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FINANCE CLIMACT PROJECT – OVERVIEW

# FINANCE CLIMACT LAYMAN REPORT 2019-2024

LIFE Project Number: LIFE18 IPC/FR/000010  
More information on our website: <https://finance-climact.eu/>

# WHY

## THE CONTEXT

2018

**European Green Deal** has been set to fulfill Paris Agreement. The European Green Deal is about improving the well-being of people. Making Europe climate-neutral and protecting our natural habitat will be good for people, planet and economy. No one will be left behind. The EU will:



Become climate neutral by 2050



Protect human life, animals and plants by cutting pollution

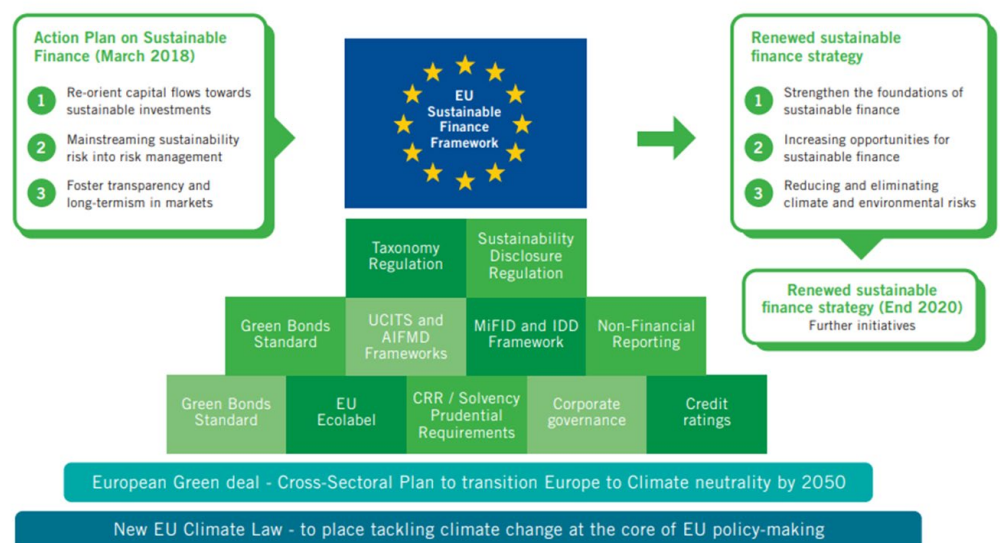


Help companies become world leaders in clean products and technologies



Help ensure a just and inclusive transition

A **Sustainable Finance Strategy** has been issued to support the Green Deal:



# 2019

LIFE Finance ClimACT project has been launched to **contribute to the implementation of the EU sustainable finance strategy and financial flow reallocation**, with three main targets:

- **1. Households:** Facilitating investments decisions based on environmental objectives.
- **2. Financial Institutions and their supervisors:** Facilitating the integration of climate change aspects into the steering and supervision of the financial sector.
- **3. Industries and corporate:** Encouraging investments in energy efficiency and the low-carbon economy.

The Finance ClimAct projects developed a **toolbox of open-source methodologies and knowledge** on sustainable and transition finance.



# 2021-NOW

**Implementation of the project**, in link with the adaptation of the EU and national strategies (notably 2021 renewed sustainable finance strategy following COVID period).

# WHAT

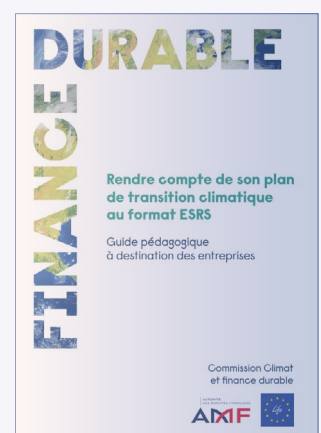
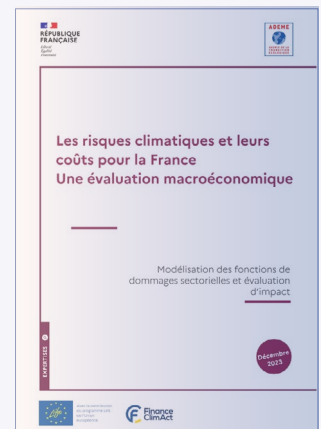
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## WHAT IS THE ECOLOGICAL TRANSITION?

The ecological transition is an evolution towards a model of sustainable development that renews our ways of consuming, producing, working and living together to meet the major environmental challenges of climate change, resource scarcity, the accelerating loss of biodiversity and the multiplication of environmental health risks.

## WHAT IS SUSTAINABLE FINANCE?

The implementation of the ecological transition requires the contribution of the financial sector, which provides financing and investment services to households, businesses and government, in order to contribute to a greener, fairer and more inclusive economy.





# MAIN PROJECT FINDINGS AND RECOMMENDATIONS

## EXPERIENCE GATHERED FOLLOWING THIS 5-YEAR PROJECT LED TO THE FOLLOWING OUTPUTS :

### 1. BETTER GUIDE CORPORATES REGARDING THEIR SUSTAINABLE JOURNEY

To meet the regulations (EU Taxonomy, CSRD), companies need to design their climate strategy in advance, rather than adopting a tick-the-box approach. The different level of maturity from SMEs to large corporate reveal the need of operational guidance beyond methodologies through supervisor's and EFRAG work but also tools to support implementation like ACT.

### 2. BETTER ARTICULATE THE EU FRAMEWORK ON SUSTAINABLE FINANCE

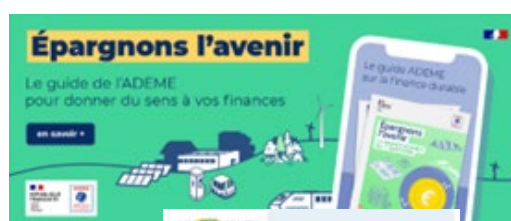
While corporate transparency and due diligence is currently consistent, the revision of key texts such as SFDR, SRD2, the launch of EU Ecolabel is required to foster private investments in the transition.

Regarding Banks and Insurances, the connection of prudential Transition Plan (CRD, Solvency) with CSRD and CSDDD is necessary to drive change and avoid schizophrenic regulation.

### 3. TRANSITION PLANS ARE THE CORNERSTONE FOR CONSISTENT CLIMATE ACTIONS CONNECTING PUBLIC AND PRIVATE STRATEGIES

Transition finance should be at the core of next EU framework, **leveraging on the assessment of the credibility and robustness of company's transition plans**. Public and private strategies need to be mutually supportive, so that we can iteratively build a coherent roadmap and the economic, Fiscal and regulatory means to achieve it.

The ACT methodology has been developed on climate mitigation but also climate adaptation. Biodiversity and ressources methodologies are under development. The ecological transition plans will gradually have to cover dimensions beyond climate change mitigation.



### 4. THE NEED OF CONTROL, SUPERVISION AND SANCTIONS

All the ambitious regulations put in place under the European Green Pact need to be consolidated by a policy of supervision, control and sanctions, which is the only way to give credibility to the measures taken.

This concerns the compatibility of transition plans, their implementation, the fight against greenwashing and the use of the **prudential lever** to mitigate climate change.

## KEY WORK AREAS

The Finance ClimAct projects has developed a toolbox of open-source methodologies and knowledge to be used by various stakeholders. 3 pillars of action have been mobilized:



### **PILLAR 1: INDUSTRIES AND CORPORATE**

We have encouraged investments in energy efficiency and the low-carbon economy.

### **PILLAR 2: FINANCIAL INSTITUTIONS AND THEIR SUPERVISORS**

We have facilitated the integration of climate change aspects into the steering and supervision of the financial sector.



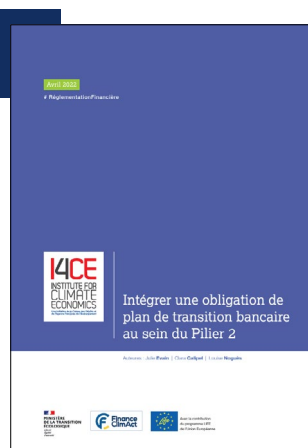
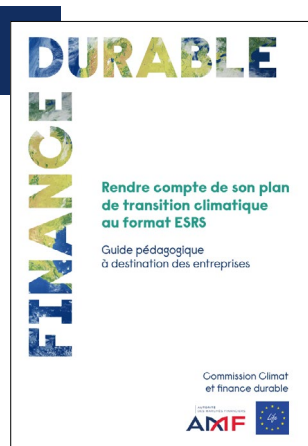
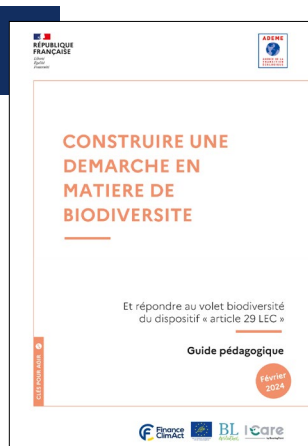
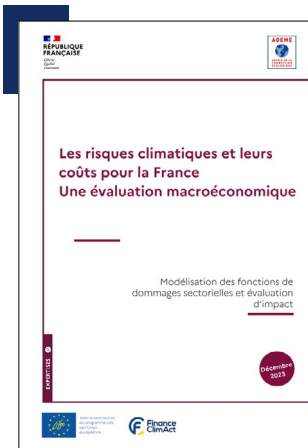
### **PILLAR 3: HOUSEHOLDS**

We have facilitated investments decisions based on environmental objectives.

## KEY ACHIEVEMENTS

	INDUSTRIES	FINANCIAL INSTITUTIONS	HOUSEHOLDS
TOOLS	<p>Built <b>9 sectorial transition plans</b> (one for each of the 9 most emissive industries)</p> <p>Built <b>a training program</b> dedicated to industrials on decarbonization (INVEEST and then PACTE Industrie)</p> 	<p>Built <b>an open source methodology</b> (ACT) to assess the credibility of climate mitigation transition plans from financial institutions (ACT Finance), on climate adaptation strategies (ACT Adaptation) and on biodiversity (ACT Biodiversity)</p>  <p>Built <b>the PACTA tool</b> to assess the alignment of portfolios with Paris agreement</p>  <p>Launched <b>a voluntary Observatory</b> that became a mandatory platform by the French law (CTH)</p>  <p>Develop <b>a Sustainable Finance Observatory</b> to track voluntary commitments and that has launched the "Net Zero Donut" online tool</p>	<p>Built a <b>public platform for retail investors</b> (My Fair Money)</p>  <p>Launched <b>general public guides</b> and video contents on sustainable finance</p>
OUTCOMES	<p>Trained <b>+1 000 industrial stakeholders</b> on low-carbon energy</p> <p>Participation to <b>the EFRAG working group</b>, mandated by the European Commission to help design EU regulations on sustainable finance and decarbonization</p>	<p>Developed and launched <b>the AMF Certification</b> in sustainable finance for professionals</p> <p><b>Trained all the relevant staff</b> from supervisors on climate change (+200 persons)</p>	<p>Organize <b>+700 mystery shopping visits</b> in the main French banks</p> <p>Organized <b>quantitative and qualitative surveys</b> on sustainable finance</p> <p>Participate to the committee of <b>French labels in sustainable finance</b> to help them transform with more robust criterias (inclusion of transition plans in Label ISR, inclusion of the EU Taxonomy in Greenfin label)</p>

## KEY DOCUMENTS





## KEY EVENTS

### CONFERENCES:

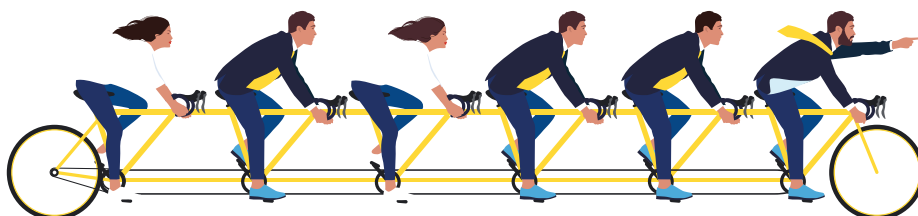
- EU Green week 2021
- Dépasser l'ESG 2022
- "ACT Day" at the Banque France in 2023 (275 participants)
- "ACT Day" at the MEDEF in 2024 (xx participants)
- Bilan des Say on Climate – Collège de France – 2023 & 2024 (120 participants)
- Evènement "Épargnons l'avenir" du 14/11/2023 – (188 participants)
- Evènement "Finance en transition(s)" du 3 décembre 2024 – (81 participants)

### WEBINARS:

- Rencontres de la Transition Industrielle
- Présentation des méthodologies ACT Finance et ACT Adaptation
- Guide biodiversité 29 LEC ADEME et CGDD
- Guide AMF sur les plans de transition ESRS
- ...

### OTHER MEETINGS:

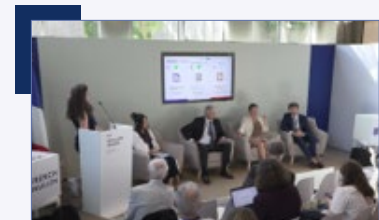
- COP 26, 27, 28 (25 / 35 participants)
- Roundtables with the European Commission
- Discussion with central banks in EU and worldwide
- ...



### Rencontres de la Transition Industrielle



### ACT Adaptation 2024



### COP 26, 27, 28



### Bilan des Say on Climate – Collège de France – 2023 & 2024



### Evènement "Finance en transition(s)" du 3 décembre 2024

# WHO

## DEVELOPING A STRONG COMMUNITY INVOLVED IN SUSTAINABLE FINANCE



LinkedIn

**3K followers**

<https://www.linkedin.com/showcase/finance-climact/about/>

Website →

<https://finance-climact.fr/>  
(FR & EN)



### Composition:

The project has been performed by a **consortium of 9 actors** in sustainable finance.

**30 people** have worked full time on this project with **18m€ quoted in the project description**



### Through dissemination activities (E)

	<b>French Treasury</b> (29 LEC webinar)
	<b>CNCC</b> French Council of financial auditors (Sustainability challenges)
	<b>CNCGP</b> French Council of wealth management consultancy (Episode "Sustainable Finance, why are we accelerating?")
	<b>Novethic</b> French specialized media on sustainable economy (Live on SFDR article 9 Funds)
	<b>FAIR Association</b> In charge of the finansol label (FAIR meetings)
	<b>Reclaim Finance</b> French NGO dedicated to climate finance (FAIR meetings)
	<b>The Shift Project</b> French think tank advocating the shift to a post-carbon economy (Partnership on ClimatSup Business "training the actors of tomorrow's economy")
	<b>LITA.CO</b> French crowdfunding platform on sustainable investments (Green Talk 2022: "How retail savers can contribute to low carbon transition financing?")
	<b>EM Lyon</b> French business school (“Bouge ta finance” webinar on the role of finance in the ecological transition)



### Through complementary actions (CA)

	<b>Banque de France</b> (CA1.1 Network For Greening the Financial System)
	<b>BPI France</b> French public sector investment bank (CA6.1 SMEs accelerator "Energy Transition" Program)
	<b>AFD</b> French Agency for Development (CA6.2 AFD internal action on FR-8)
	(CA 1.2 Call for research projects on climate finance)

### Through actions (C)

	Through C6.3 action on the suitability questionnaire: <b>FBF</b> French Banking Federation
	<b>FA</b> French Insurers Federation
	<b>AFG</b> French asset managers Federation
	<b>France Invest</b> Private equity & private debt Federation
	<b>AMAFI</b> French association for financial markets
	<b>AFR</b> French association for responsible investors
	Through C2 action: <b>CIRED</b> Research Centre on Environment and Sustainable Development
	<b>SEURECO</b> Research centre on economic modelling
	Through C3 action: <b>INC</b> French Institute on Consumer Affairs
	Through C5 action: Banks / Insurers / Asset managers (see ACT Finance action)

# ENGAGING WITH VARIOUS STAKEHOLDERS IN EUROPE AND WORLDWIDE

## Through complementary actions (CA)



Through CA1.5 Courses on "Macroeconomic impact of climate change, climate finance and climate mitigation:

**European Commission – DG ECFIN**



**European Institute of Public Administration**



Through CA2.1 action Co-develop the EU climate stress-testing framework:

*IKI (International Climate Initiative) Germany*



Through CA5.1 action Pilot in Germany (MeinFairMögen):

**NKI**  
National Climate Initiative Germany



Through CA4.1 Activating European Network for ACT:

**EEA**  
Environmental European Agency



Through CA6.4 action European movement on voluntary carbon market:

**Climate-KIC**  
EU largest public-private innovation partnership



**Universitat Politècnica de Valencia**



**NGFS**  
Network for Greening the Financial System  
(CA1.1 Network for Greening the Financial System)



Through CA4.4 action (Articulating investor & corporate target-setting - Evidence for Impact):

**UNFCCC**  
United Nations Framework Convention on Climate Change



**WRI**  
World Resources Institute



**WWF**  
World Wildlife Fund

## Through actions (C)



Through C6.3 actions on the suitability questionnaire:

**ESMA**  
European Securities and Markets Authority



**EIOPA**  
European Insurance and Occupational Pensions Authority



Through C7 action on EFRAG secretariat:

**EFRAG**  
European Financial Reporting Advisory Group



Through C7.1 action on the participation to the European working group CEN/TC 467/WG1 "Climate Change" on "Industry decarbonisation STP Standard":

**CEN**  
European Committee for Standardization



**European Trade Union Confederation**



**Sustainable Energy Authority of Ireland**



Through C5 actions related to ACT Finance:

**World Benchmarking Alliance**



**CDP**  
Carbon Disclosure Project



**UNEP FI**  
United Nations Environment Finance Initiative



**UN PRI**  
United Nations Principles for Responsible Investment



Through C7.1 action on the participation to the European working group

**Environmental Coalition on Standards**  
CEN/TC 467/WG1 "Climate Change" on "Industry decarbonisation STP Standard")



**IEA**  
International Energy Agency

## Through dissemination activities (E)



**European Commission - DG FISMA**

- B2 Sustainable Finance
- C3 Securities Markets
- C4 Asset management

*(Finance ClimAct Roundtable 2)*

- C1 – Corporate Reporting, Audit & Credit Agencies

*(Finance ClimAct Roundtable 1)*



**European Commission - DG ENV B1**

*(Finance ClimAct Roundtable 2)*



**European Commission - DG CLIMA D3**

*(Finance ClimAct Roundtable 1)*



**European Commission - Joint Research Centre**

*(Finance ClimAct Roundtable 2)*



**European Banking Authority**

*(Finance ClimAct Roundtable 1)*



**European Climate Foundation**

*(Prudential Net-zero Transition Plans)*



**Better Finance**  
The European Federation of Investors and Financial Services Users  
*(HLEG 2022)*



**OECD**  
Organization for Economic Co-operation and Development  
*(Workshops on stress tests and on metrics)*

# WHEN

from **2019**  
to **2024**

The Finance ClimAct have occurred From 2019 to 2024

# WHERE

