

Reliability

Innovation

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Reliability



Expertise



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Carbon Finance and Regional climate policies

Building new public – private synergies

COP17, Durban, December 7th 2011

- ▶ A « long-time » carbon field player :
 - CDC Climat a fully owned subsidiary of the Caisse des dépôts, a French public long-term financial institution, dedicated to climate change.
 - CDC Climat has been a player on the carbon field since 2001, providing public research on the economics of climate change, carbon investment services and carbon market infrastructure products.
 - Our mission is to help France accelerate emissions reductions by supporting the long term development of carbon markets.

- ▶ Part of Caisse des depôts group, serving local authorities since 1822 :
 - Caisse des dépôts is a reference financial partner for French local authorities implementing new policies.
 - Its mission is to foster local economic development and support local public policies by providing innovative and tailored financial solutions.

- ▶ Official partner of NRG4SD since September 2011

- ▶ Regions climate policy often more practical and systemic than at national level :
 - More project oriented, better knowledge of local needs and dynamics, better grasp of « everyday life » emissions
 - Higher ability to coordinate stakeholders
 - Know-how to identify individual meaningful mitigation projects / programs and their developers, and scale them up.
- ▶ Being an additional policy, Regions are confronted with the need to find new, sustainable, financial resources beyond project development assistance.
- ▶ Carbon finance players have funds to invest but limited resources to originate projects.

What Regions can bring to a partnership :

- ▶ Regional market knowledge :
 - What is the emissions reduction potential ? In which priority sectors ? Who are the key stakeholders and what is their capacity ? What technical assistance is needed ?
 - A « no regret » exercise
- ▶ Decentralised cooperation projects
- ▶ Funding project / program development
- ▶ Identifying buyers : would regional compliance or voluntary buyers, or local authorities, be interested in regional credits ? With a premium ?

What Carbon investors can bring to a partnership :

- ▶ A whole new source of project financing :
 - Through carbon crediting and other mechanisms (white/green certificates, future mechanisms)
 - At no or little cost for public budgets
 - Which remains under strict public/NGO control and scrutiny
- ▶ Thorough Carbon economic analysis tools :
 - What are the abatement costs ?
 - How to optimise public subsidies allocation ?
- ▶ Rigorous environmental integrity labelling :
 - CDM, JI, VCS, Gold Standard, other standards...
 - MRV tools, auditing tracks

Conclusion : how Regions can promote carbon finance

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A step-by-step approach :

- ▶ Spread knowledge and know-how of carbon finance to existing project developers.
- ▶ Identify and promote projects that may benefit from carbon revenues.
- ▶ Setup decentralised cooperation carbon projects
- ▶ Integrate carbon revenues with regional policies.
- ▶ Promote the development of a regional carbon fund.
- ▶ Invest in a regional carbon fund.

Thank you for your attention

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