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For the German Federal Ministry for Economic Affairs and Energy (BMWi)

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Climate & energy investment map in Germany Status 2016 vs 2010

*Slides are a part of the EUKI-funded project: Climate Investment Capacity
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Why to track investment at country level?

- ▶ **Regulation on the Energy Union Governance**
 - ▶ NECP binding template, Section 5.3i
- ▶ **Paris Agreement**
 - ▶ Article 2, para 1c
- ▶ **EUKI's Climate Investment Capacity (CIC2030) project**
 - Climate and energy investment maps   
 - Investment need and gap assessment   
 - Capital raising plans  

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Outline

▶ Concept and methodology

- ▶ What is tracked
- ▶ How it is tracked

▶ Messages

- ▶ How much capital was invested into the German energy transition in 2016?
- ▶ Who were the main investors and what made this investment possible?
- ▶ What financing instruments were the most common?
- ▶ What type of measures were invested in?
- ▶ What has changed since 2010?

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Concept and methodology

What Who invests how much into what kind of measures and which intermediaries and financial instruments facilitate these flows.

How A bottom-up approach tracking investment at a technology/measure level, aggregating it to sector level and then to country level.

+ Potential over- and underspending for further investigation
Comparing countries may help understand how to improve policies

- A significant amount of input data
No policy impacts, no gaps to reach targets, no private leverage

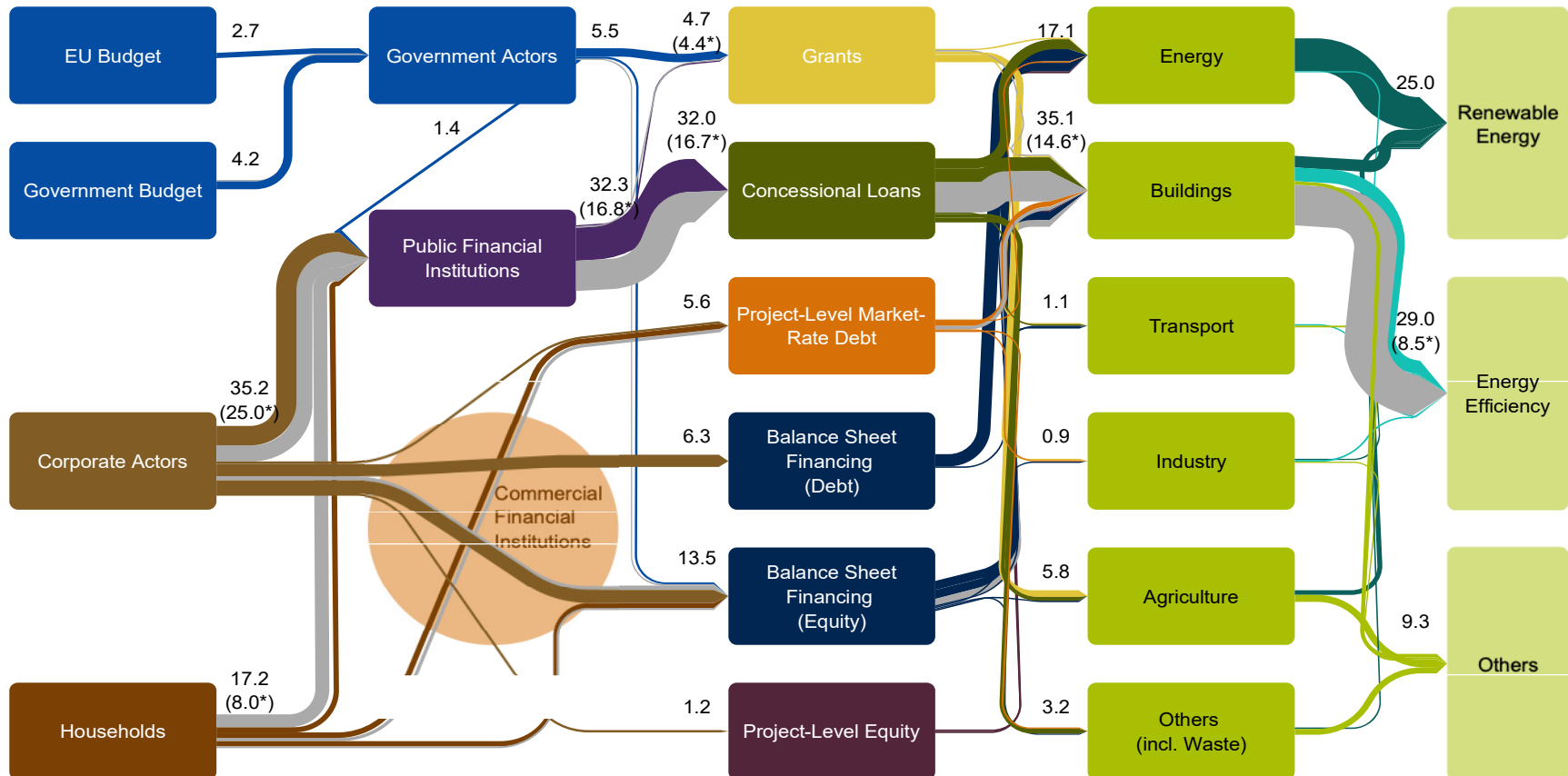
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German Climate and Energy Investment Map 2016, billion EUR



NON-GREY flows are

TOTAL TANGIBLE INVESTMENT (CAPital EXpenditure) incl public support into GHG reduction and increase of carbon sinks (thus, no guarantees, the cost of capital or debt repayment by investors, the compensation payments from the gov budget to suppliers of RE electricity under the feed-in tariff, etc.).

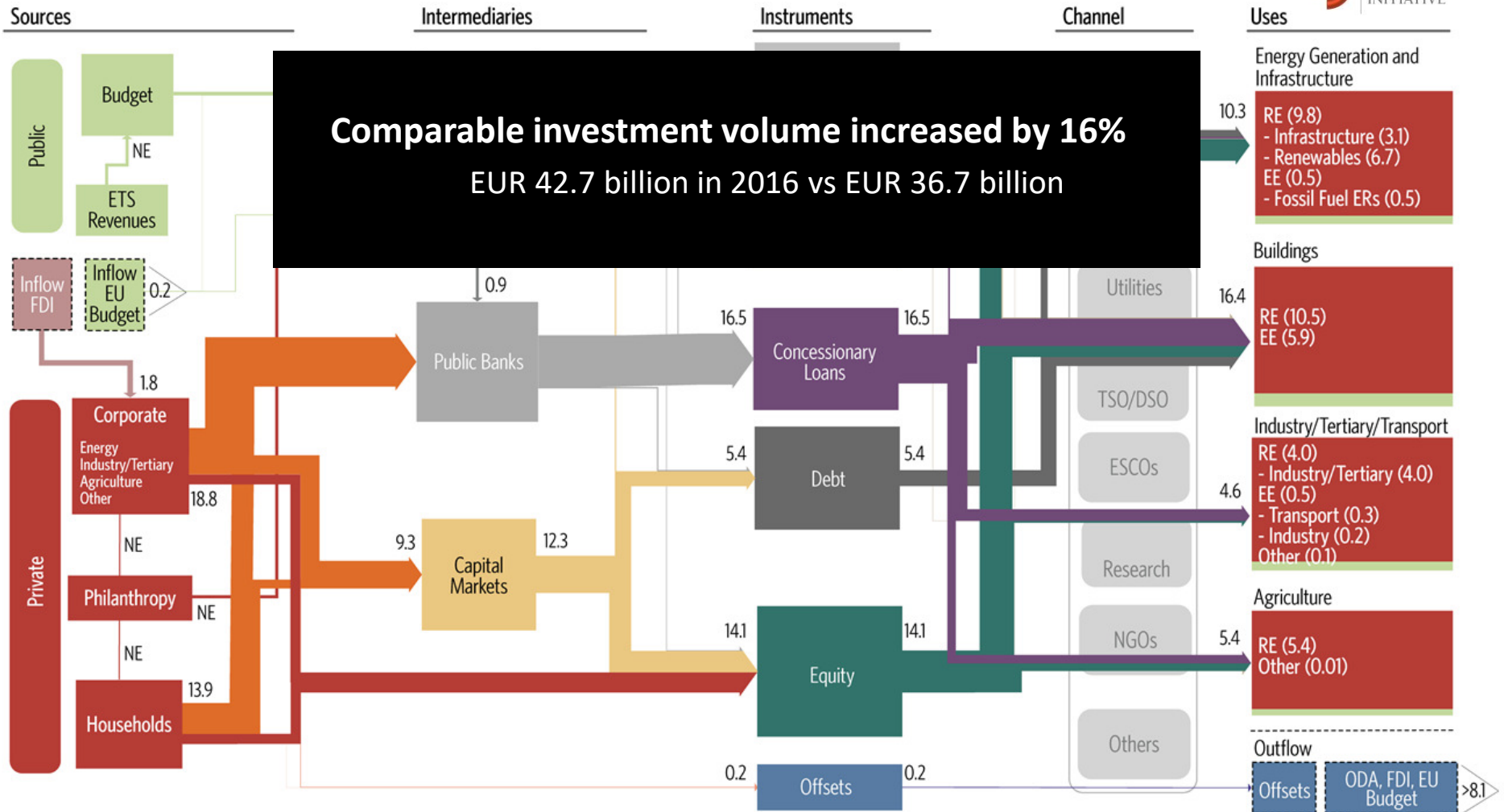
GREY flows are

INCREMENTAL INVESTMENT into energy efficiency of buildings. The incremental figures are **STARRED IN BRACKETS**.

Gov budget covers

federal budget disbursements + co-financing of EU funds (no public procurement, no admin costs, no regional and municipal budget, except when reported in the EU/federal budget, KfW, and BAFA programmes).

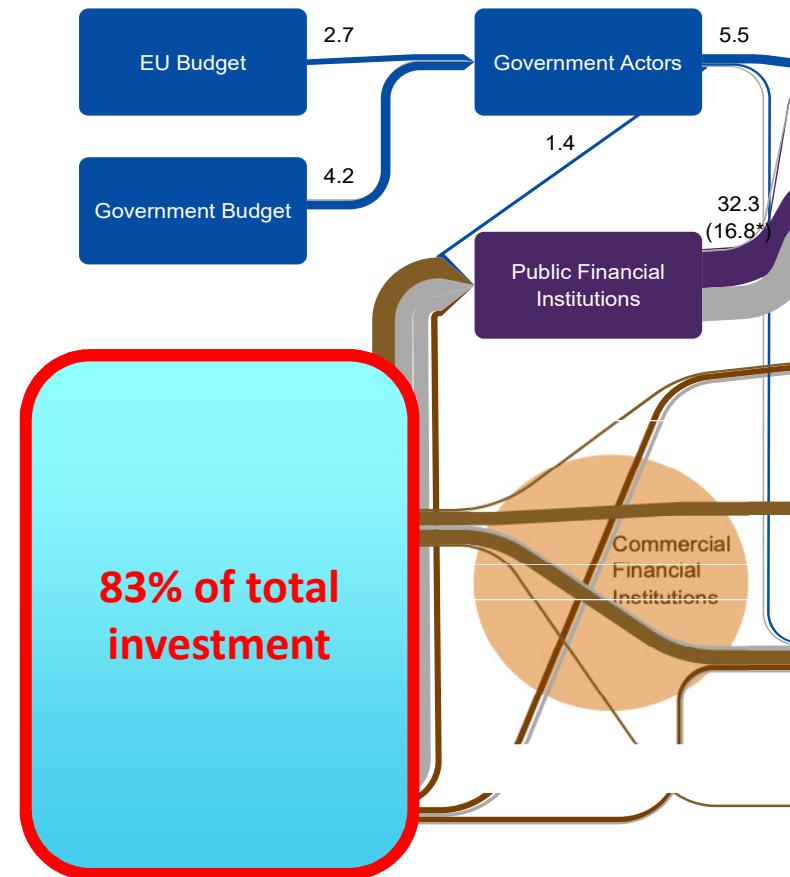
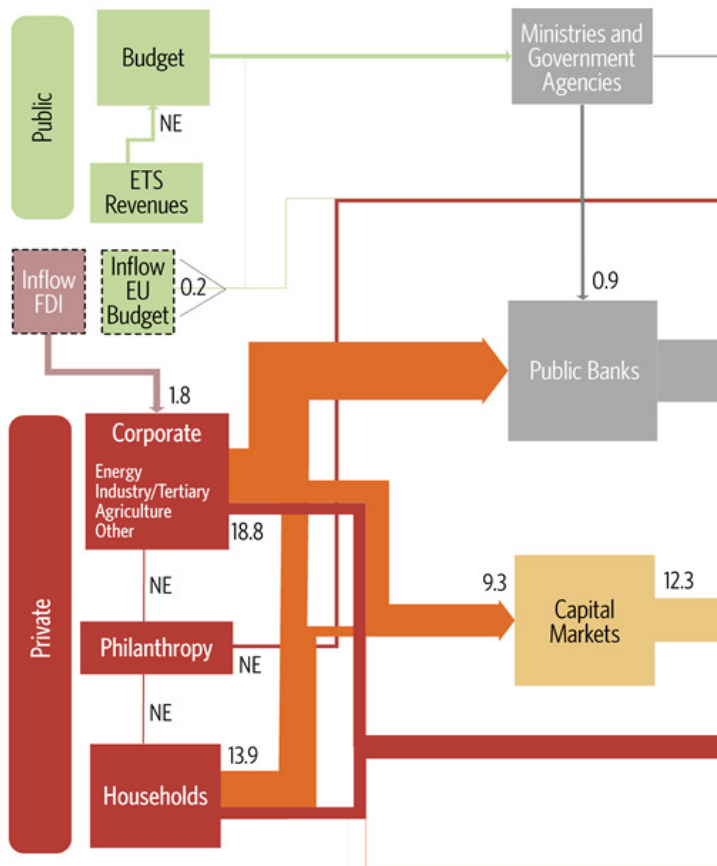
German climate finance landscape 2010, billion EUR



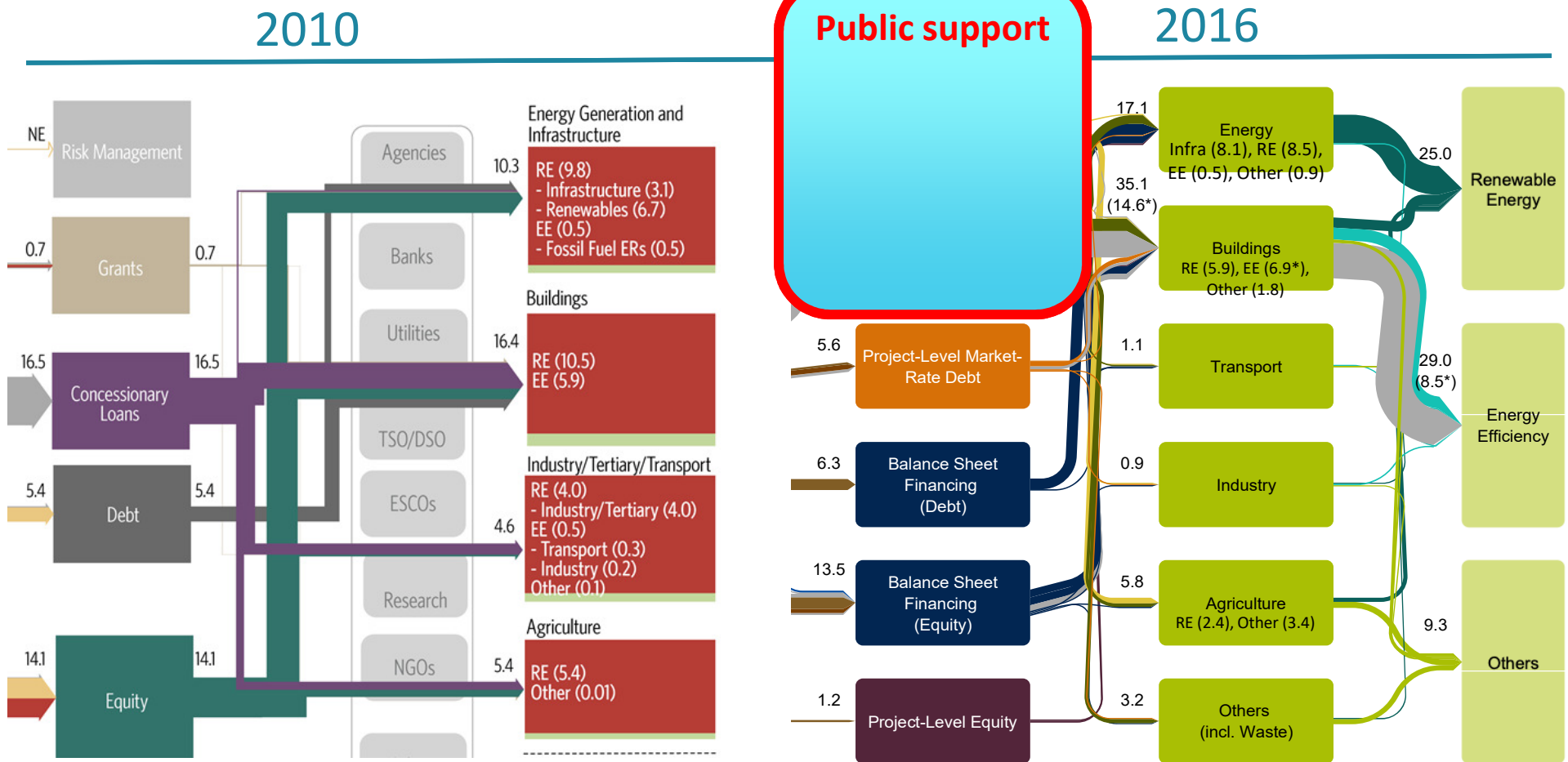
Sources and intermediaries

2010

2016



Instruments and uses



Opportunities to improve the mapping

- ▶ **Systematic tracking procedures that covers federal, regional, and local government budgets and climate programmes by public banks and agencies**
 - ▶ e.g. climate tagging in public budgets, the establishment of annual evaluation procedures
- ▶ **Evaluating and streamlining existing private-sector surveys and reporting efforts with the government's climate-investment tracking approaches**
- ▶ **Introducing definitions and methodologies**
 - ▶ what is climate finance, how and to what extent climate-related measures should be accounted for (e.g. infrastructure), how to calculate incremental costs (e.g. buildings)
 - ▶ useful: review the lessons learned from France and the EU Commission

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Key messages

- ▶ **Comparable investment volume increased by 16% between 2010 and 2016**
- ▶ **The private sector accounted for 83% of total investment**
- ▶ **Public support plays a big role in driving private investment**
- ▶ **Establishing climate finance definitions and methodology as well as systematic tracking of public and private investment is important for comprehensive and unbiased assessment**

* The same recommendation as in 2012!

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