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Kick-off Workshop in Latvia

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CIC2030 methodology for tracking national climate and energy investment flows

Case study of Germany 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

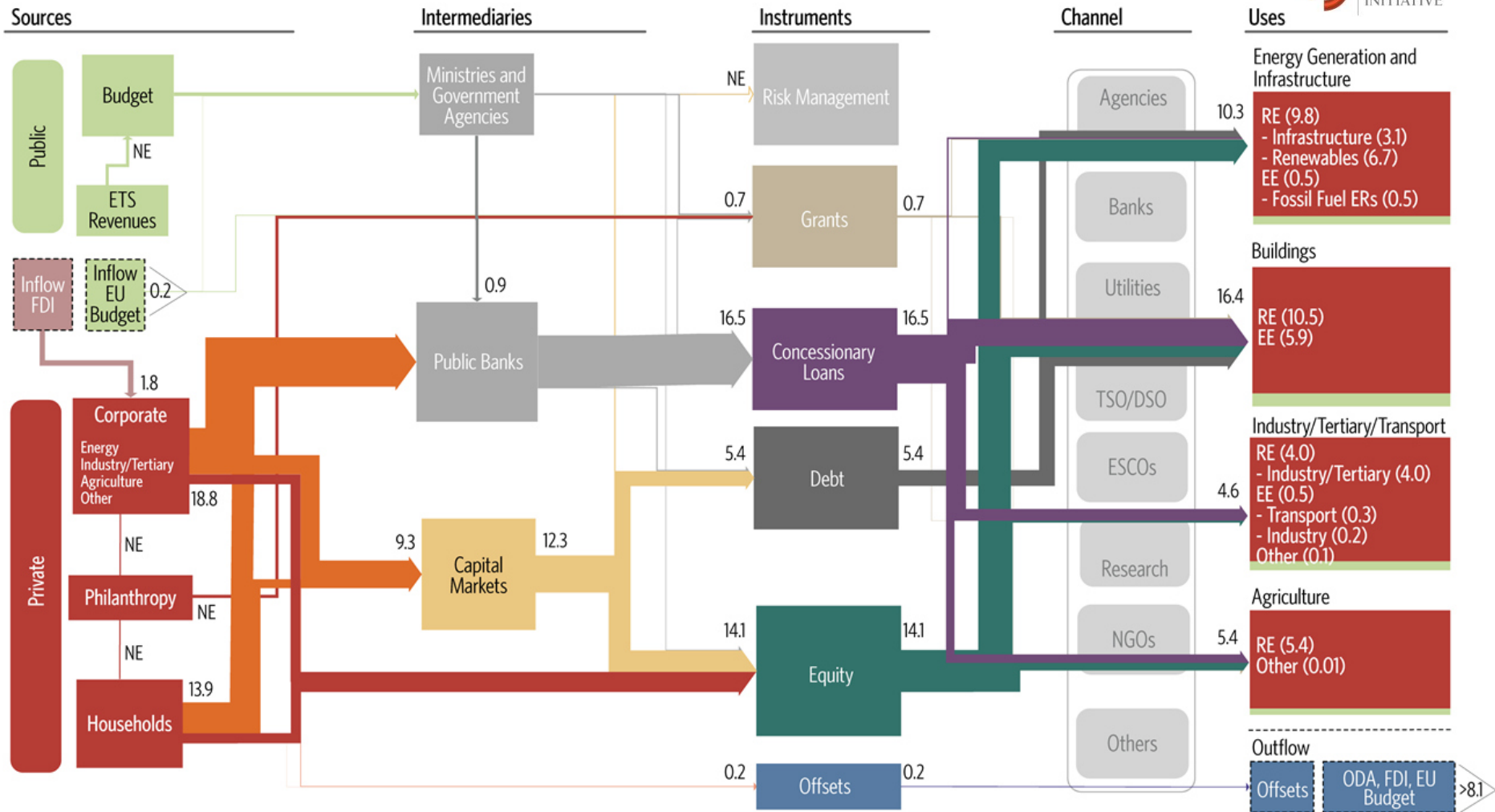
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Germany climate finance landscape 2010



Questions of tracking investment in Germany

- ▶ 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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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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Scope and boundaries

- ▶ Temporal scope:
 - ▶ Year which the latest data is available
- ▶ Sectoral scope – mitigation / adaptation:
 - ▶ Energy generation and grid, industry, buildings, transport, agriculture
- ▶ Measures:
 - ▶ Climate-specific investment vs. climate-related
- ▶ Investment scope:
 - ▶ Tangible vs. intangible investment
- ▶ Cost definition:
 - ▶ Incremental vs. total capital investment

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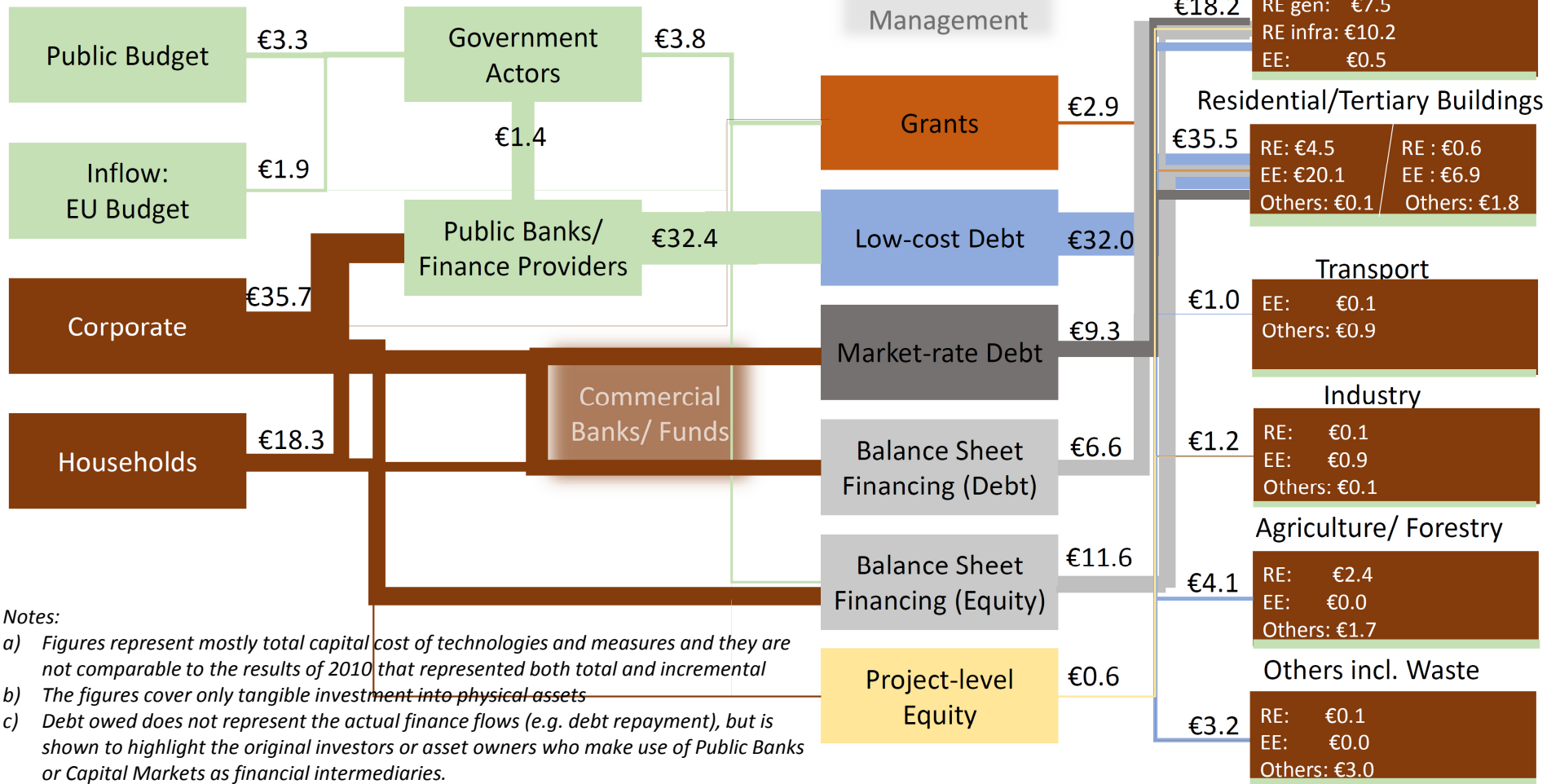


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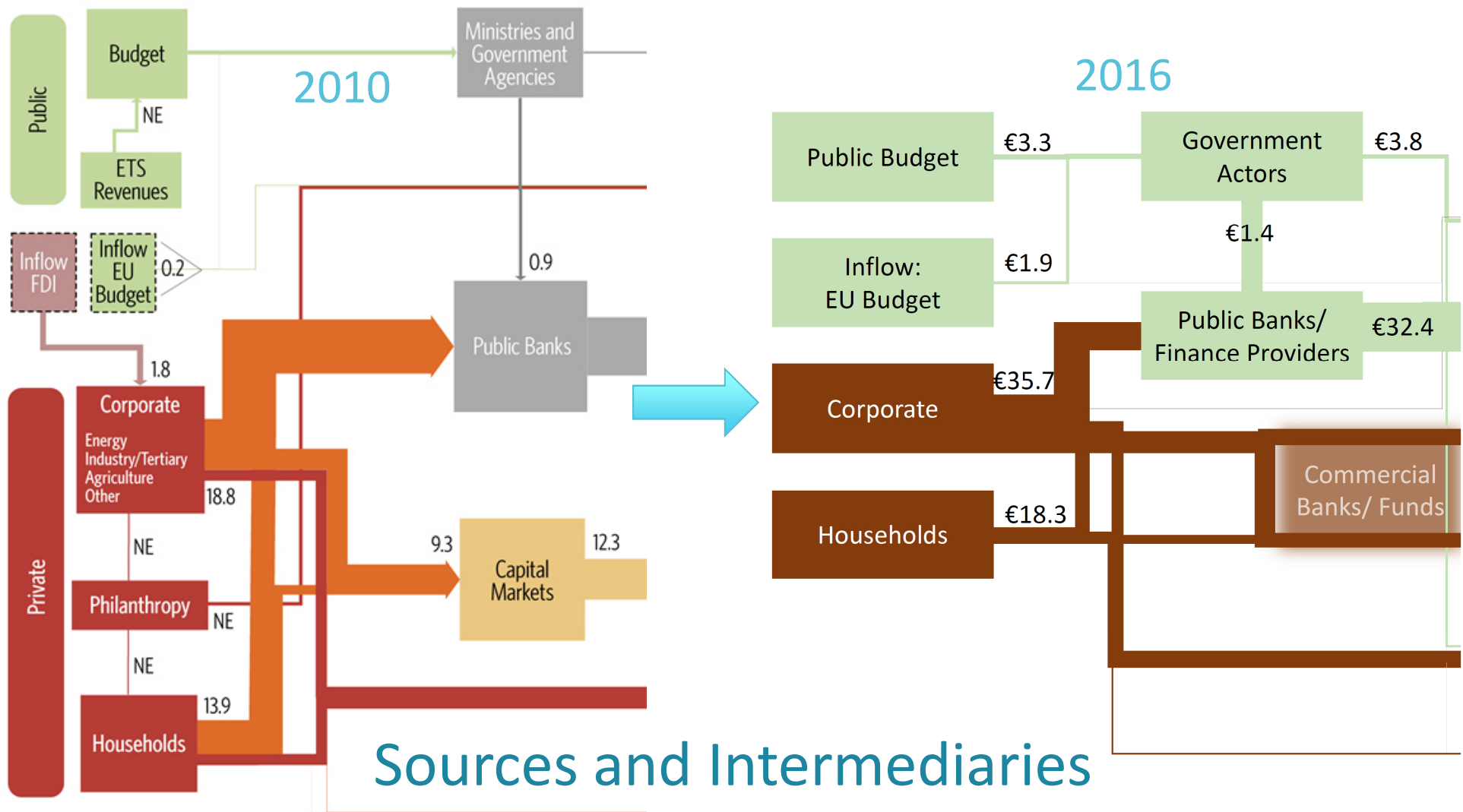
Germany 2016 – First draft

Energy **IKEM**

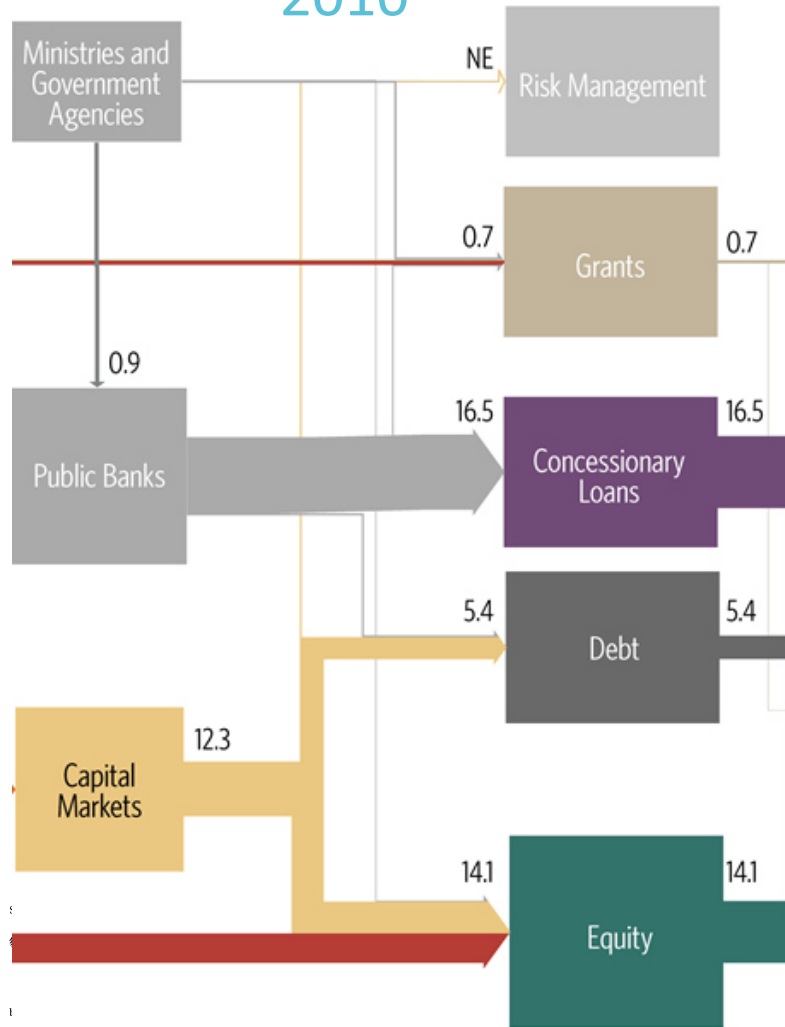


Notes:

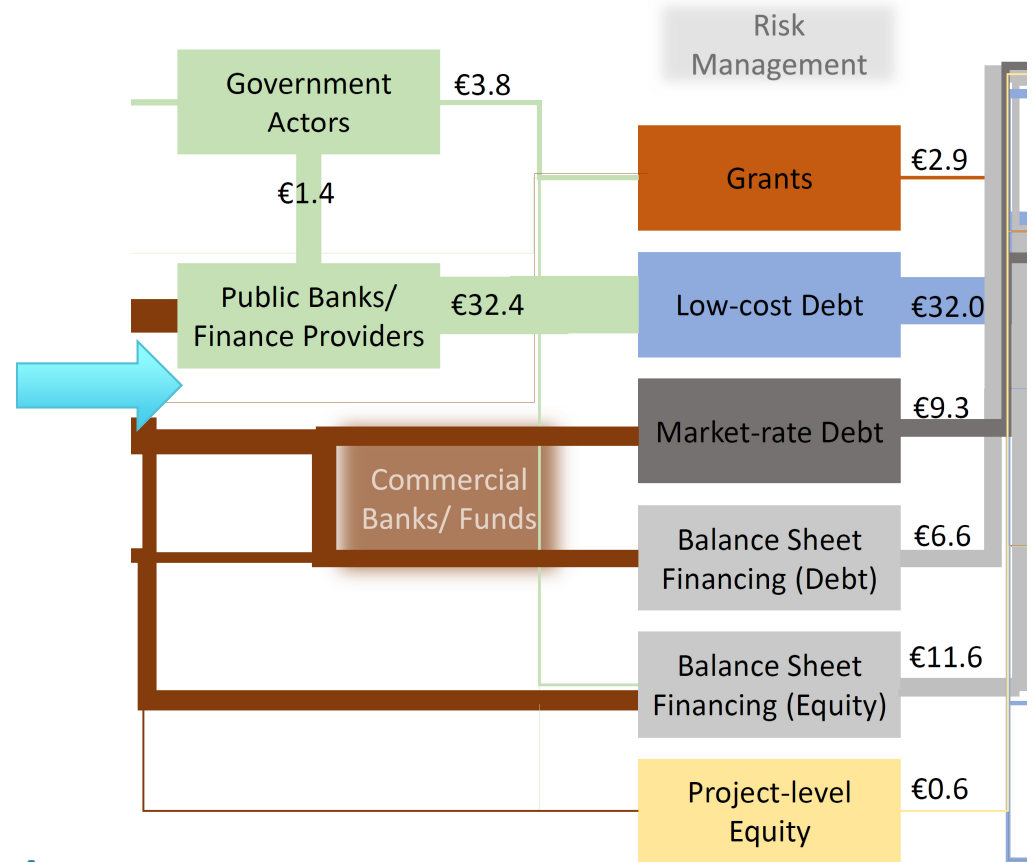
- a) Figures represent mostly total capital cost of technologies and measures and they are not comparable to the results of 2010 that represented both total and incremental
- b) The figures cover only tangible investment into physical assets
- c) Debt owed does not represent the actual finance flows (e.g. debt repayment), but is shown to highlight the original investors or asset owners who make use of Public Banks or Capital Markets as financial intermediaries.



2010



2016



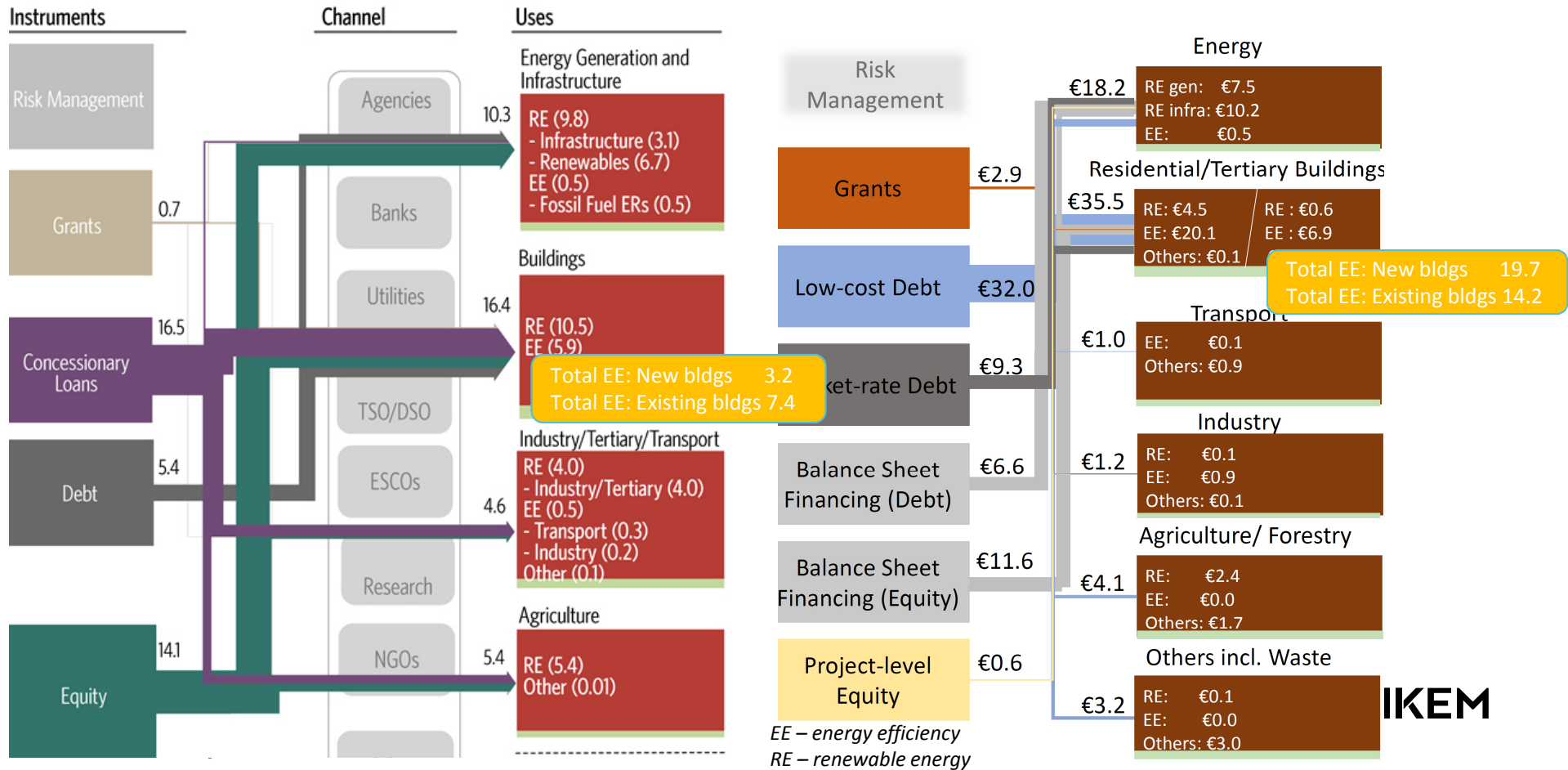
Instruments

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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