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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

2014: Indonesia CPI      Trinomics

2017: Côte d'Ivoire CPI

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# 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

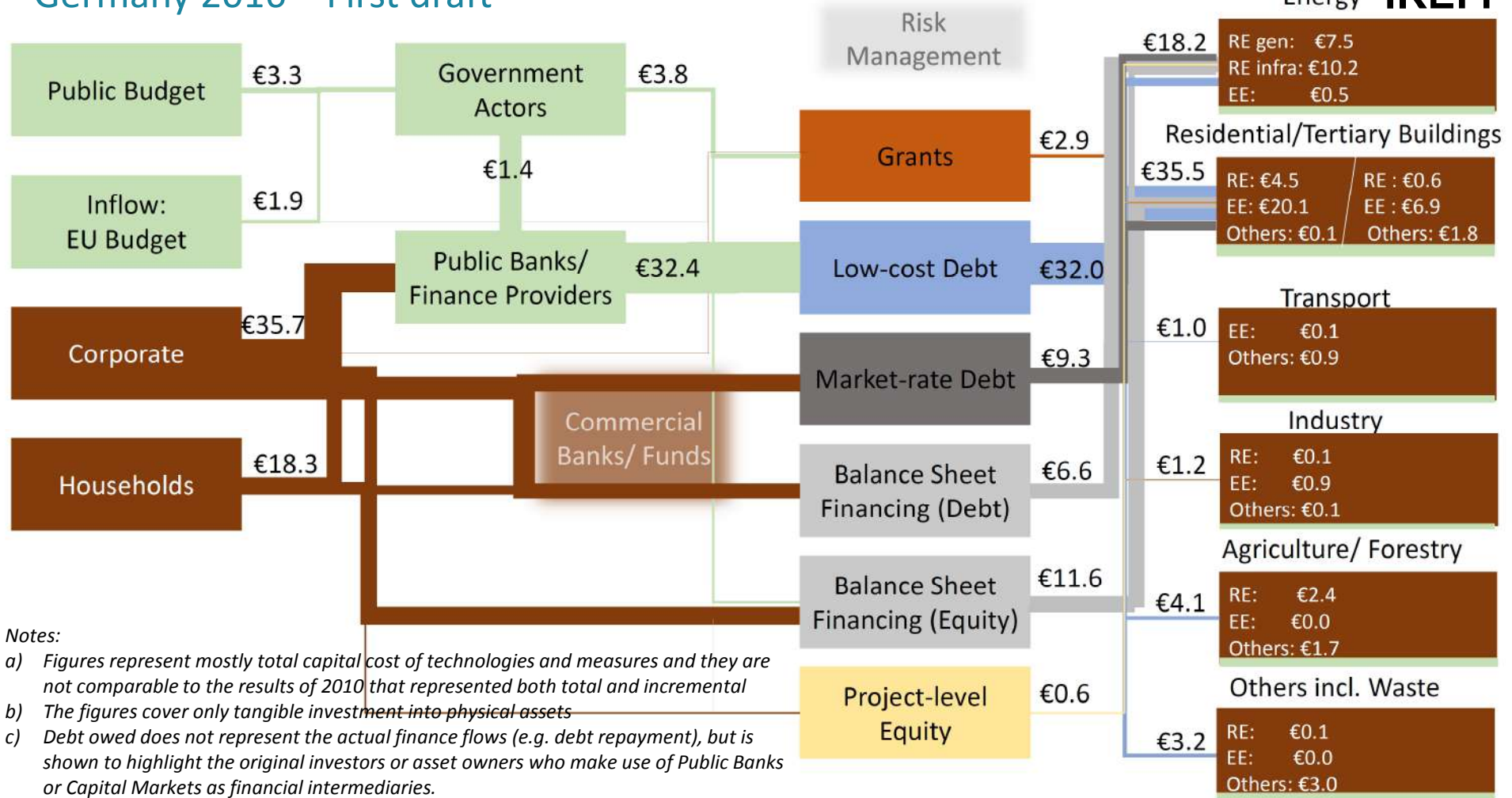
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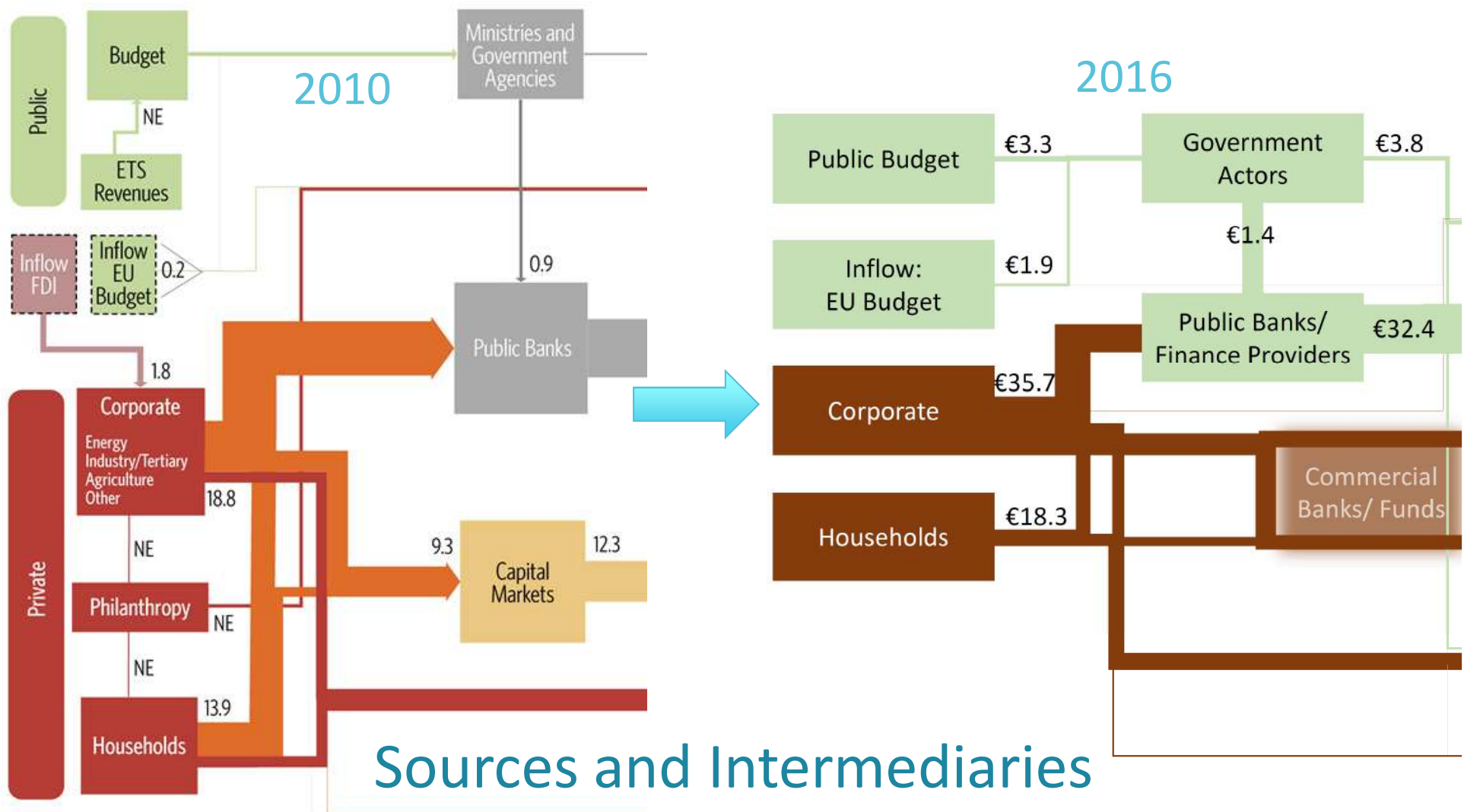
# Germany 2016 – First draft



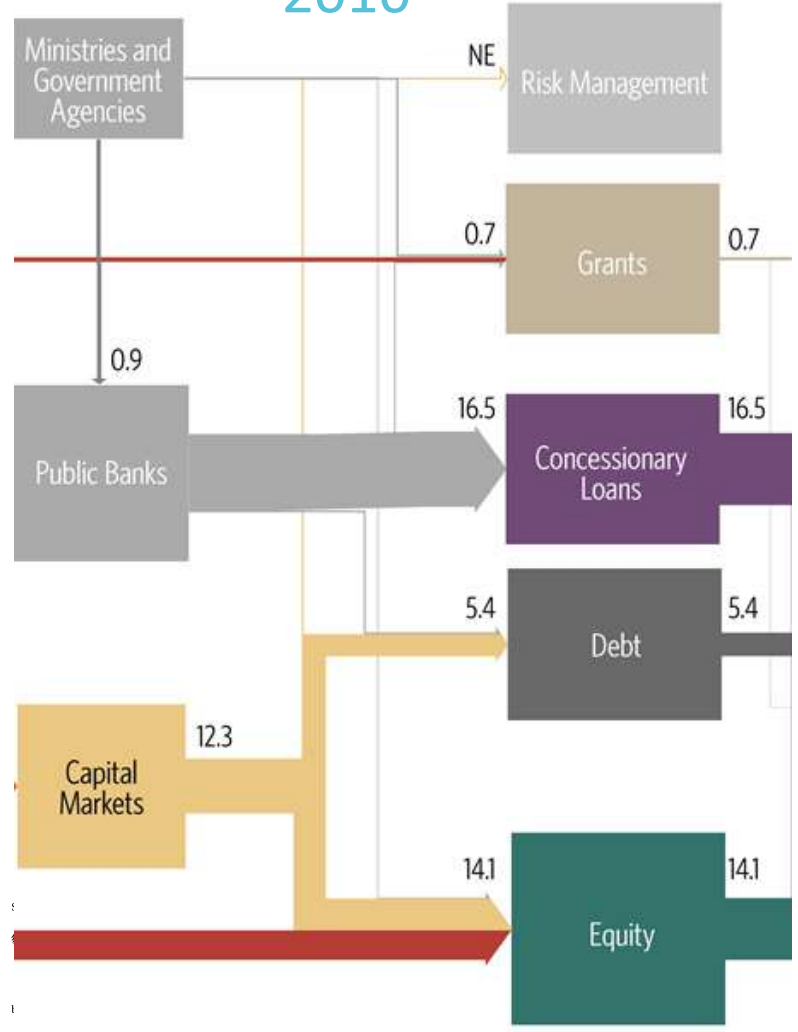
**Notes:**

- 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.

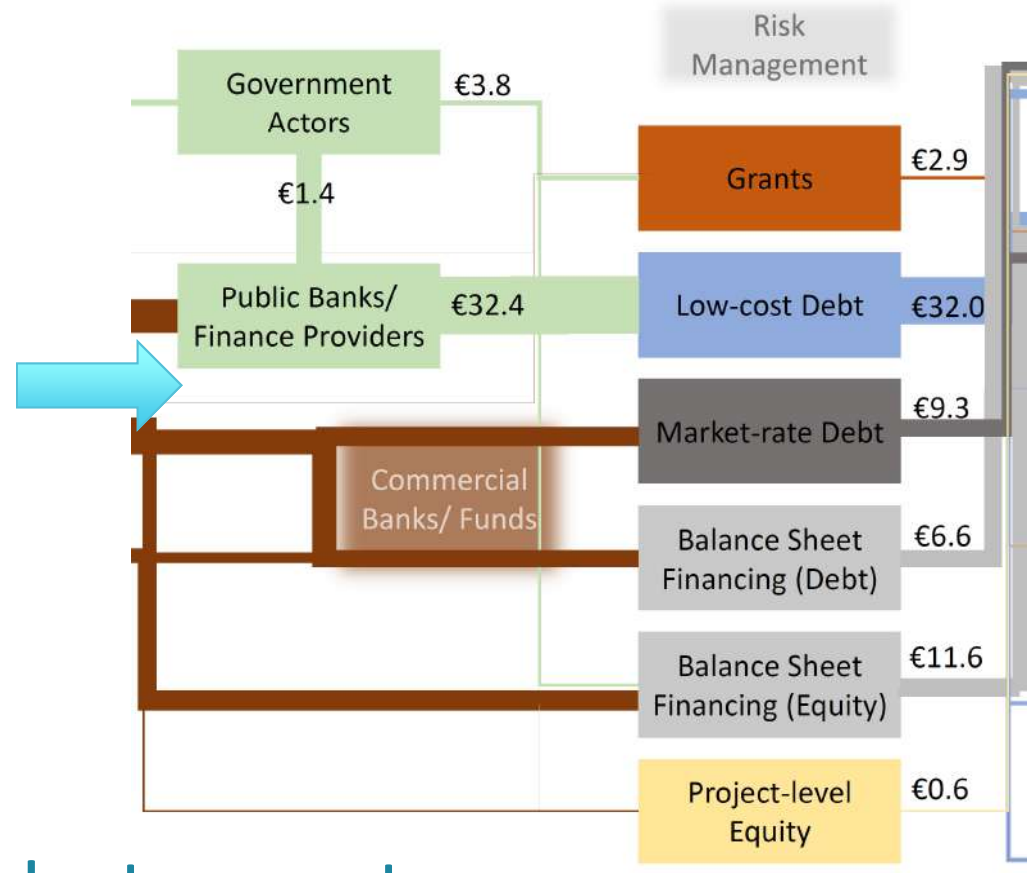




2010



2016



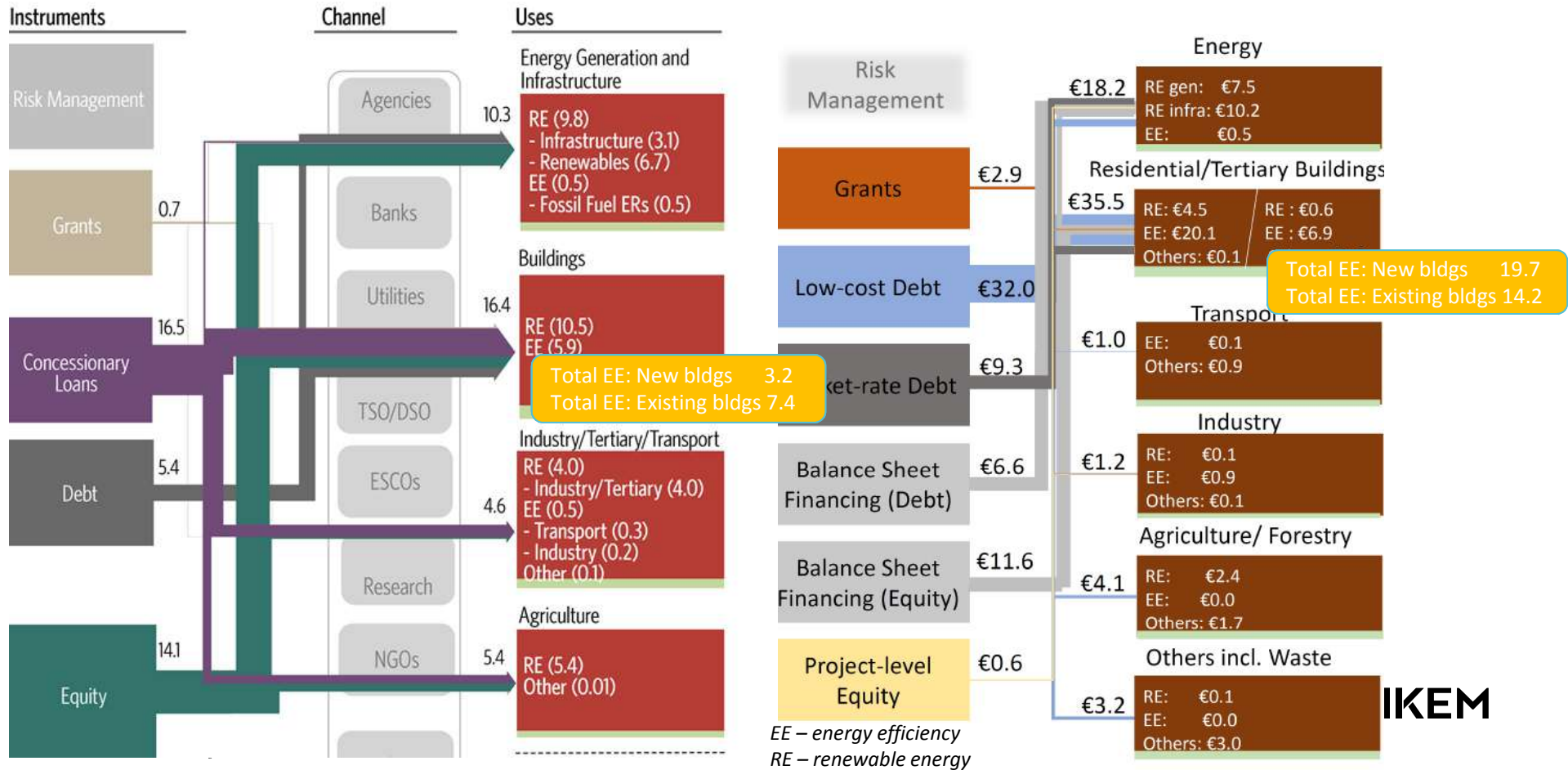
Instruments

# 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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