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BLOG POST July 13th 2017

France’s climate plan: a coherent and ambitious framework to be concretized

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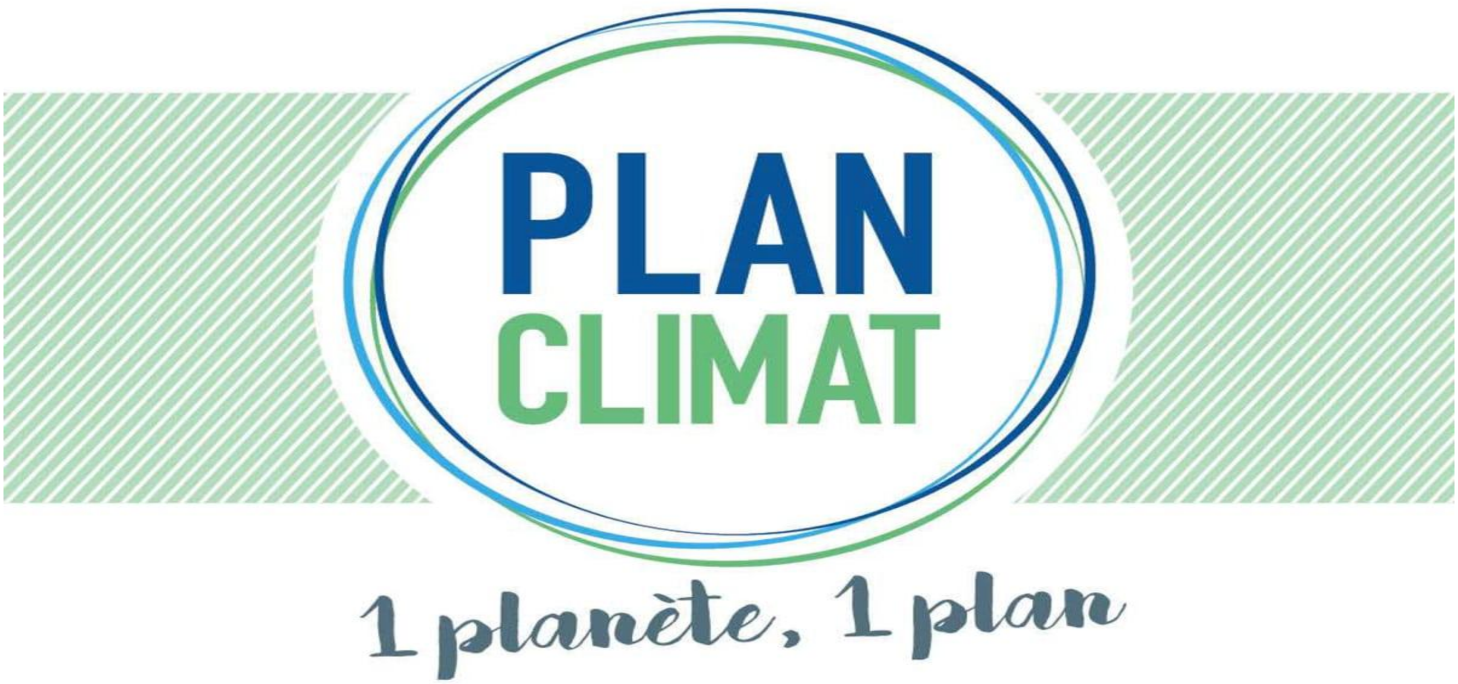
Reading time: 7 min



Nicolas Hulot, Minister for the Ecological and Inclusive Transition, presented France’s Climate Plan on Thursday, 6 July 2017. Certain announcements, such as the 2050 target for achieving carbon neutrality and the ban on diesel and petrol vehicles from 2040 drew considerable attention. However, the French plan also contains a number of agendas which should–in the coming months–be translated into more concrete measures and actions. In this blogpost, IDDRI focuses on four of these agendas and suggests ways to take them forward.

France’s climate plan - Agenda 1 : French diplomacy supporting the implementation of the Paris Agreement

In addition to reasserting the mobilization of France within its own territory, the Climate Plan also reaffirms the mobilization of the country’s diplomatic machinery to ensure that Europe and the international community implement the Paris Agreement and uphold their solidarity with the most vulnerable countries. To this end, four objectives have been identified: by the year 2020 raising the ambition of countries so as to achieve the objective of keeping global warming below 1.5°C/2°C before the end of the 21st century ; durably anchoring the governance of the Action Agenda, which brings together sub/non-state actors’ engagements; reaffirming the financial commitment to support developing countries enshrined in the Paris Agreement and actually mobilizing 100 billion USD by 2020; promoting ambitious and innovative international initiatives such as the International Solar Alliance and initiatives benefitting Africa in particular. Across the board on all these issues, the importance of implementing the global adaptation goal?enshrined in the Paris Agreement as indissociable from the mitigation goal?must be noted. To operationalize this goal, which concerns all countries but primarily those that are vulnerable, it is important to agree at an international scale on the meaning of “adaptation” and define a series of criteria and indicators to measure progress made at the national level so as to pave the way for a global assessment. Immediately after the G20, Emmanuel Macron announced that a climate summit will be held in Paris on 12 December 2017. One month after the COP23?which should significantly help develop the tools and rules of the Paris Agreement in particular?this climate summit will be another opportunity to maintain political attention on all these issues. The next milestone on the international agenda will be the California Summit of sub/non-state actors in 2018. A two-way exchange between States and sub/non-state actors should be encouraged in order to mutually strengthen confidence in the ineluctable nature of the transformation towards a resilient and low-carbon economy, the existence of action levers to bring about this transformation, and the commitment of all actors in this direction. The participation of the French President at the California summit would send a positive signal. All these discussions should contribute to making the 2018 Facilitative Dialogue an honest and constructive global assessment. This should be based on results, actions implemented and those not, as well as additional levers, with a view to ensuring that States commit at COP24 to increase their climate ambition by the year 2020.

France’s climate plan - Agenda 2: Strengthening European ambition

Fisrt and foremost, the Climate Plan is in line with a dynamic to strengthen the European Union’s climate commitments. To this end, France is specially focused on getting the EU to quickly adopt a long-term deep-decarbonization strategy – and by way of example – doing the same in France through an accelerated revision of the National Low-Carbon Strategy and the Pluri-annual Energy Plan to bring them in line with the new 2050 carbon neutrality target. These long-term strategies are particularly important in that they can help compare short-term decisions with the structural changes required in the long term. They can also form the basis for productive dialogue between Member States and stakeholders. However, if the EU is to be in a position to increase its climate ambition by 2020, its climate and energy governance will have to evolve, and this issue is unfortunately missing from France’s Climate Plan. The current governance system is still based on a burden-sharing approach, a long and painstaking negotiation which sets 10-year targets. Since the Paris Agreement envisages a 5-year review, the rhythm of European discussions on climate should be brought in sync with that of the Paris Agreement. Furthermore, negotiations between Member States–through which countries divide up the EU’s commitment between themselves–could be facilitated by inverting the approach just as was successfully done in the lead-up to the COP21: inviting each Member State to draw up their own national contributions, and then working out the details through discussions with other EU Member States to guarantee their level of ambition and identify areas of cooperation. Cooperation between Member States will in fact be another area of focus. Surprisingly, France’s Climate Plan says little about strengthening the Franco-German alliance for the energy transition. Yet, such cooperation could have a strong knock-on effect within the European Union. Amongst other potential subjects, an alliance on the issue of a just transition for employees and regions likely to experience economic restructuring, especially coal-dependent sectors, could prove to be an interesting area of cooperation. In the same vein as the alliances on technology deployment, an investment must be made towards capacity-building to better anticipate and support these transitions.

France’s climate plan - Agenda 3: Accelerating the low-carbon transition of France’s mobility sector

The Climate Plan takes up and develops the provisions to be implemented for a significant reduction in the footprint of the building stock. Further clarifications are still needed to bring results commensurate with the level of ambition. In comparison, transport sector issues have been relatively poorly addressed thus far and it is fortunate that the Climate Plan makes these a priority. To address the problem, the Plan lists some concrete measures like bringing convergence in taxation on petrol and diesel vehicles, while delegating a major share of the practical arrangements to the forthcoming *Assises de la mobilité* (multi-stakeholder workshops on mobility). These ‘*Assises*’ will place significant emphasis on daily transport, which is indeed important. In addition, they must introduce new measures to encourage the deployment of electric vehicles–the level of which is currently insufficient–with a view to phasing out dedicated subsidies in the long term. In order to create a rapidly expanding niche market, short-term measures could include an increase in subsidies and the introduction of obligations for corporate fleets. In the medium term, the automobile credit market could cover the upfront incremental cost of electrical vehicles, but the terms of the “Bonus for Transition” announced in the Climate Plan need to be clarified to support the second-hand vehicle market and assist low-income households in accessing electric transport. Lastly, future draft national budgets should take account of the projected drop in revenue from taxation on petroleum products, which will quickly attain several billion Euros every year. This shortfall could be compensated in part by the increase in tax on diesel vehicles and increased carbon tax (*contribution climat-énergie*). However, other taxation bases like the motor vehicle ownership tax or the annualization of the prevalent *bonus-malus* scheme must also be explored. Moreover, the government must sponsor innovation in the field of mobility. Innovators are combining the digital with the ecological to revolutionize the way we move (ride-sharing, car-sharing, autonomous vehicles) and are thus trying to become global leaders of tomorrow’s mobility. Such innovative enterprises should be financially supported, in particular by the Sustainable Mobility Fund announced in the Climate Plan. But beyond financial support, these innovators also need partnerships with urban and local authorities for pilot projects, which they struggle to establish today. The government should consider launching a national strategy for the digital and ecological transition with a key focus on pilot projects, open to stakeholders in the mobility sector, as well as the energy, circular economy and collaborative finance sectors.

France’s climate plan - Agenda 4: Making the “just” transition a reality

Tackling poor insulation in buildings, increasing the government fuel allowance for households, launching the Ecological Transition Contract or the Bonus for Transition to help low-income households change vehicles…the French Climate Plan has made first steps towards incorporating the priority accorded to the social challenges of the climate transition, and which were already in the official title of Nicolas Hulot’s ministry. This represents an important step. Nevertheless, two important points for the effective implementation of these measures need to be considered.

- Firstly, the Ecological Transition Contract should not only assist in providing social support to employees of sites which will close down (coal, refineries, nuclear), but also extend protection to the employees of their subcontractors, which are often SMEs. Moreover, the history of previous coal transitions across Europe highlights the importance of not just supporting individuals but also providing adequate support to the regions where these sites are based, especially those that are economically fragile and vulnerable.

- Secondly, it is necessary to supplement measures dealing with energy poverty in households with a national strategy to combat mobility-related energy poverty. 7% of French citizens limit their travel or transit due to associated costs. This constitutes a major obstacle in their daily life and is a particular deterrent for those seeking employment. Such a strategy could draw on the many innovative companies and local authorities which are already tackling these issues. Besides providing assistance for the purchase of clean vehicles to low-income households, the strategy could also extend support to pilot projects in collaborative mobility.

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