

Scaling up green finance in France

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1. Greener regulation

- **Greening non-financial reporting requirements**

Disclosure obligation of climate-related information (art. 173 of the Energy Transition Act)

- For corporates: climate-related information, including impact assessment
- For financial institutions: “comply or explain” regarding climate-related risk evaluation

- **Labels with transparent and rigorous criteria**

Alongside a SRI dedicated label, France created a green label for investment funds.

- € 4bn assets are covered by this green label
- € 49bn assets are covered by the SRI label

- **Making green finance accessible to all citizens**

Financial intermediaries committed to enable retail investors to “go green” within each of the main saving products.

- All newly subscribed life insurance contracts should contain an green or SRI investment offer.
- Allowing citizens to put their savings in SRI regulated accounts (“Livret Développement durable et solidaire”).



2. Encourage and support actors' commitments

→ Domestically

- **Public financial institutions committed to “align their balance sheets” with the 2°C goal.**
- **Voluntary commitments of the French financial sector (push & pull):**
 - “Green loans” to support low-carbon vehicles' purchases, with reduced interest rate and fees
 - Phasing out of coal financing (banks & institutional investors)

→ Internationally

- **France hosted the One Planet Summit in December 2017**

Key economic and financial players committed to take action towards carbon neutrality.

- Network for Greening the Financial System
- Climate action 100+
- Sovereign Wealth Funds
- Support of TCFD's final recommendations.
- **France actively supports the EU sustainable finance action plan**



3. Focus: the French sovereign green bond

- France has issued a sovereign green bond, the “Green OAT”
 - First issuance in January 2017; Outstanding amount: € 16.5bn.
 - compliant with Green Bonds Principles and CBI Framework.
 - eligible expenditures include tax expenditures, subsidies and investments
 - **four environmental objectives:** climate change (mitigation and adaptation), biodiversity protection and pollution reduction.
- The **additionality of the Green OAT lies in:**
 - The **depth and liquidity** it brings to the green bonds market
 - its contribution to the development of high reporting standards, specifically in the area of **environmental impact evaluation.**
 - **three reports are provided to investors:**
 - an annual report on allocation
 - an annual report on output indicators
 - a report on environmental impact, at an appropriate frequency.



3. Focus: the French sovereign green bond

- The Council is in charge of evaluating the environmental impact of green eligible expenditures
- It is a commitment to transparency and independence
 - Its members are nine international experts of green finance and policy evaluation, including its chair, **Manuel Pulgar Vidal**, WWF Global Climate and Energy Practice Leader.
 - Impact evaluation studies are reviewed by **independent referees**.
 - The Council is constantly providing **feedback** and reviewing all documents, from the definition of terms of reference of the evaluation until its final release.
 - Council's opinions are **public** and underline both **strengths** and **weaknesses** of evaluation studies.
- **The first impact evaluation study was released in November 2018.**
 - It covers a tax credit for energy renovation in buildings.



Thank you for your attention

For more information:

www.tresor.economie.gouv.fr

