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Know the grounds.

Evaluating investment into climate and energy transition

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About CIC 2030 Project

Climate and Energy Investment Maps (CEIM)



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Investment Need Analyses



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Capital Raising Plans



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Knowledge transfer, networks & training platform

2018

2021

Investment and Policy Plans



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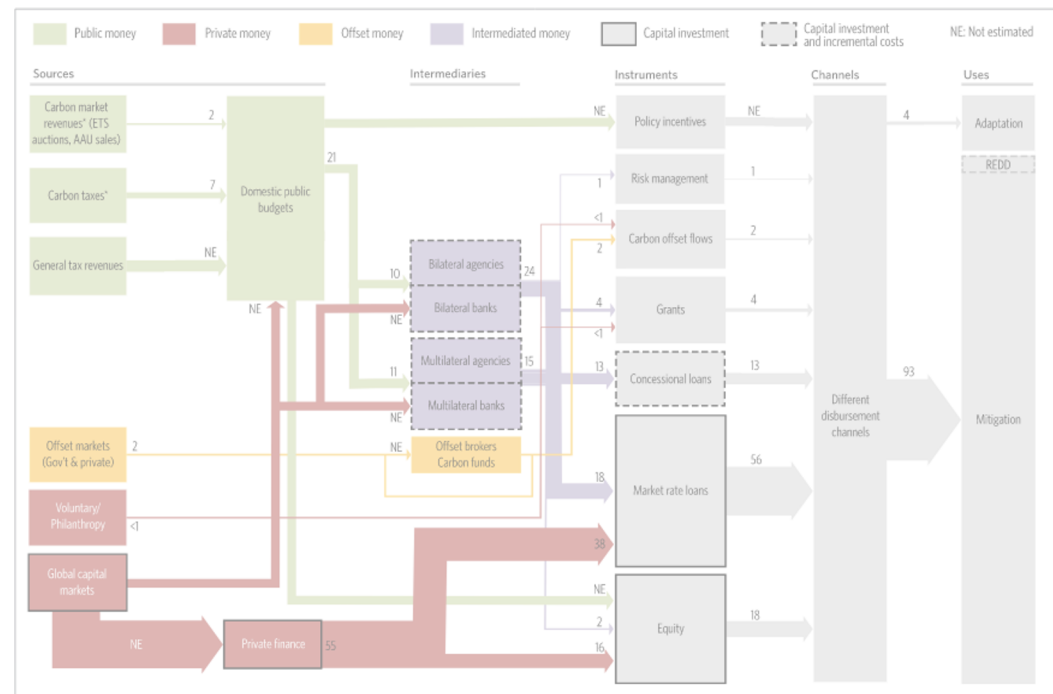


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Methodology for investment maps

Approach introduced by CPI in 2011.

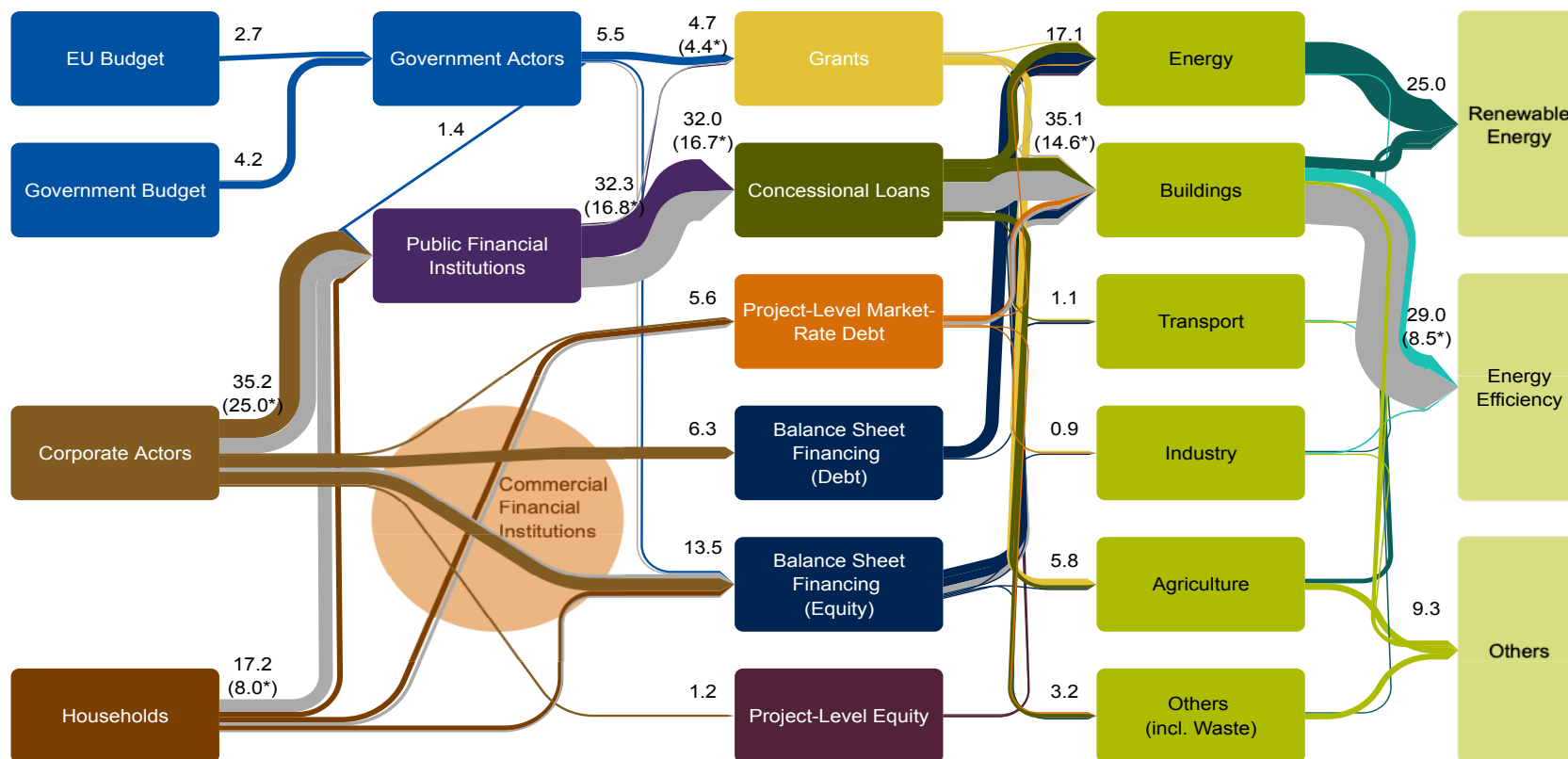
The construction of the map uses a bottom-up approach tracking investment at a technology/measure level, aggregating it on sector level and then on country level.



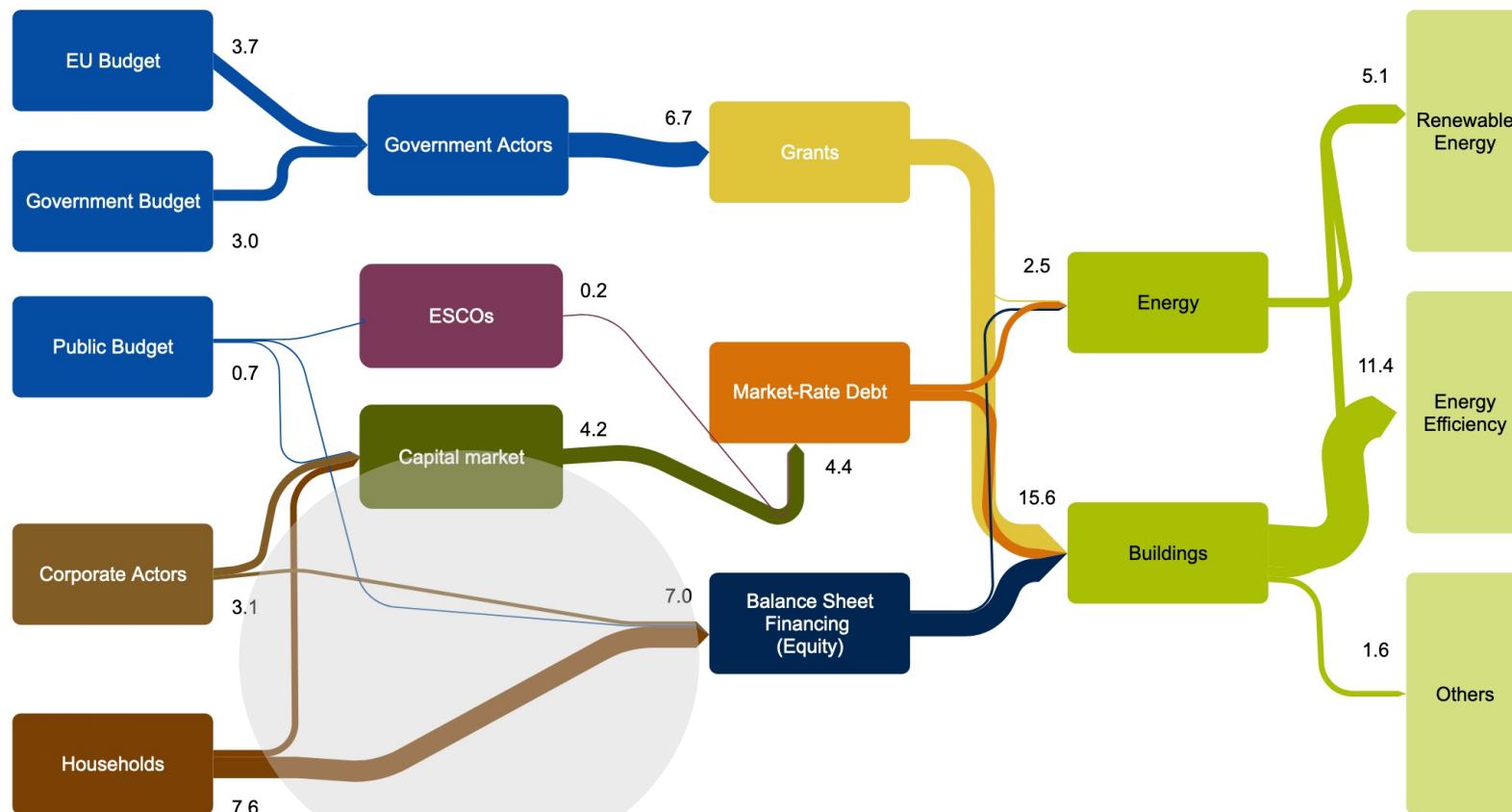
Source: Climate Policy Initiative (CPI)

The map allows understanding who invests how much into what kind of measures and which intermediaries and financial instruments facilitate these flows.

Climate & energy investment map of Germany, billion EUR. Status 2016



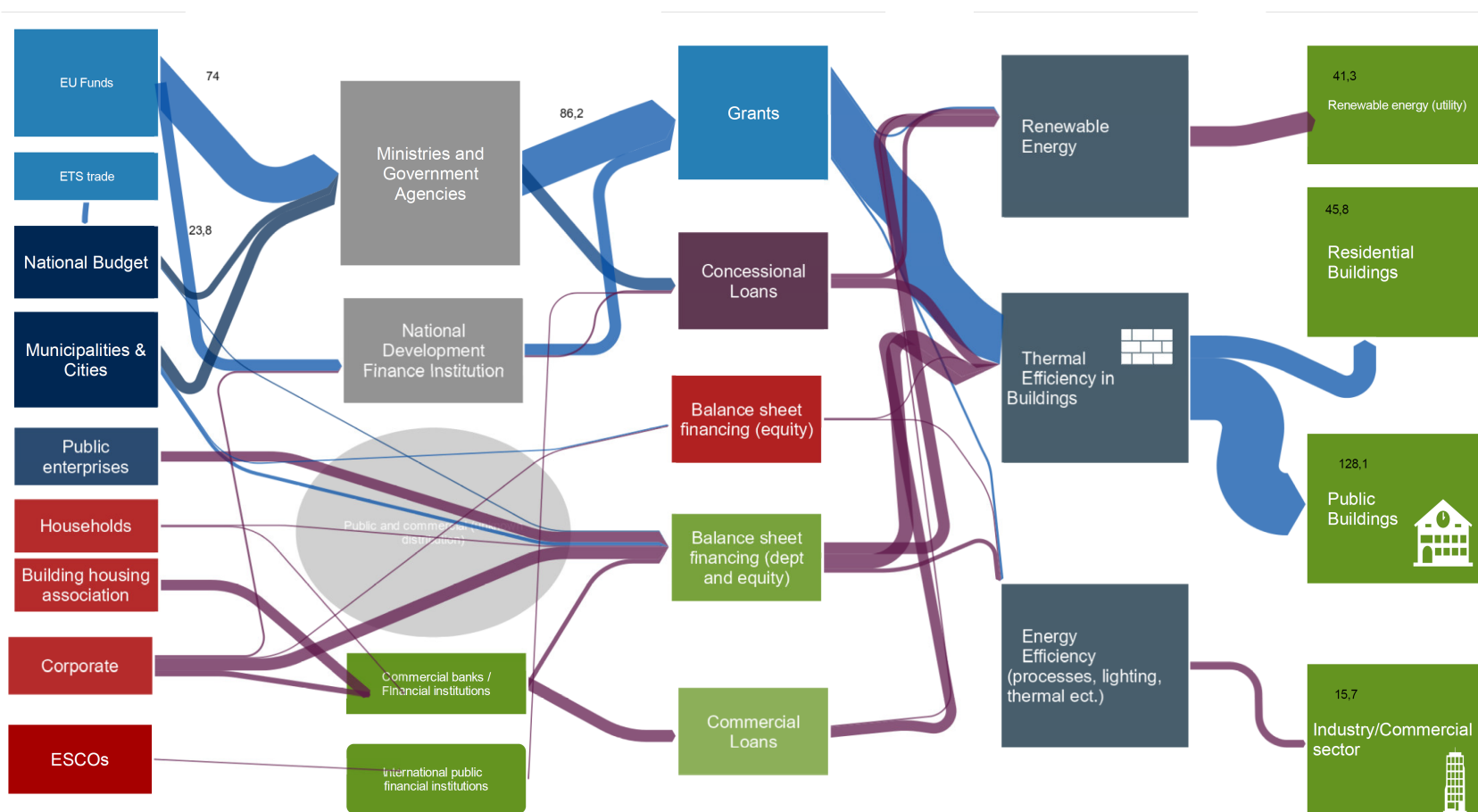
Climate and energy investment map of Czechia, billion CZK. Status 2017. Buildings and RES supply



Notes:

a) All financial flows represent total tangible investment including public support into the reduction of GHG emissions with one exception, namely electrical appliances in the buildings sector. Financing of intangible measures is excluded.
b) The government budget includes state budget, mainly from the EU ETS revenues, but it excludes public procurement and administrative costs. Regional and municipal investments are covered in the public budgets.
c) Debt owed does not represent the actual finance flows (e.g. debt repayment), but it is shown to highlight the original investors or asset owners who make use of public and commercial financial institutions as financial intermediaries. The map includes only primary investment flows, e.g. the resources available to investors at the time they had to cover for their capital expenses. It does not cover therefore such financial instruments as guarantees, green bonds, the cost of capital or debt repayment by investors, the compensation payments from the public budget to energy generators supplying renewable electricity under the feed-in tariff, and others.

Climate and energy investment map of Latvia, billion EUR. Status 2018. Buildings and businesses

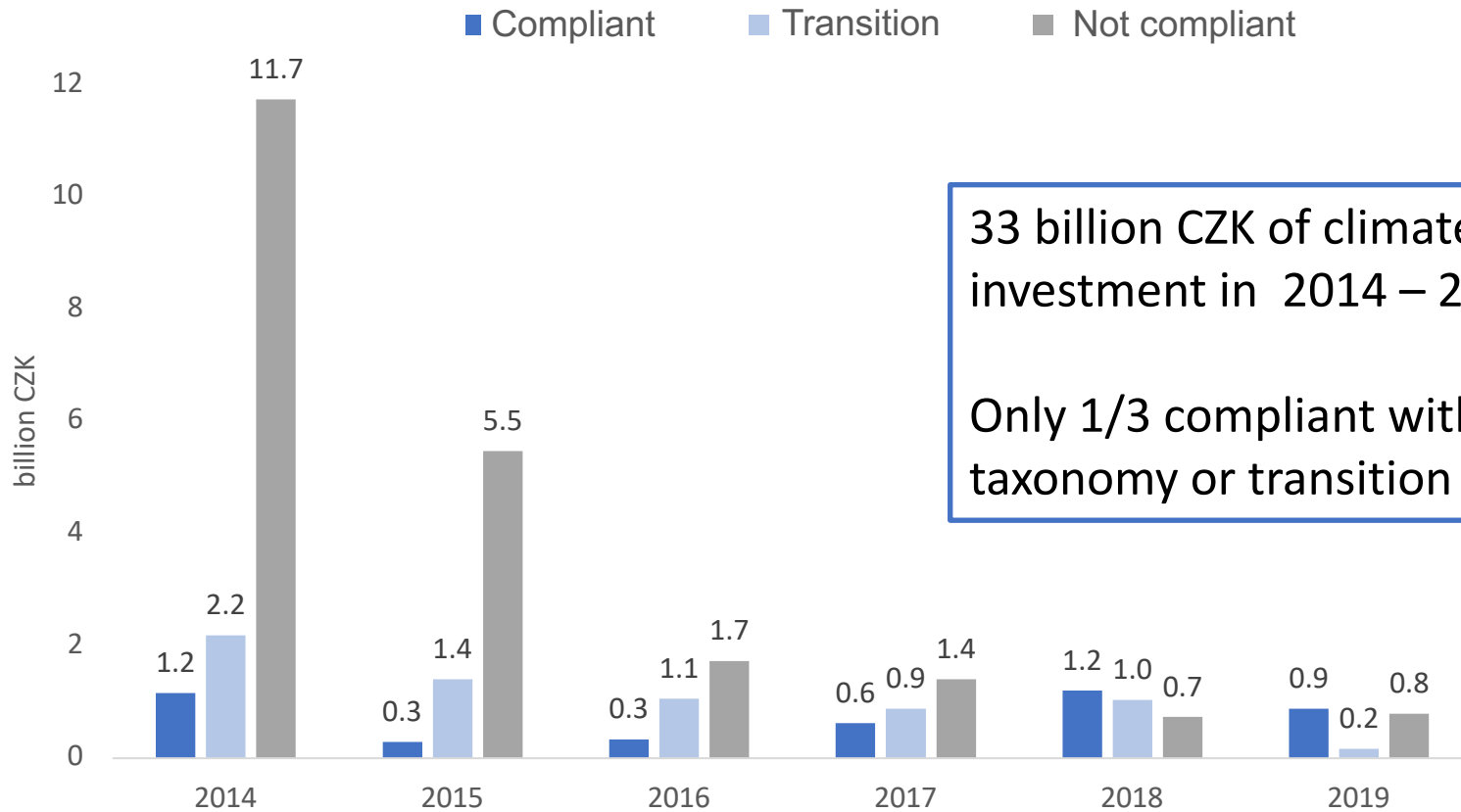




Lessons learned

1st lesson Need for definitions and methodologies

Tracking climate investment in district heating in Czechia



33 billion CZK of climate investment in 2014 – 2019

Only 1/3 compliant with taxonomy or transition

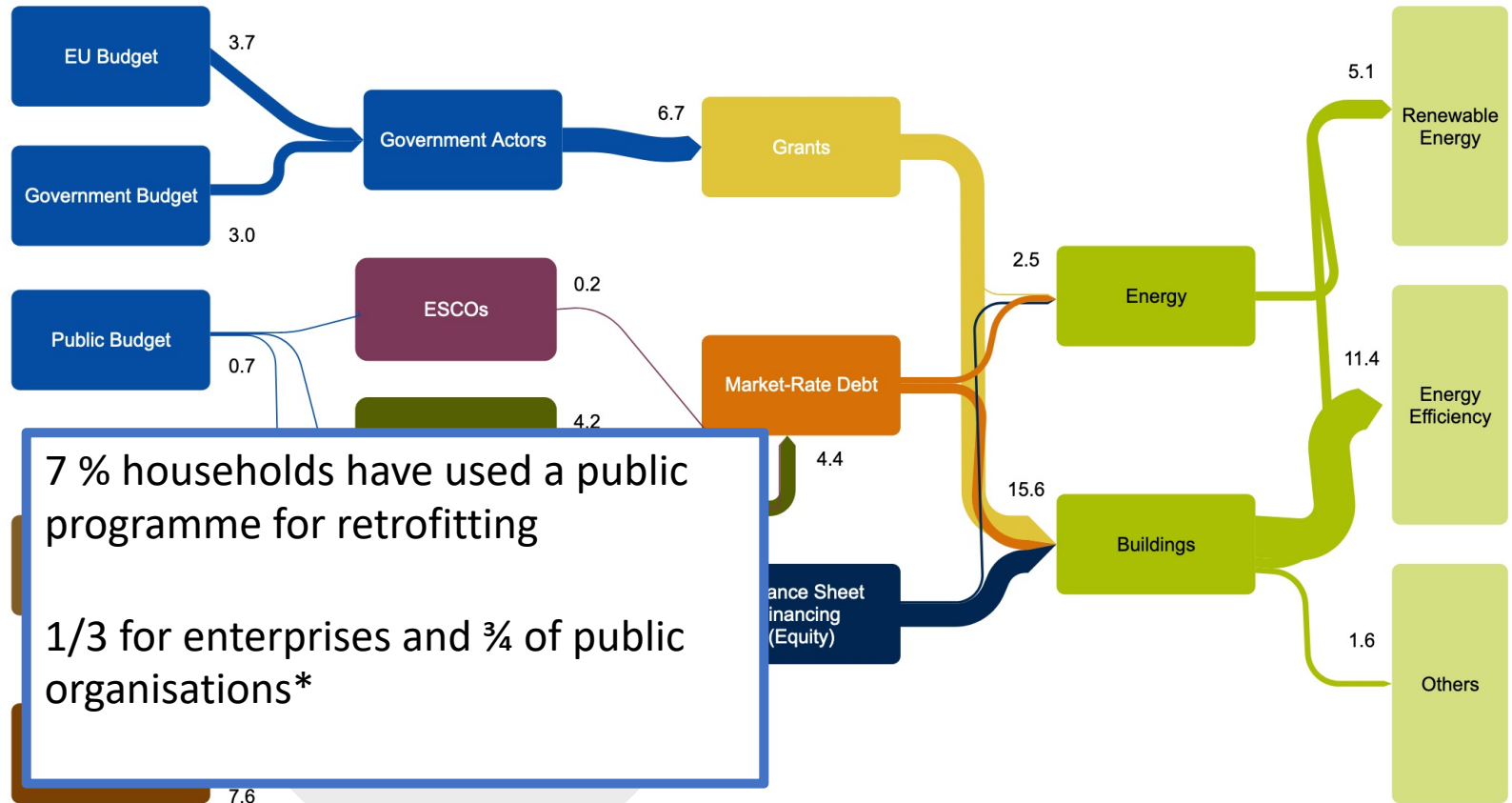
Source: Valentová et al. 2021. [Climate and Energy Investment in District Heating in Czechia, 2014 – 2030](#).



Lessons learned

- 1st lesson Need for definitions and methodologies
- 2nd lesson Need for systematic tracking procedures that covers federal, regional, and local government budgets and climate programmes by public banks and agencies
- 3rd lesson Need for evaluating and streamlining existing private-sector surveys and reporting efforts with the government's climate-investment tracking approaches

Climate and energy investment map of Czechia, billion CZK. Status 2017. Buildings and RES supply



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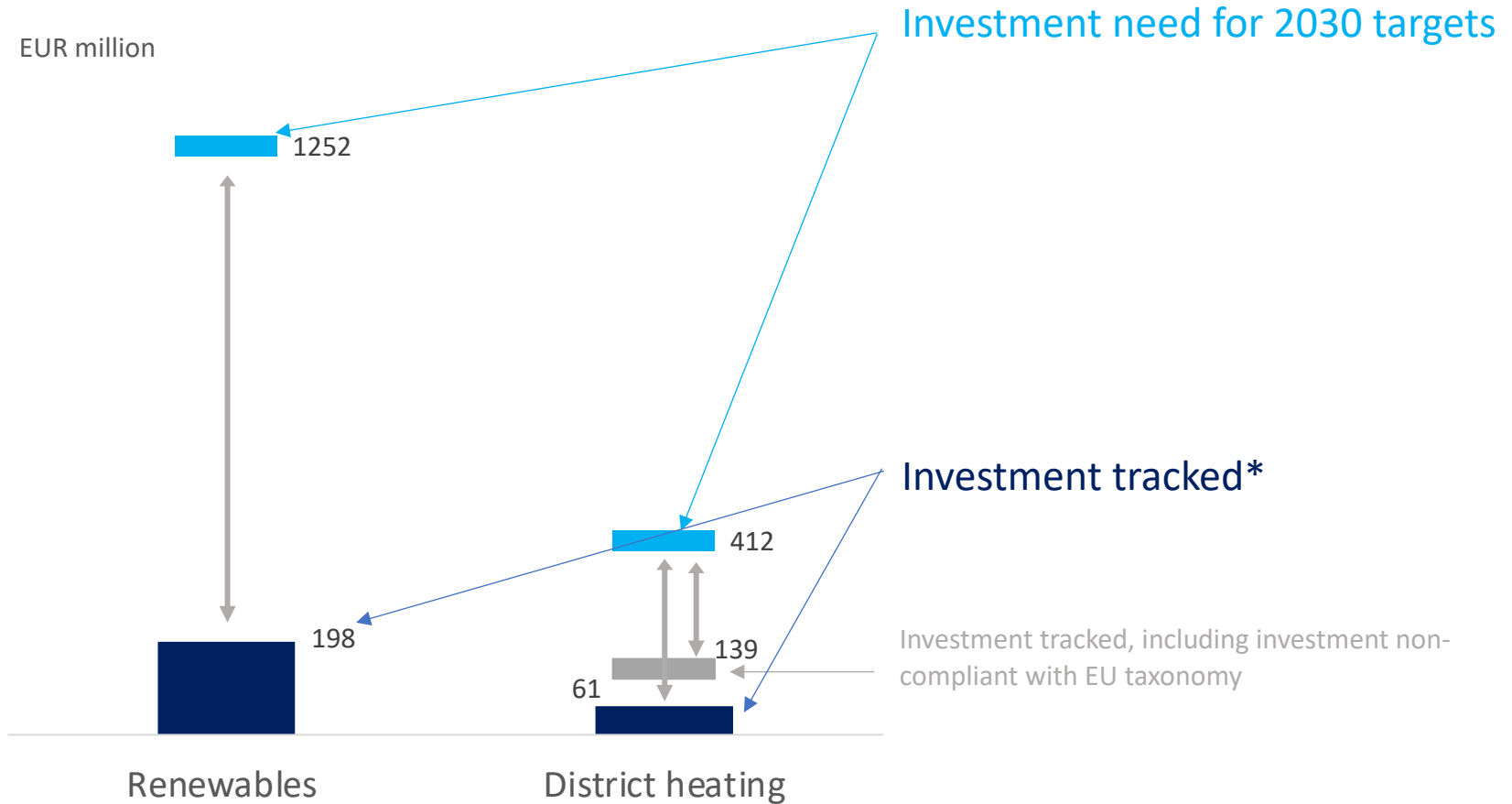
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- 4th lesson Useful to compare aside from methodologies aspects, there are differences regarding the source of investment or the preferred financial instruments
- 5th lesson Comparing the current investment to investment needs

Investment gap for 2030 targets in Czechia





Conclusions

- Good overview over public finances, but much less available for private sector
- Introduce regularity and systematic assessment in combination with the investment needs (different methods to assess investment needs in NECPs)
- Showing the different pathways to financing low-carbon transition
- Incorporating the EU taxonomy in various levels and for various actors
- How to close the gap between the current levels of investment and the investment need to reach 2030, and ultimately 2050 targets

Thank you!

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Climate Investment Capacity 2030 at
<https://www.ikem.de/en/portfolio/cic2030/>

