

This project measures and characterises the financial flows that contribute, directly or indirectly, to reducing GHG emissions in France. The study identifies annual investment flows and domestic funding and focuses on interactions between institutions, intermediaries, distribution channels and instruments. This study also aims to help French public authorities fulfil their reporting obligations under the law on energy transition for green growth, recently adopted in France.

ABSTRACT - Colurba

The ‘Analysis of Levers and Barriers to the Implementation of Adaptation Strategies to Climate Change - the Urban and Local Authority Case’ is based on sociological field work with ten metropolitan and overseas authorities to analyse the levers and barriers to implementing adaptation strategies on the local level.





City Climate Finance Training

This European event organised in Paris by I4CE on 1 October 2015, aimed to shed light on the financial tools available to regions to help them implement their climate strategy. It adopted a pragmatic approach, presented concrete examples of climate finance and encouraged discussions between operators on the ground and financial actors.



Regulatory monitoring and the Carbon Energy Efficiency Observatory (CarEE)

In 2015, I4CE produced 11 regulatory monitoring reports which identified progress in national legislation in terms of carbon policies and energy efficiency for a number of sectors (industry, energy, transport, construction, etc.).

The CarEE observatory responded to the information needs of economic and institutional actors on the impact of existing or emerging regulation at the level of the EU, its Member States and its main economic partners.

'Mainstreaming' climate by public financial institutions

I4CE is conducting a long-term research project in order to understand how financial development institutions are addressing climate change issues. Mainstreaming climate change into decision making in terms of development finance poses several operational challenges. Inspired by the current practices within international financial institutions, the research project looks at the approaches, tools and metrics used to incorporate mitigation and adaptation objectives into investment decisions.





3 clubs and 60 economic actors

3. Strengthening the capacities of economic actors

I4CE strives to share the results of applied and academic research and to make it usable for public and private decision makers. I4CE shares its expertise through three discussion and reflection clubs whose members meet several times a year and by developing its training services for decision makers.



4. Research and discussion clubs

I4CE leads three research and discussion clubs dedicated to regional actors.

The Cities, Energy and Climate Club (ViTECC)

In 2015, the club addressed subjects such as adaptation of an urban development area, the circular economy, climate change and its impact on health, the possibilities for including climate criteria in public procurement, and funding regional authorities through European funding.

Carbon, Forest and Wood Club

In 2015, the club worked on the comparative advantages of carbon compensation and sponsorship, as well as on the interaction between alleviation and adaptation for the forestry-wood sector. The club continues to monitor scientific and economic issues, public policies and economic instruments related to the forestry-wood sector, as well as monitoring carbon markets and forestry projects.

Climate and Agriculture Club

In 2015 the club studied the sociological approach to the perception of climate change and the barriers to transition to lower-emission and more resilient farming; the experience of adaptation on the regional scale; vertical integration of climate issues into agricultural production systems and, finally, agroforestry.

5. Training activities

Tailor-made training

In 2015, I4CE received its certification as a training body, and continued to develop tailor-made training programmes. In particular, in 2015, I4CE led ad hoc training on the theme of 'carbon pricing'.

Executive Education

In 2015, KIC-Climat entrusted I4CE with the organisation of a training session in its Executive Education programme, which takes place in four European cities on urban-related themes. I4CE prepared and led three training days on climate finance and governance for a group of 30 professionals. These training courses used several teaching concepts to communicate knowledge from serious gaming to the discourse of motivation.

Climactio

In 2015, I4CE ended the European vocational training programme Climactio, launched by KIC-Climat to provide public and private decision makers with the tools needed to launch mitigation and adaptation projects and to support them in the medium term. Following several conferences and workshops in Aquitaine in the agricultural and forestry sectors, I4CE launched a call to tender for projects which would benefit from tailor-made support on defined problems. Three projects were selected: the carbon funds project led by the Aquitaine Carbone association, a pasture project for the farmer Jean-Pierre Planté and an improvement in the carbon reporting tool led by the Maisadour cooperative. These three projects were the subject of a case study which will be published in 2016.

KEYFIGURES

OUR FOUNDING MEMBERS

GRUPE



Caisse des Dépôts and its subsidiaries, including Bpifrance and CNP Assurances, together form a State-owned group that is a long-term investor serving France's public interest and local and regional economic development. This role was reaffirmed by the French economic modernisation act of 4 August 2008. The Group has renowned expertise in managing public-service mandates and focuses its efforts on four types of transition that are strategic for France's long-term development: regional, environmental/energy, digital and demographic.

www.caissedesdepots.fr



The Agence Française de Développement is a financial public institution operating under the dual auspices of the French Ministry of Foreign Affairs and International Development and the Ministry of the Economy, Industry and the Digital Sector. It aims at implementing the French policy for Development Cooperation, struggles against poverty and acts in favor of sustainable development in sub-Saharan Africa, Asia, Middle East, Latin America, the Caribbean and in French overseas. In 2014 AFD thus financed projects and programs to an amount of as €8.1 bn (€4.5 bn in 2008).

www.afd.fr

TEAM



24
TEAM MEMBERS

SOCIAL NETWORKS



1 530
follower on Twitter

10 videos
on our Youtube
channel

EVENTS



OVER 50
events
organized alone
or with partners

PUBLICATIONS



41 publications



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I4CE

INSTITUTE FOR
CLIMATE
ECONOMICS

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

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