IDEAS, IMPACT

2017-2018 ANNUAL REPORT
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FOREWORD
Pierre Ducret and Benoit Leguet

WHAT DO WE DO?
INFORMING
RECOMMENDING
CREATING DIALOGUE

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I4CE:

25 Team members
40+ Publications annually
40+ Events annually
3,000+ Twitter followers
6,000+ newsletter subscribers

I4CE: OVER FIFTEEN YEARS, I4CE researchers have built up a high level of expertise on the economic challenges associated with a carbon-neutral and climate resilient world. They are recognized for the rigour of their analyses. However, expertise alone, regardless of the quality, is not sufficient. A think tank should not only be concerned with generating expertise, but also with ensuring that this expertise addresses the questions raised, or that should be raised, by decision-makers. Its role must be to effectively communicate this expertise to the actors of change within territories, ministries, international authorities, and companies. It entails actively contributing to the public debate.

WE PROVIDE INFORMATION, data that although essential for collective decision-making are currently in short supply. How much do we invest annually in the energy transition? What is the price of carbon in countries around the world? How are the generated revenues used? We produce such information and use it to feed the debate, in France and abroad.

WE RECOMMEND SOLUTIONS to improve public policies. During the 2017 and 2018 negotiations on the reform of the European carbon market, we organized five events, from Paris to Brussels, to discuss our recommendations with more than 250 participants, and we also presented them to stakeholders at several conferences. Our researchers also analyse the challenges of the private sector, such as the consideration of climate risk by financial actors, and propose solutions, tools and methods to address such issues.

WE CREATE SPACES FOR DIALOGUE. Which are sometimes also spaces of controversy but, for the
most part, are places where experiences and information are exchanged. For example our three climate clubs focus on territorial transition. While the Climate Action in Financial Institutions initiative, for which I4CE provides the secretariat, facilitates more than forty development and private banks in the sharing of their experiences of integrating climate issues into investment decisions. Informing, recommending, creating dialogue. These words are not sufficient to cover the broad range of activities in which I4CE engages: we also organize climate training in French territories, Morocco and Tunisia; and become more of a “do tank” when developing our quality standard for voluntary offsetting. Nevertheless, they capture the essence of our daily objective: TO HAVE AN IMPACT.

WHAT DO WE DO?

THREE EXAMPLES ILLUSTRATING OUR MODES OF ACTION
INFORMING

Transparency of climate investments

viewpoint of HADRIEN HAINAUT
I4CE Investment Project Manager

When we launched the first edition of our Climate Finance Landscape five years ago, we started from a simple observation: everyone was talking about the billions of euros investment needed to change our energy model, but it was very difficult to ascertain how much was already being invested each year. And therefore to know the investment gap, and whether it was decreasing or increasing. Data relating to household investment on home renovations, to industrial expenditure on wind and solar power, and to local authority spending on public transport, were scattered or even non-existent. And it was even more difficult to know where the invested funds were coming from: how much derives from households, state funding, bank loans, or bonds issued on the financial markets?

Knowing how much we invest and how these investments are financed, and being able to measure annual changes is however essential for a transparent and high quality public debate. With our Climate Finance Landscape, we sought to provide this crucial information.

Today, the findings of the Climate Finance Landscape are updated annually and presented at around 20 events, notably at the National Assembly and in many Ministerial Offices. They fuel the Finance Bill and serve as a basis for discussing public budget development.

There are still some areas where our Landscape can be improved. We are working on this, for example, by improving our monitoring of investments in the agroecological transition, and those that conflict with the deep decarbonization of the French economy. We also focus on Europe and the rest of the world, from Morocco to Colombia, to bring our expertise to countries seeking to monitor their climate-friendly investments.

€32 billion invested annually in France to support climate action, a figure that has been stable for several years.

20 to 40 billion euros: the gap between investments and identified needs.

€13 billion invested in the energy renovation of buildings, mainly by households. This figure has been steadily rising for 4 years.

55% of funding is “driven” by public authorities, whether as investors or via support and loans to households and companies.
RECOMMENDING

Mobilization of financial actors

viewpoint of MORGANE NICOL
I4CE Programmes Director

The Paris Agreement and the 2017 One Planet Summit have thrust the importance of finance for climate transition into the limelight. A paradigm shift is needed in the finance system, whether this involves redirecting flows towards low-carbon investments, to influence the strategic decisions of companies, or to anticipate the risks raised by climate change. I4CE made the decision in 2012 to propose solutions to public and private actors involved in this shift.

Last year, our analyses of green bonds thus showed the benefits of this tool, but also its limitations in terms of increasing climate finance in the field. This work led to a series of recommendations aiming at ensuring the environmental quality of green bonds, which were discussed with all stakeholders in workshops organized with the European Investment Bank and WWF, and presented in Brussels to prepare the Commission’s Action Plan on Sustainable Finance.

In addition, to achieve this transformation, financial actors need to take better account of climate risks. And particularly the physical risks related to climate change impacts. For this reason, I4CE — along with other European think tanks — will now collaborate with around 20 private actors to help them measure their exposure to these risks. Their question is no longer “why should we take these risks into account”, but “how can we do it?”. So that’s what we help them do.

User Testimonials

An invaluable opportunity to exchange with other stakeholders

Arnaud Leroy,
President of the French Environment and Energy Management Agency

The I4CE Climate Finance Landscape provides us with a holistic overview of investment dynamics in France and of the efforts that are still needed to achieve the energy transition. Complementary to ADEME’s macroeconomic assessments, it helps us to identify the sectors in which we must intensify our efforts and evaluate the effectiveness of our action. This rich and transparent inventory is also an invaluable opportunity to discuss with other public bodies, companies and financiers.

Data that informs our legislative work

Matthieu Orphelin,
MP for Maine-et-Loire

Parliamentarians have been waiting for such an inventory for a long time: it enables us to determine what efforts are still needed in terms of climate investments. The latest I4CE Landscape has highlighted the striking gap of 20 to 40 billion euros between the investments made and the estimated requirements. Such precise data is highly enlightening and easy to use to inform our legislative work, and for the preparation of the budget in particular, and to support, for example, our proposals on ecological taxation, fuel tax loopholes, and energy efficiency certificates.

Essential information for our advocacy work

Morgane Créach, Director of Climate Action Network France

The Landscape is a vital tool for Climate Action Network France and the 30 associations in our network. We do not have the necessary time or resources internally to conduct this monitoring of funding, which is nevertheless essential for our advocacy work to accelerate the implementation of public policies to fight climate change. I4CE gives us access to this crucial information, and has even twice given presentations of the Landscape’s results and methodology to member associations in the network.

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"Since 2012 I4CE has proposed solutions to public and private actors involved in the shift of the financial system"
Locally, many people take practical action on a daily basis to advance the climate transition. Such as elected officials and developers who adapt their urban projects to global warming. Or foresters and farmers who measure the contribution of their innovative practices to the reduction of greenhouse gas emissions, and then valorize these efforts through innovative financing tools.

However, for at least ten years we have known that these actors in the field lack forums where they can share their experiences, successes and difficulties. They lack forums where they can meet researchers. Places to keep abreast of news on public climate policies, in France, in the European Union and on an international scale.

For these reasons 4CE has created three clubs – focusing on cities, forestry and agriculture – that serve as forums for discussion and frank exchange between actors from all backgrounds. 250 actors willing to develop skills and pool their knowledge; to understand the regulatory changes and their impacts for their sector; to identify new means of action and financing tools. 4CE carries out reviews for these clubs, which meet at least twice a year and serve as project incubators.

It is in these clubs, for example, that many actors have voiced the demand for the creation of an emissions reductions certification system in the agricultural and forestry sectors. As a result, we have designed such a system, along with several partners, that in the coming months will lead to the adoption of a low carbon standard in France.

In 2017, our different clubs met seven times and mobilized 250 participants from over 90 institutions.
User Testimonials

Discussion forums that are essential for finding solutions

Alice Peyrard, Veolia Climate Change Commitment Director

Large water cycle and circular economy, heat and energy efficiency: these challenges are at the heart of Veolia’s activities and require discussion forums where solutions can be found. This is why Veolia partners I4CE Cities and Forestry Clubs, which are places of information and exchange around local and national initiatives, and also for the creation of experimental tools such as the Low Carbon Standard. In future, we hope that they will become places of reference to strengthen the financial engineering capacity of non-state actors, and to facilitate their access to green finance, for which I4CE has an expertise, recognized in France and internationally.

Who are we?

A club for the creation of new economic tools

Mélanie Decamps, GP Massif central

Our public interest group, which combines the six regions of the Massif Central, supports the timber industry and develops payments for environmental services. This is why we joined the I4CE Forestry Club, which allows us to share new knowledge and current issues related to the economic valuation of forest carbon. Through networking and sharing experiences in the club we are able to move forward with other stakeholders towards the creation of new economic tools, such as the Low Carbon Standard, in which we are partners with I4CE.

Essential analysis to scale up our actions

Léonard Jarrige, French Chambers of Agriculture

The Agriculture Climate Club, that we created with I4CE and INRA in 2012, provides our network with the essential technical and economic elements to scale up our actions in the agricultural sector in regard to climate change. It allows us to share the advances made by agricultural bodies on this challenge of the future, to benefit from stocktakes, and to stimulate collaborations to develop innovative projects in the field. In terms of the CAP reform, the combination of expertise within the Club enables us to be a proactive force to better integrate environmental services provided by agricultural activities.
Our governance

BOARD MEMBERS

I4CE is a non-profit organization founded by the Caisse des Dépôts and the French Development Agency.

1. Pierre Ducret
   Chair of the Board - Climate Change Advisor for the Caisse des Dépôts Group

2. Jean-Michel Beacco
   Treasurer of the Board - Managing Director, Institut Louis Bachelier

3. Frédéric Bonnardel
   Secretary of the Board - Advisor to the Director of Strategy, Caisse des Dépôts

4. Mohammed Hafnaoui
   Deputy Chief Executive Officer, CDG Développement, Groupe Caisse des Dépôts et de Gestion Maroc

5. Mihoub Mezouaghi
   Deputy Director of Innovation and Research, French Development Agency

6. Patrick Jolivet
   Deputy Head of Economics and Forecasting Department, French Environment and Energy Management Agency

7. Damien Navizet
   Head of the Climate Division, French Development Agency

8. Joel Prohin
   Head of the Fixed Income Asset Management Division, Caisse des Dépôts

9. Rima Le Coguic
   Director of Energy and Digital Transitions, French Development Agency

Our budget

KEY DATA

To promote the economy and climate finance, in 2017 CDG joined forces with CDC, AFD and ADEME, as a major sponsor of the I4CE think tank. We are pleased to contribute to the internationalization of this think tank, whose methods and fields of study are of great interest to public and private decision-makers in Morocco and Africa.”

Abdellatif Zaghnoun
Managing Director of the Moroccan Caisse des Dépôts et de Gestion

59
financial partners, including 11 financial institutions, 8 local authorities, 31 companies, 14 European and 17 French public bodies

65%
core funding, to explore issues of universal interest

2.8 million euro budget

For more information on budget transparency and our code of conduct, see: www.i4ce.org

Funding distribution according to organization type

- Financial institutions: 72%
- French public bodies: 7%
- European public bodies: 8%
- Companies: 7%
- Foundations: 5%
- Local authorities: 1%
Our team

Lisa BIERMANN
Finance Research Fellow

Cécile BORDIER
Territories Project Manager

Malika BOMBA
Partnerships Manager

Clement BULTHEEL
Carbon Pricing Research Fellow

Michel CARBONNA
Finance Senior Advisor

Ias COCHRAN
Investments Senior Advisor

Damien DEMALLY
Strategy and Communication Director

Vincent DEROVIL
Territories Research Fellow

Jean DECHAMPS
Investments Research Fellow

Manon DOPPIET
Education Manager

Julie EVAIN
Finance Research Fellow

Clémence FOUCHEROT
Territories Project Manager

Julie UBERLAND
Territories Project Manager

Hadrien HAINAUT
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Romain HUBERT
Finance Research Fellow

Benoit LEGUET
Managing Director

Clementette MÉTIVIER
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Morgane NICOL
Programmes Director

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Jessica PEREIRA DA COSTA
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Charlotte VALLEYS
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