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Kick-off Workshop in the Czech Republic  
15 January 2019

# **CIC2030 methodology for tracking national energy and climate investment flows**

## **Case study of German climate finance landscape 2010/2016**

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# Introduction

## Climate finance landscapes / climate and energy investment maps:

- ▶ comprehensive bottom-up mapping of financing flows dedicated to climate change action and energy transition
- ▶ covering both end-investment and supporting financial flows from public and private stakeholders
- ▶ drawing the picture of how the financial value chain links sources, intermediaries, project managers and the end investment (EEA)

### CIC2030:

2019: Germany	IKEM
2019: Czechia	CVUT
2019: Latvia	RTU

### Existing studies:

2011 – 2017: Global	CPI	2014 – 2017: France	I4CE
2012: Germany	CPI	2016: Belgium	Trinomics
2014: Indonesia	CPI	2017: Côte d'Ivoire	CPI

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# Introduction

## Specific questions are:

- ▶ How much capital was invested climate and 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?

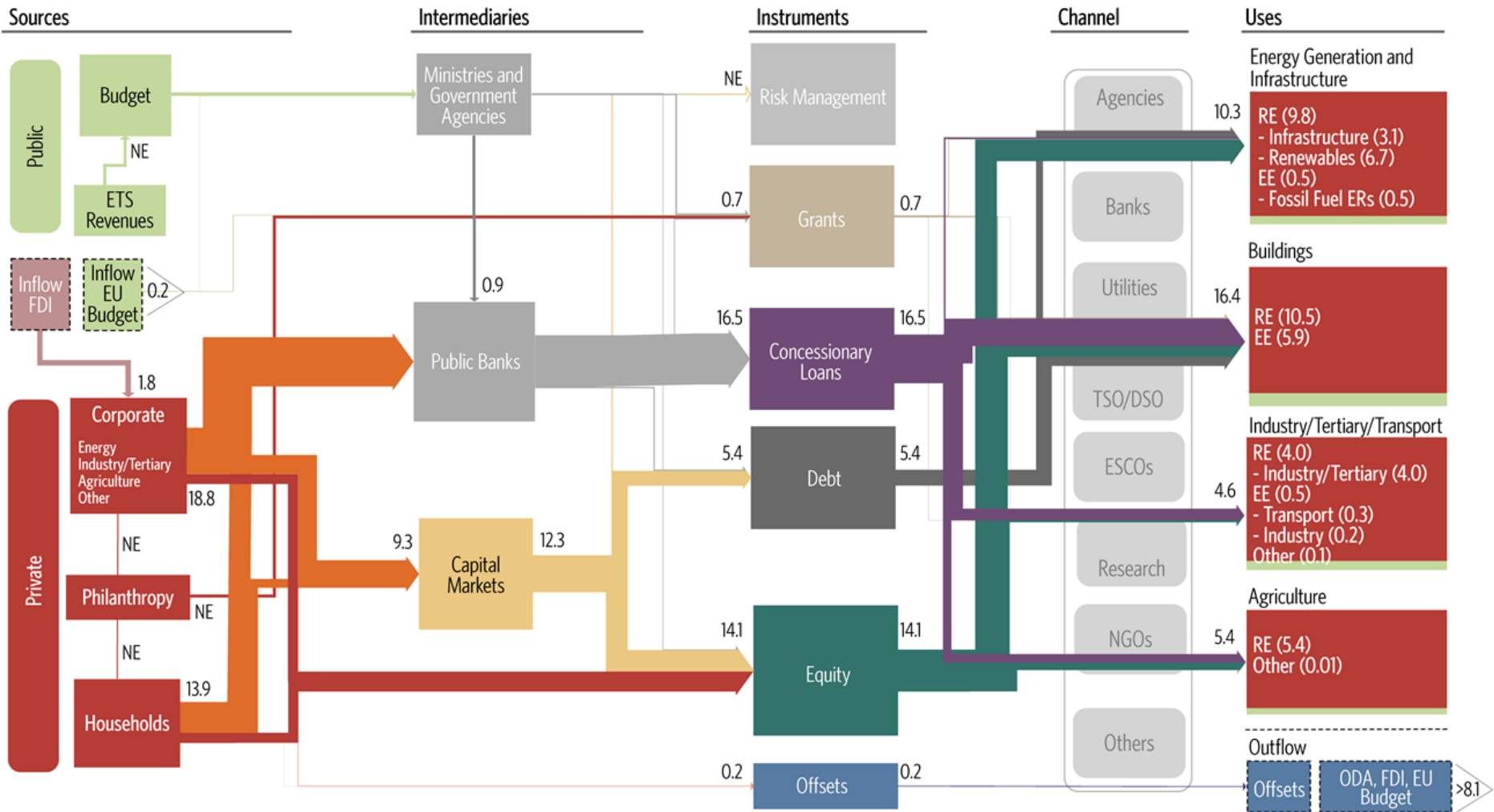
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# Germany 2010



# Advantages and limitations of the concept

## ► Advantages:

- A visual snapshot of stakeholders, finance flows, and recipient
- Potential over- and underspending for further investigation
- Comparing countries' landscapes may help understand how to improve policies

## ► Limitations:

- A significant amount of input data
- The results do not permit to assess directly
  - The impact or effectiveness of policies and actions
  - Gaps to reach climate targets
  - Leverage of private money by public finance

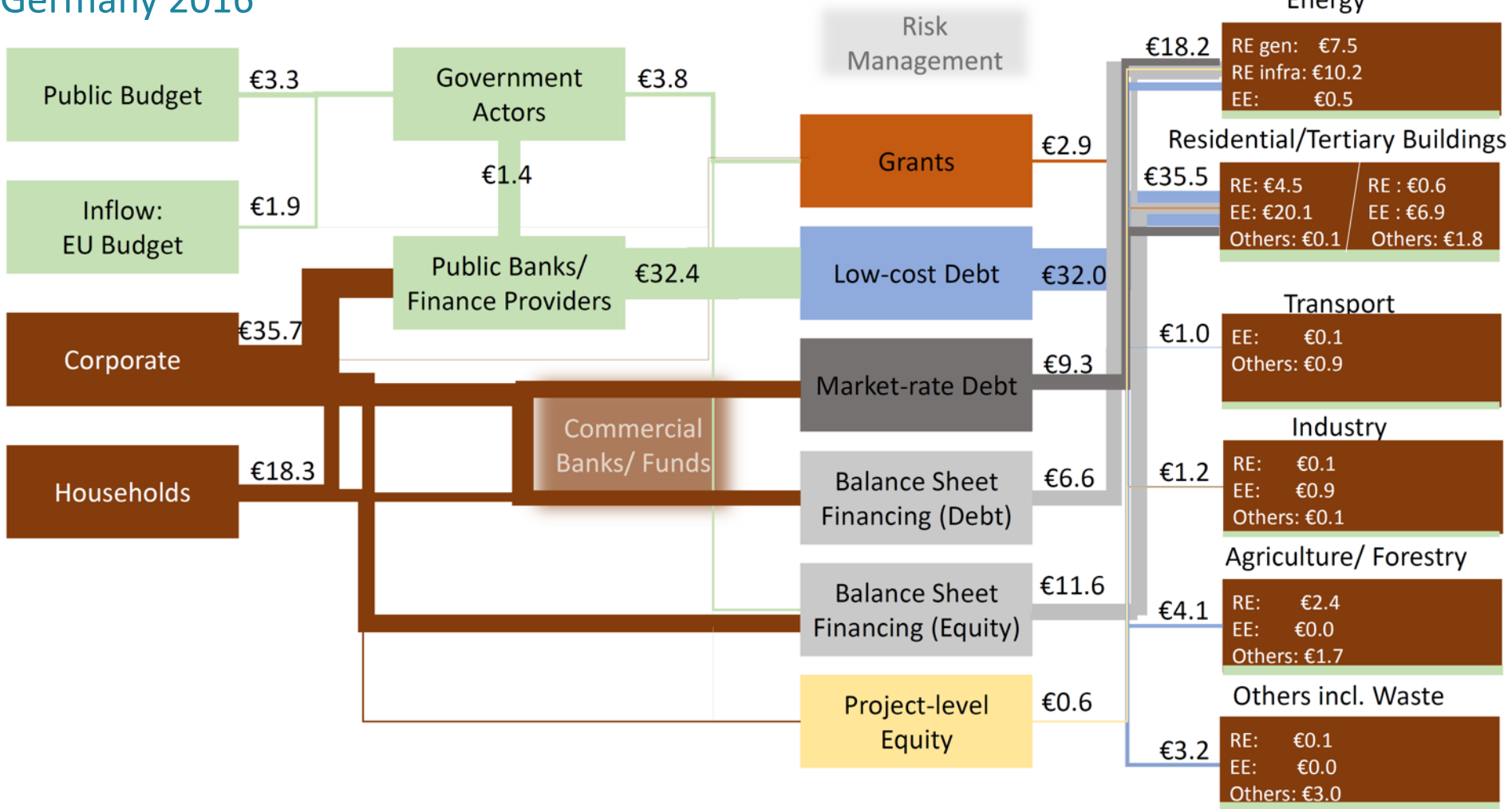
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# Germany 2016



# Scope and boundaries

- ▶ Temporal + sectoral scope – mitigation / adaptation when the latest data is available:
  - ▶ Energy generation and grid, industry, buildings, transport, agriculture
- ▶ Measures:
  - ▶ Climate-specific investment vs. climate-related
- ▶ Investment scope:
  - ▶ Tangible vs. intangible investment
- ▶ Financial instruments:
  - ▶ Primary flows (cost of capital, feed-in-tariff etc are not reflected)
- ▶ Cost definition:
  - ▶ Incremental vs. total capital investment

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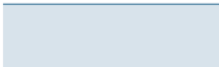
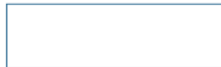


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# Scope and boundaries

	CLIMATE-SPECIFIC INVESTMENT		CLIMATE-RELATED INVESTMENT	
	INCREMENTAL COST	TOTAL CAPITAL INVESTMENT	INCREMENTAL COST	TOTAL CAPITAL INVESTMENT
TANGIBLE	Energy efficiency, non-energy related reduction measures	Renewable energy	Measures that deliver co-benefits in terms of emission reduction e.g. agri-environmental measures, investment in transport modal shift, etc.	
INTANGIBLE	R&D, information policies, training, and capacity building			
	 Included in the German Climate Finance diagram			Included in discussion

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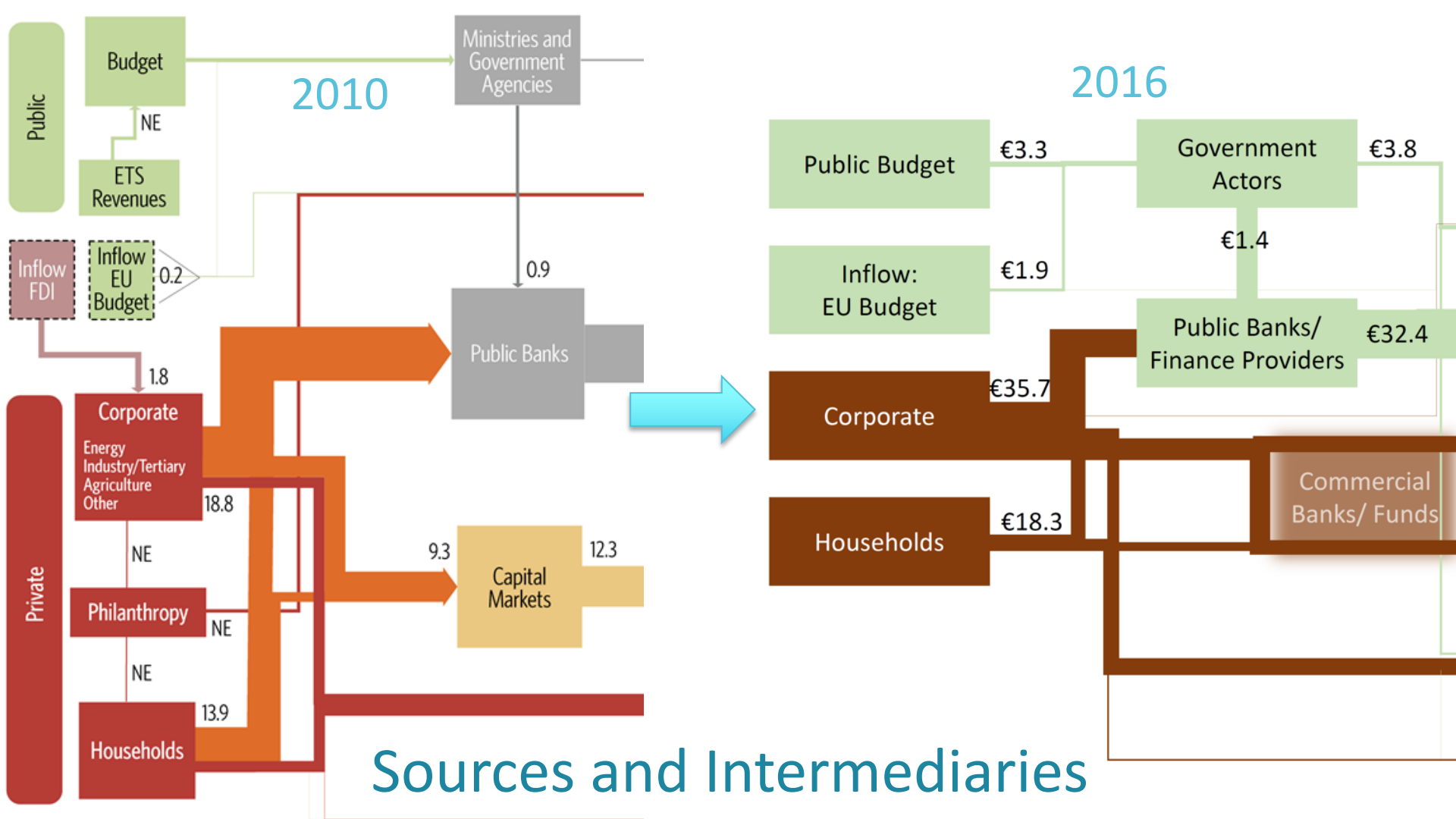


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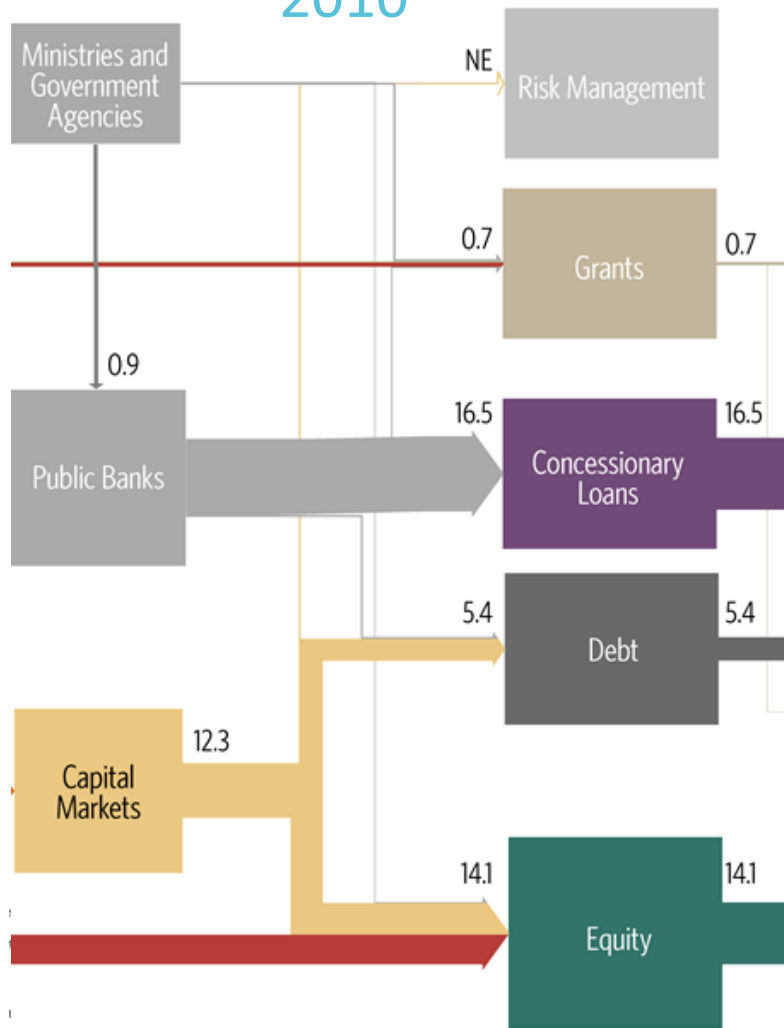
Source: CPI (2012)

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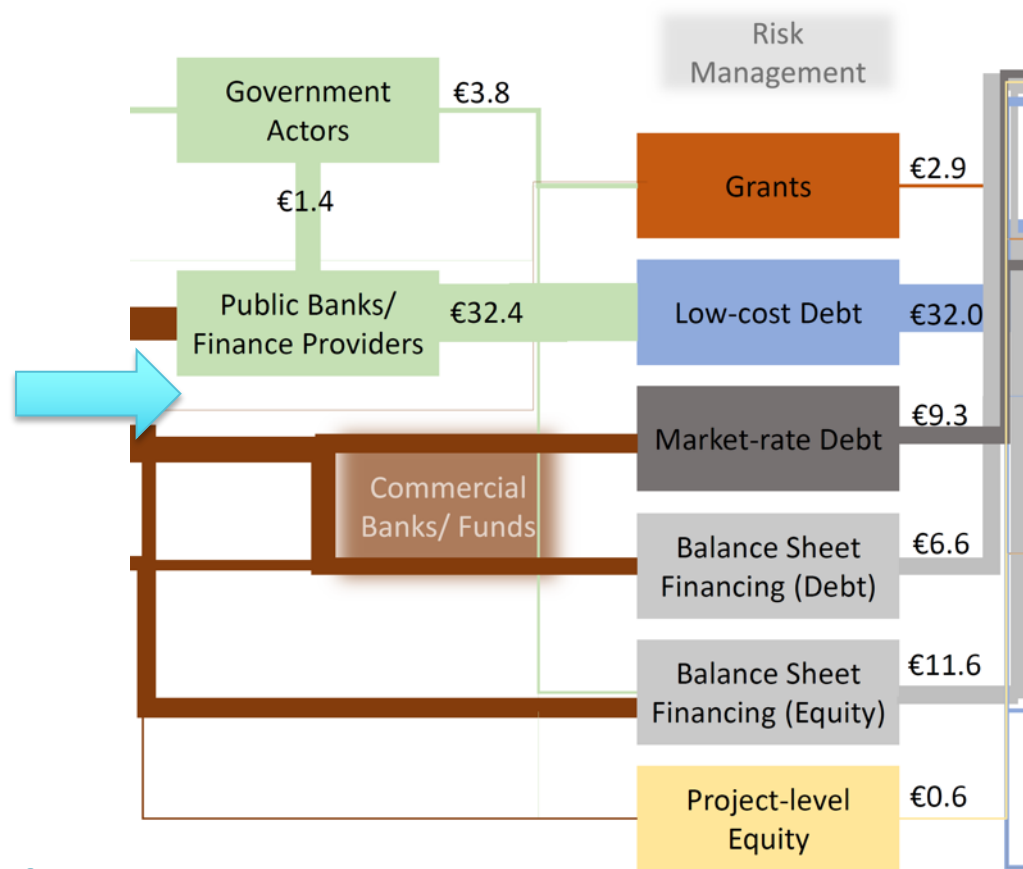
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2010



2016



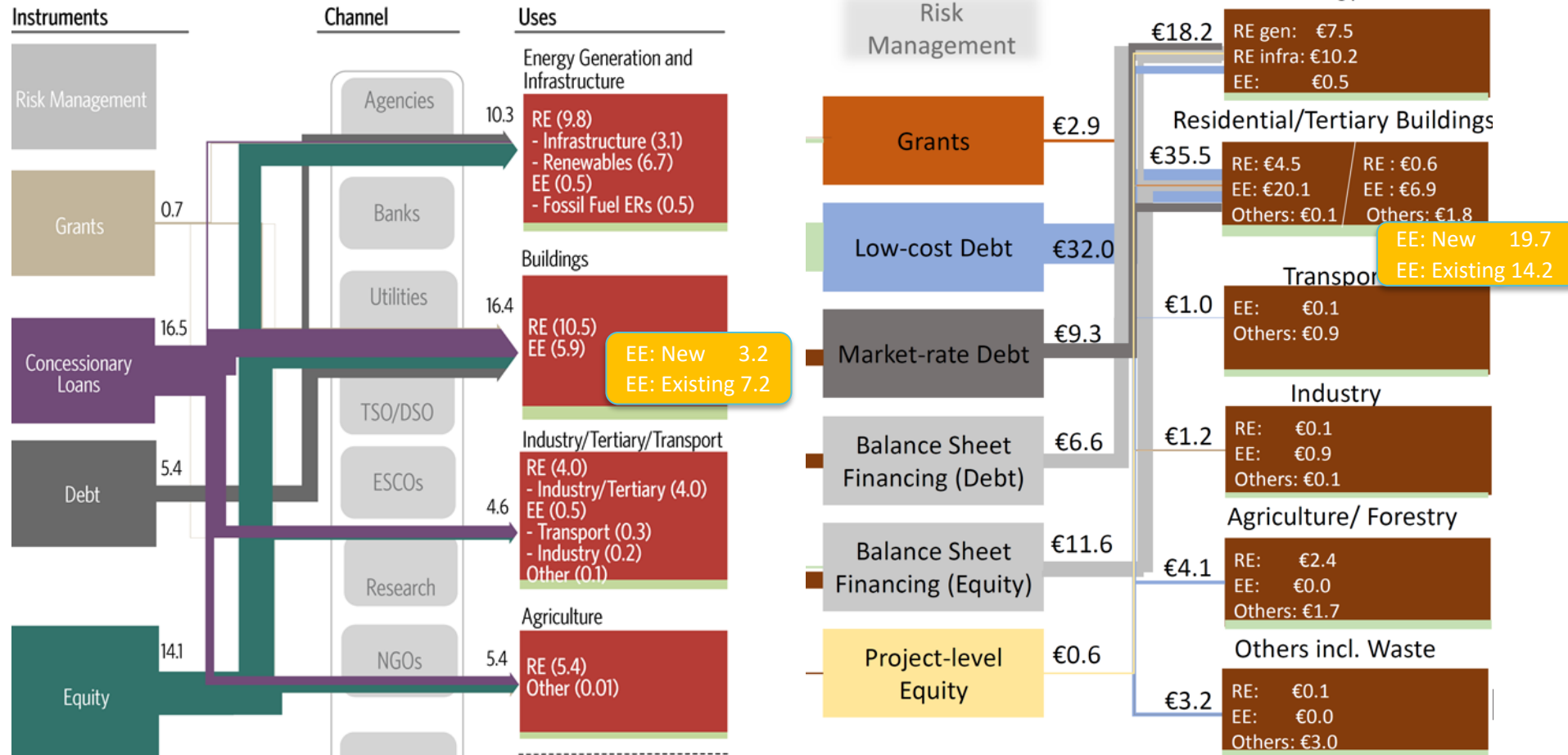
Instruments

# Uses

2010



2016



# Discussion points

- ▶ Map concept:
  - ▶ Sources, intermediaries, instruments, sectors and their segments
- ▶ Map elements:
  - ▶ Sources, intermediaries, instruments, sectors and their segments
- ▶ Sectoral scope – mitigation:
  - ▶ Energy generation and grid, industry, buildings, transport, agriculture
- ▶ Measures:
  - ▶ Climate-specific investment vs. climate-related
  - ▶ Tangible vs intangible
- ▶ Cost definition:
  - ▶ Incremental vs. total capital investment

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