



*With the contribution of the LIFE
Programme of the European Union*



**Finance ClimAct:
tools that fits
our ambitions**

The financial system needs to put climate considerations at the heart of its operations, in order to participate in the transition to a lowcarbon and climate-resilient economy while managing the climate risks to which it is exposed.

The Finance ClimAct project will develop the tools, methods and new knowledge to achieve this goal in the coming years by: (1) supporting investments in energy-efficient and low-carbon industries, (2) taking into account the double materiality

of climate change in financial management and supervision and (3) integrating environmental objectives into retails' investors decisions.

The project contributes to the implementation of French and European policies for sustainable finance, in line with the European Green Pact and France's National Low Carbon Strategy.

Finance ClimAct is an unprecedented programme with a total budget of €18 million, including €10 million in funding from the European Commission, which will run until 2024.

Project objectives



Regulation & supervision

French and EU plan on sustainable finance

CTH

Observatory

Stress-tests



Households

Facilitating retail investors' investment decisions based on environmental objectives.

The project supports our understanding of retail investors' expectations regarding sustainability and their ability to act upon them (Investors Preferences) and puts in place a clear and credible information to identify sustainable financial products (Labels).

Preference

Financial institutions

Taking climate change into account in financial sector management and supervision.

The project equips financial institutions and their supervisors to integrate climate into risk management while promoting long termism (PACTA and Climate Stress-Tests) and to encourage transparency regarding the contribution of institutions to the mitigation of climate change and their resilience to its consequences (Climate Transparency Hub and Sustainable Finance Observatory).

PACTA

Greenfin

European Ecolabel



Industry

Favour investment in energy efficiency and the low-carbon economy, in line with the National Low Carbon Strategy and the European Green Pact.

The project aims to train and equip companies and their financiers to develop low-carbon strategies (ACT) and enable the implementation of energy efficiency and low-carbon projects in the most emissive industrial sectors (INVEEST and Sectoral Transition Plans).

ACT

INVEEST

Sectoral Transition Plans



Project tools

The ACT initiative

ACT is an accountability framework to assess companies' low carbon strategies. It allows a 360°, prospective and operational benchmark analysis of their greenhouse gas emissions reduction trajectory. It provides sector-based methodologies to measure companies' decarbonisation trajectory alignment with the Paris Agreement mitigation goal. ACT is a voluntary initiative of the UNFCCC (United Nations Framework Convention on Climate Change) Secretariat Global Climate Agenda.

ACT | ASSESSING LOW
CARBON TRANSITION

actinitiative.org

Sectoral Transition Plans^N

A support tool for prospective dialogue in the 9 most emissive industrial sectors (cement, steel, aluminium, ethylene, chlorine, ammonia, sugar, paper-cardboard, glass), built in consultation with sectoral stakeholders. They describe the technological choices consistent with France's energy-climate objectives for 2050, the associated investment needs and the changes in the job market.

The INVEEST training programme

A programme to upgrade the skills of 1,000 professionals (bank advisers, financial directors, chartered accountants) in the field of energy efficiency and low-carbon energy financing in industrial sectors. It includes e-learning sessions, a 2-day training course, a tools hub and the animation of a community via the INVEEST platform.

INVEEST
Capitalisons sur nos énergies

invest.org

The PACTA programme

PACTA is a free and open source analysis tool that allows users to study the alignment of their portfolios with climate benchmarks and see how to mobilize financial flows to align them with the Paris Agreement. It also includes a stress-test module that can be used by supervisors and their regulated entities. Already used by more than 1,000 institutions, PACTA is available for both investment and loan portfolios.

PACTA
Paris Agreement Capital
Transition Assessment

transitionmonitor.com

Project tools

The Climate Transparency Hub^N

A tool for monitoring and identifying good practices in climate reporting, the platform covers all financial institutions (institutional investors, asset managers and banks) subject to regulatory obligations and makes this information available to the greatest number of people, in a centralized manner. It will also make it possible to benchmark best practices with a view to harmonising them and enhancing their quality and comparability.



climate-transparency-hub.ademe.fr/

MyFairMoney^N

An online tool allowing savers to express their environmental preferences and promote the corresponding financial products. The aim is to integrate sustainability considerations into financial advice, which requires a good understanding of individual preferences and a monitoring of financial advisors' practices.

Climate Stress-tests^N

Contribution to the design of tools to measure the physical and transition climate risks to which financial institutions are exposed via their portfolios: feedback on the French pilot exercise, publication of scientific articles and implementation of climate scenario analysis modules.

Development and promotion of labels^N

As a tool for guiding savings, labels provide clarity and environmental credibility to financial products offered to retail investors. Based on the monitoring of labelled products and an assessment of their impact in terms of achieving energy-climate goals, the label framework will be revised regularly. The deployment of labels will be accompanied by a campaign to promote ecolabelled financial products.



The Sustainable Finance Observatory^N

Launched in 2020, this website follows the transformation of the French financial flows towards more sustainable finance and aligned with the objectives of the Paris Agreement.

Two types of dynamic data visualization are disclosed, in collaboration with financial players:

On the one hand, data aggregated by business areas of the Paris Financial Center: asset owners, banks, insurance, private equity, and specialized credit companies.

On the other hand, on the basis of voluntary disclosures by the actors, monitoring of the individual commitments made by the financial institutions on sustainable finance.



observatoiredelafinancedurable.com/en/

Key figures

Expected results



1,000 professionals
trained on energy efficiency
and low-carbon financing



Widespread use
of climate stress-tests
for financial institutions



14 most emissive
sectors covered by ACT



98% of savers
consulted on their environmental preferences
by their financial advisors



9 most energy-intensive
sectors covered by a national
transition plan



Financial authorities
trained and equipped to better
understand climate objectives



10% of the market
of financial products eligible
to the Ecolabel



50% of retail investors
allocate part of their investments
to sustainable products

Resources



30 full-time staff
on the project



1 public campaign
to promote labelled products



18 million euros
of budget



1 tool to survey retail
investors' preferences
and compare products



20 million euros
budget for complementary actions*



750 "mystery" visits
to observe financial advisory practices



60 conferences,
webinars and workshops
to disseminate our work



1 documentary
for the general public on the environmental
preferences of savers

* Complementary actions are actions contributing to the implementation of the policies targeted by the project, but which are outside the strict perimeter of the Finance ClimAct project and the associated LIFE Financing.

Finance ClimAct contributes to the implementation of French and European policies for sustainable finance, in line with the European Green Deal and France's National Low Carbon Strategy. It will develop the tools, methods and new knowledge to achieve this goal in the coming years by: (1) supporting investments in energy-efficient and low-carbon industries, (2) taking into account the double materiality of climate change in financial management and supervision and (3) integrating environmental objectives into retail investors' decisions.

The project is coordinated by the French Agency for Ecological Transition, The Ministry for Ecological Transition, The Autorité des marchés financiers, the Autorité de contrôle prudentiel et de résolution, 2° Investing Initiative, The Institute for Climate Economics, Finance for Tomorrow and GreenFlex.

Finance ClimAct is an unprecedented programme which comprises a total budget of 18 million euros, 10 million of which are provided by the European Commission.

Duration: 2019-2024.



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