

ASSESSMENT

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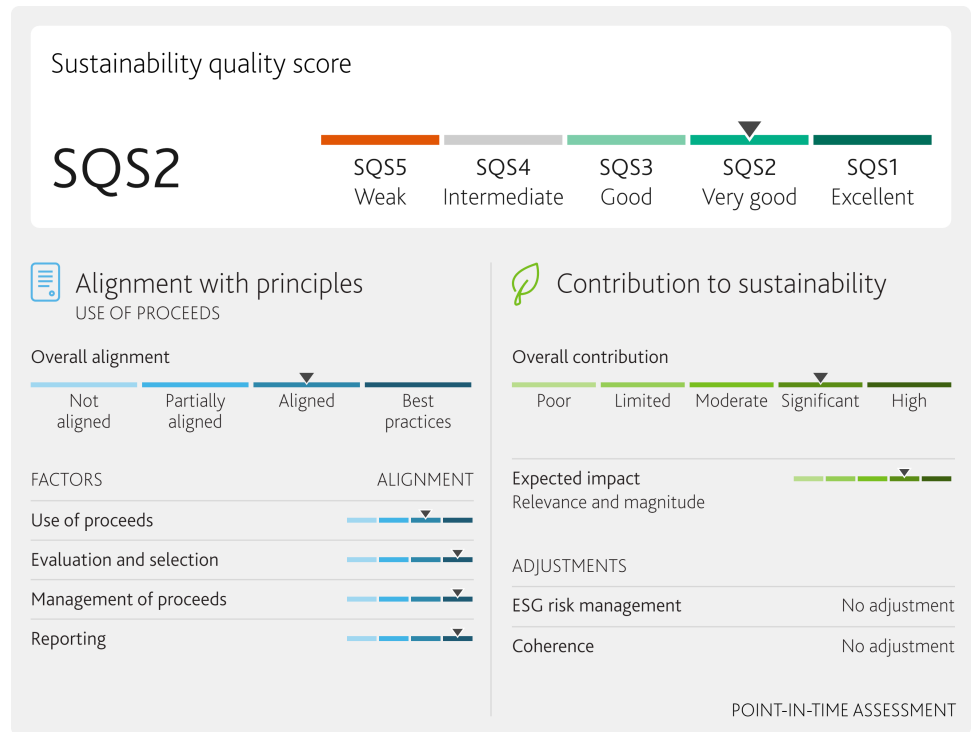
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Asia Pacific 852-3551-3077
Japan 81-3-5408-4100
EMEA 44-20-7772-5454

Government of France

Second Party Opinion Update – France's Green OAT Framework Remains SQS2

Summary

We are maintaining the SQS2 sustainability quality score (very good) — originally assigned in September 2022 — to the Government of France's Green Obligations Assimilables du Trésor (OAT) Framework dated January 2017. The sovereign has established its use-of-proceeds framework to finance projects across seven eligible green categories (buildings, transport, energy [including smart grids], living resources, adaptation, pollution and eco-efficiency, and transversal). The green OATs issued in 2023 financed eligible expenditures of the 2022 and 2023 budget years covering the seven eligible categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles 2021 (including the June 2022 Appendix 1). The framework also demonstrates a significant overall contribution to sustainability.



Scope

We have provided a second party opinion (SPO) on the sustainability credentials of the Government of France's bond framework dated January 2017, including the framework's alignment with the four core components of the ICMA's Green Bond Principles 2021 (including the June 2022 Appendix 1). Under its framework, the French Republic issued four French sovereign green OATs in 2017, 2021, 2022 and 2023 to finance projects across seven green categories, as outlined in Appendix 2. Moreover, to maintain the liquidity of this Green OAT through tap issues after the initial issuances, the AFT has carried out several re-issuances.

Our assessment is based on the last updated version of the Government of France's framework dated January 2017 and focuses on green OATs issued in 2023, allocated to green eligible expenditures of the 2022 and 2023 budget years. Our opinion reflects our point-in-time assessment of the details contained in this version of the framework, and other public and non-public information provided by the issuer.

We produced this SPO based on our [Framework to Provide Second Party Opinions on Sustainable Debt](#), published in October 2022.

Recent developments

In line with the issuer's commitments, the Government of France has published its allocation and impact report 2024, which covers the performance of 2023 issuances (including a small share of the remaining balance from the 2022 expenditures). The issuer reports allocation and impact reporting at the category (Sustainable Development Goals) and project levels, disclosing the allocation of proceeds distributed per SDG, the number of projects financed and environmental indicators. Moreover, the report includes the evolution of some key performance indicators (KPIs) at the SDG level. The 2023 portfolio of eligible expenditures is relatively similar to the 2022 portfolio, with minor changes. Notable additions include the allocation for optic fibre and measures related to adaptation of territories to face climate change. The 2023 issuance covers a pool of 70 eligible expenditures in the portfolio analysed. SDGs 7, 13 and 17 account for the highest share of the proceeds for the 2023 budget year.

Issuer profile

France has a population of around 67 million and is the world's seventh-largest economy by nominal GDP. As a member of the European Union (EU), France steered and jointly endorsed the collective pledge to reduce greenhouse gas (GHG) emissions by 40% by 2030, from 1990 levels, a target that has since been strengthened to a 55% reduction by 2030. Because of its predominantly nuclear electricity generation capacity, France has one of the lowest carbon-intensity values in the Organisation for Economic Co-operation and Development (OECD) group. Although air pollution is decreasing, it remains above World Health Organization (WHO) recommendations, and there is scope for improvement in energy intensity and for increasing the share of renewables in the electricity grid, which is only half the OECD average.

France's exposure to environmental risks is low across all risk categories, including physical climate risks, carbon transition, water management, natural capital, and waste and pollution. In the last decade, wildfires have become more recurrent but remain concentrated in the south, limiting the country's overall exposure to physical climate risks. In the past two years, France (like other European countries) experienced one of its warmest summers on record, with heat waves, droughts and wildfires.

Compared with its OECD peers, France has an overall high proportion of sites that are important for terrestrial biodiversity. As of 2020, 80% of such sites are covered by protected areas¹. However, the country's Red List Index has recorded a deteriorating trend over the last 20 years, recording one of the highest indicated biodiversity losses observed among OECD countries over this period².

Strengths

- » Several eligible categories intend to finance activities that potentially contribute to a significant reduction in GHG emissions and accelerate the transition of France to a low-carbon economy.
- » The environmental benefits associated with the eligible projects are clearly defined and relevant.
- » Comprehensive and transparent project evaluation and selection processes are in place and include relevant expertise.
- » Sophisticated impact and allocation reporting, including independent verification, ensures a high level of transparency for investors.

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Challenges

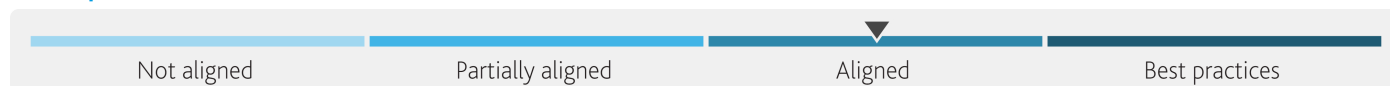
- » Although the eligible green project list is accompanied by supplemental explanatory material, eligibility criteria can lack supporting thresholds in some categories.

Alignment with principles

The Government of France's green bond framework is aligned with the four pillars of the ICMA's Green Bond Principles 2021 (including the June 2022 Appendix 1).

- Green Bond Principles (GBP)
- Social Bond Principles (SBP)
- Green Loan Principles (GLP)
- Social Loan Principles (SLP)
- Sustainability-Linked Bond Principles (SLBP)
- Sustainability Linked Loan Principles (SLLP)

Use of proceeds



Clarity of the eligible categories – **ALIGNED**

The Government of France has established projects across seven eligible green categories and has shared a detailed list of expenditures financed in 2023 (including a small share of the remaining balance from the 2022 expenditures), which provides clear visibility into the projects and activities financed with the bond proceeds. The list of expenditures is accompanied by publicly available documentation with detailed project descriptions. However, some projects lack granularity in terms of technical thresholds. The bond proceeds have been used exclusively to finance and refinance investments in accordance with applicable budgetary regulations and the eligibility criteria of the framework. The projects are predominantly based in France, with a minority of projects in emerging countries.

Clarity of the environmental or social objectives – **BEST PRACTICES**

The government has clearly outlined four environmental objectives associated with the projects, which are coherent with national and international standards, such as the French Green Fin label or the European Union (EU) taxonomy. These objectives are presented in Appendix 2. All financed projects are considered relevant for the respective environmental objectives.

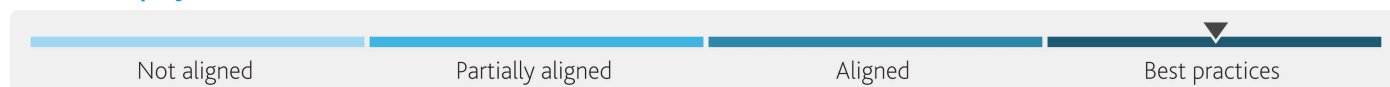
Clarity of expected benefits – **BEST PRACTICES**

The sovereign has identified clear expected environmental benefits for all the eligible categories. These benefits are measurable and will continue to be quantified in the reporting, and are considered relevant for all eligible categories. All the raised bond proceeds have been allocated to expenditures for the 2023 budget year and expenditures realised in 2022 (representing a small share of the total allocation).

Best practices identified - use of proceeds

- » Objectives set are defined, relevant and coherent for all project categories
- » Relevant benefits are identified for all project categories
- » Benefits are measurable and quantified for most projects, either ex-ante with clear baselines or with a commitment to do so in future reporting
- » Commitment to transparently disclose the share of proceeds used for refinancing where feasible
- » Commitment to transparently communicate the associated lookback period(s) where feasible

Process for project evaluation and selection



Transparency and quality of the process for defining eligible projects – BEST PRACTICES

The Government of France has established a clear, structured process for evaluating and selecting eligible expenditures formalised in its publicly available framework. An inter-ministerial working group has been set up for collaboration between the ministries involved in Green OAT issuances. Each ministry is responsible for identifying eligible green expenditures within its programmes, and the inter-ministerial working group is in charge of monitoring the continued fulfillment of eligibility criteria throughout the life cycle of the bond. The monitoring of potential ESG controversies is performed before the selection of expenditures and during the reporting process throughout the life of the bonds. The environmental benefits of the Green OAT's expenditures are the subject of specific studies supervised by the Green OAT Evaluation Council, including an analysis of mitigation measures for the associated risks. Roles and responsibilities within the working group are clear and include relevant internal expertise, with support from external consultants.

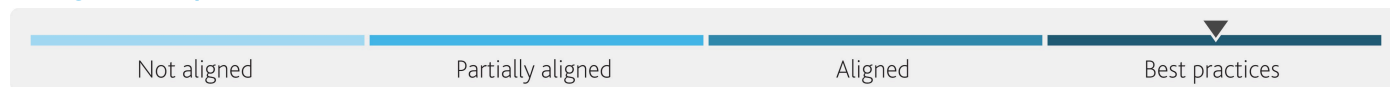
Environmental and social risk mitigation process – BEST PRACTICES

The environmental and social risk mitigation process is formalised and disclosed in publicly available documentation. As a general rule, when draft legislation is transmitted to parliament, it is accompanied by an impact study covering the economic, financial and social implications. In addition, and more specifically, the environmental benefits of the Green OAT's expenditures are the subject of specific studies supervised by the Green OAT Evaluation Council, including an analysis of mitigation measures for the associated risks.

Best practices identified - process for project evaluation and selection

- » The roles and responsibilities for project evaluation and selection are clearly defined and include relevant expertise
- » There is evidence of continuity in the selection and evaluation process through the life of the financial instrument(s), including compliance verification and procedures to undertake mitigating actions when needed
- » The process for project evaluation and selection is traceable
- » Material environmental and social risks for most project categories are identified
- » Presence of corrective measures to address environmental and social risks across projects
- » ESG controversies are monitored

Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

The government has defined a clear process for the management and allocation of bond proceeds in its publicly available framework, and this process falls under the responsibility of the Ministry of Finance. The proceeds are placed in a centralised account and tracked to ensure that the amount of green bonds issued during the year remains less than the estimated amount of green eligible expenditure. The proceeds are allocated within a maximum allocation period of one year.

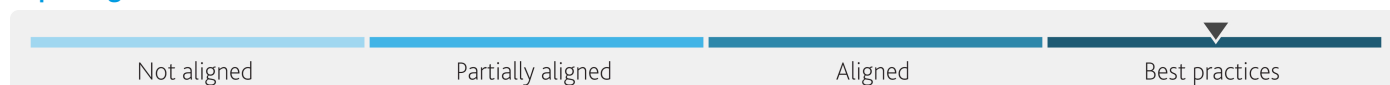
Management of unallocated proceeds – BEST PRACTICES

The intended type of temporary placements are managed according to the state cash management strategy. Investments may take the form of unsecured loans or securities repurchase agreements, and will be publicly disclosed. In case of postponement or cancellation, proceeds will be reallocated to other green projects. Regarding temporary placements, the 'Principe d'universalité budgétaire', or the principle of budgetary universality, does not provide provisions for exclusions related to GHG-intensive activities or controversial activities.

Best practices identified - management of proceeds

- » Broad disclosure of a clearly articulated and comprehensive management of proceeds policy to external stakeholders; bondholders or lenders at a minimum
- » Short allocation period, for example typically less than 24 months
- » Commitment to reallocate proceeds to projects that are compliant with the framework

Reporting



Transparency of reporting – BEST PRACTICES

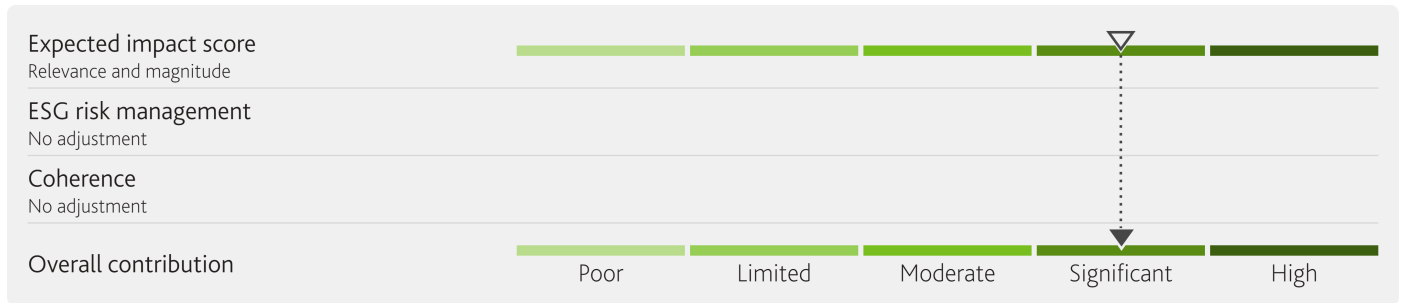
The government will continue to report annually on the bonds issued under its framework, and this reporting will continue to be made publicly available. The reporting is exhaustive and includes the description of financed projects, expected green benefits, the amount allocated across eligible expenditures, the share of refinancing and unallocated proceeds. The sovereign has identified relevant environmental reporting indicators for all seven eligible categories, which are publicly disclosed in the framework and supporting documentation. The methodologies and assumptions used to report on the environmental impact of eligible projects will continue to be publicly disclosed in the reporting. Additionally, with regard to annual reporting, a dedicated Green OAT Evaluation Council defines the specifications and schedule for evaluation reports on the environmental impact of green eligible expenditures financed by France's green sovereign bonds. The council also provides its opinion on the quality of the evaluation reports, and the impact and relevance of the findings. All of its work is publicly available. Finally, the government has committed to seek an independent verification of its proceeds allocation and impact on an annual basis until the maturity of the issued instruments.

Best practices identified - reporting

- » Reporting until full bond maturity or loan payback
- » Reporting covers material developments and issues related to the projects or assets
- » Reporting on allocation of proceeds and benefits done at least at eligible category level
- » Exhaustive allocation reporting – balance or % of unallocated funds, types of temporary investments (e.g. cash or cash equivalent) and share of financing vs re-financing
- » Clear and relevant indicators to report on the expected environmental/social impact of all the projects, where feasible, or eligible categories
- » Disclosure of reporting methodology and calculation assumptions to bondholders or lenders at a minimum
- » Independent audit of the tracking and allocation of funds at least until full allocation and in case of material changes
- » Independent impact assessment on environmental benefits by a qualified third-party reviewer at least until full allocation and in case of material changes and/or case studies to report on the social impact/benefits

Contribution to sustainability

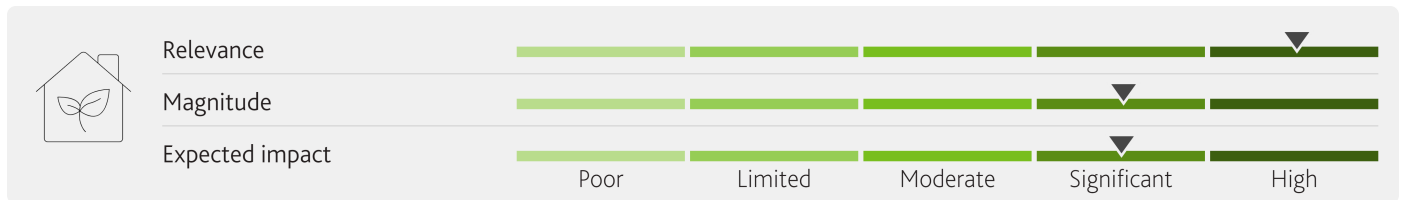
The framework demonstrates a significant overall contribution to sustainability.



Expected impact

The expected impact of the eligible categories on the environmental objectives is significant. Based on the information provided by the issuer, we have weighted the categories according to the actual proceeds allocation for the 2023 budget year. The category with the highest share of proceeds for the 2023 budget year is transversal, followed by buildings, transport, energy and adaptation. Living resources, and pollution and eco-efficiency make up relatively minor shares of total allocation.

Buildings



Government interventions to incentivise energy-efficient retrofitting of residential buildings is highly relevant for achieving France's climate mitigation goals. The building sector is the second-highest emitting sector in France, responsible for 27% of carbon emissions and 45% of final energy consumption. In response, the government has implemented policies to help curb emissions from the building sector. It is providing subsidies and tax incentives for energy-efficient retrofitting, such as the MaPrimeRénov programme for the residential sector and financing for thermal renovations in public administrative buildings³.

Energy-efficient retrofitting projects to be financed under this category would significantly reduce the GHG emissions from the building sector in France. The MaPrimeRénov programme, which accounts for most of the funds, aims for a minimum energy consumption reduction of 35%, primarily by retrofitting heating systems to reduce energy consumption and insulating residential buildings to curtail primary energy demand. While the programme will generate good and material energy-efficiency gains, more stringent internationally recognised standards exist. Most of the technologies eligible under this programme meet low carbon thresholds, except pellet stoves, which have potential lock-in effects and environmental externalities. Thermal renovations in public administrative buildings, which account for a minority share of the proceeds, aim for an energy efficiency gain of 62% on average, in line with the most stringent internationally recognised standards.

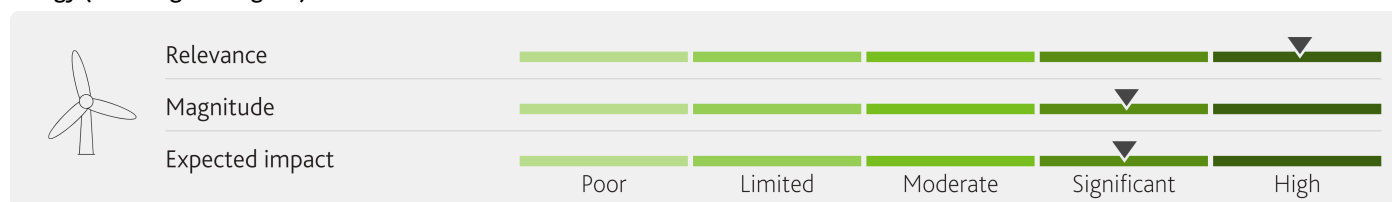
Transport



Addressing GHG emissions in the transport sector is highly relevant for achieving France's climate mitigation objectives⁴. The transportation sector is responsible for 27% of France's carbon emissions, and reductions in this sector will be crucial for meeting the country's nationally determined contributions.

Projects financed under this category would significantly contribute to reducing GHG emissions from the transportation sector in France. Most of the proceeds would finance projects that support intermodal transportation development, where various modes of transportation converge, and Electric Vehicles adoption, promoting best-in-class technologies that are in line with rigorous internationally recognised standards. The installation and maintenance of intermodal hubs would have a substantial impact on lowering emissions related to the transportation sector. According to French minister for ecological transition, transitioning to multimodal freight transport should reduce GHG emissions by up to 91% for rail and road transportation, and up to 59% for road and inland waterway transportation⁵. However, a small portion of the funding is allocated to the Lyon-Turin electrified railway line, which is associated with negative externalities and long-term GHG compensation time (i.e., the time it would take for the project's benefits in terms of GHG emissions reduction to offset the emissions produced during its implementation)⁶. Additionally, a small fraction of the resources is directed towards hybrid buses, for which specific thresholds have not been provided.

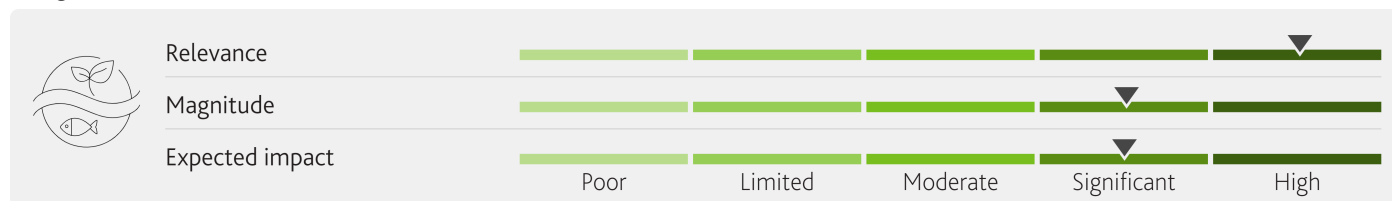
Energy (including smart grids)



Investments in renewable energy, promotion of biomethane for heat production, and the use of hydrogen, energy-efficient optical fibre and research programmes in France are highly relevant for achieving France's climate mitigation goals. Despite the low-carbon energy mix due to the dominant role of nuclear power, the share of renewable energy in France's total power mix was only 25.5% in 2022⁷. To address this, France has committed to increase renewable energy consumption to 32% by 2030, with 40% of electricity production targeted to come from renewable sources. Investments aimed at heat production, which accounts for 45% of final energy consumption in France and is largely derived from fossil fuels, will be crucial in fulfilling the country's commitment towards energy efficiency.⁸ Additional projects financed under this category include hydrogen production, support to small and medium-sized enterprises (SMEs) to aid their energy transition and improve energy efficiency, and the deployment of optical fibre in France. Collectively, these actions are crucial for France to fulfil its commitment to renewable energy solutions, and digital and energy-efficient communication.

Projects financed under this category would significantly contribute to the development of sources of renewable energy in France. Onshore wind farms and solar panels use best-in-class technologies. Additionally, the hydrogen production to be financed is using electrolysis, which results in few negative externalities due to France's low-carbon energy mix. However, no maximum carbon content has been defined. Regarding biomethane, the French government has not established thresholds for reduction in carbon emissions using biomass products instead of fossil fuels. Biomethane is sourced mostly from agricultural residues. Biomethane derived from forest feedstock meets the stringent internationally recognised standards. However, even in advanced economies, certified wood feedstock has been subject to controversies and can entail inherent negative externalities on a forest's ability to act as a carbon sink. For SMEs, while most funds are channelled into energy-efficiency support, information on the specific actions taken has not been provided. Optical fibre presents strong environmental benefits, including lower energy consumption and waste generation than copper networks. However, a small share of the proceeds may finance France's continued deployment of 4G/5G and satellites because of geographical challenges with optical fibre, introducing higher carbon footprint.

Living resources

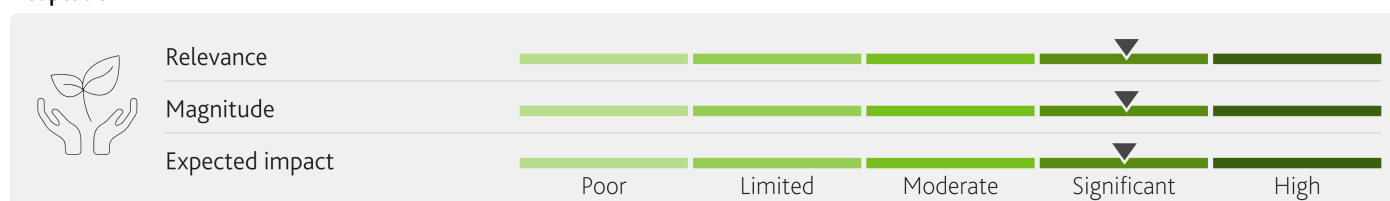


Government-led initiatives for habitat protection and water quality are pivotal for France's environmental goals. Notably, France's 2030 National Strategy aims to protect 30% of its territory, with a third under strict conservation⁹. Challenges to water quality, primarily from agricultural pollution and droughts¹⁰, are addressed with significant funding for sustainable forestry and organic farming.

Despite lagging behind European peers in groundwater resources and soil erosion¹¹, France has a key role to play in revising traditional agricultural practices and investing in sustainable forest management to address these issues.

Investments in this category significantly contribute to conservation of nature in France. Most of the funds are directed towards organisations with the required expertise and knowledge to carry out these initiatives effectively. However, a detailed breakdown of how these funds will be used at the project level, particularly with regard to ecosystem restoration and species recovery, is not available. In terms of agriculture, the approaches adopted are among the best available, promising increased resilience of local ecosystems and a larger share of organic farming without significant associated negative externalities. These strategies align with stringent internationally recognised standards and are likely to have a substantial positive impact on biodiversity conservation. Forest management plans in France extend over about 20 years, exceeding the best practices outlined in the EU taxonomy. However, detailed information on the mechanisms for achieving this objective is not available. Similarly, in the water sector, the expenditure is likely to support crucial infrastructure improvements to address significant water issues, but specific details are not provided.

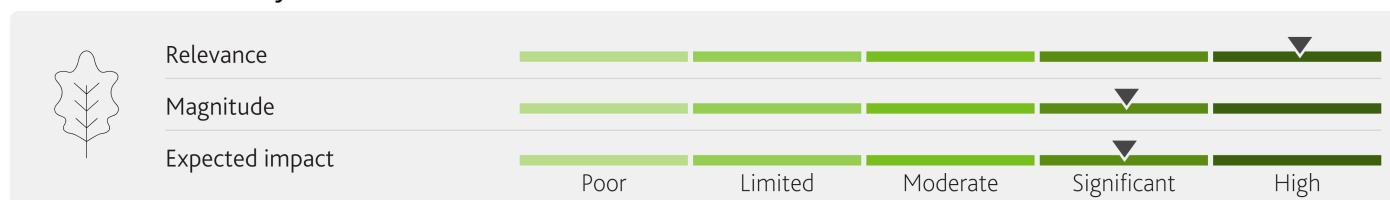
Adaptation



Financing the development of spatial and meteorological technologies is significantly relevant for enhancing France's resilience to climate hazards. This category, focusing on climate change adaptation, includes projects and initiatives that aim at accurately predicting and mitigating the consequences of climate disturbances. As part of these initiatives, France, through institutions like the Agence Française de Développement (AFD) and international bodies such as the UN and the World Bank, is boosting its contributions to global climate change adaptation. From 2010 to 2019, France experienced average temperatures that were 1°C above pre-industrial levels^{12,13}, a trend that underscores the importance of these investments. The advancement of meteorological technologies is likely to improve climate change-related data collection, facilitating near-term adaptation efforts. In addition to making technology investments, the French government is financing the construction and maintenance of shelters to shield the population from extreme climate events, particularly cyclones. As a developed nation, France needs to continue its investments in international cooperation to support climate change adaptation in vulnerable regions.

Allocating funds to institutions such as the AFD, the UN, French-speaking organisations and the European development fund significantly contributes to the implementation of global cooperation programmes towards climate change adaptation. Most of these funds are dedicated to recognised international entities, ensuring comprehensive programme execution, despite the lack of detailed information on the financed programmes.

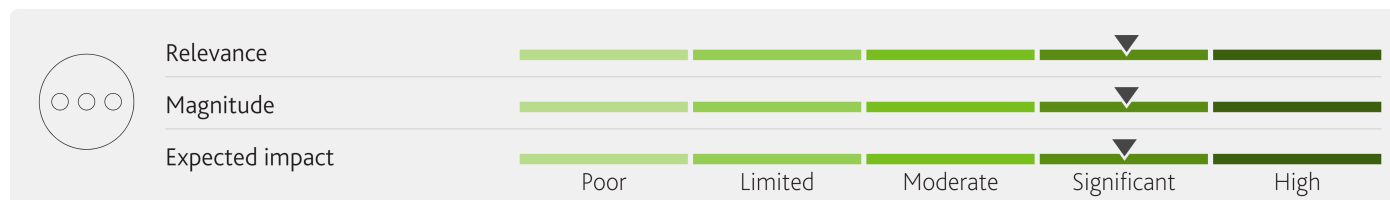
Pollution and eco-efficiency



Projects to enhance air quality and reduce soil artificialisation through the rehabilitation of brownfield sites are highly relevant to France's environmental preservation and pollution prevention and control goals. France, grappling with significant challenges in air quality and soil degradation, has implemented initiatives to address these concerns. In 2020, atmospheric pollution led to 238,000 deaths in Europe¹⁴, with France attributing about 48,000 early deaths per year to this factor¹⁵. This pollution not only affects human health but also negatively influences biodiversity, forests and croplands. In addition to its air quality efforts, the French government is also addressing soil artificialisation and degradation¹⁶. In 2019, degraded areas in France stood at 456 square meters (m²) per inhabitant, with up to 8,300 industrial sites identified as potential brownfields to reduce soil artificialisation. To tackle this, the government initiated the National Biodiversity Strategy 2030¹⁷.

Initiatives to improve air quality through the implementation of atmospheric protection plans (APPs) significantly contribute to reducing atmospheric pollution at the local level in France. Most of these strategies focus on the most polluting sectors, such as industry, transport and agriculture. The APPs, reviewed and assessed annually and every five years, respectively, set specific targets to tackle atmospheric pollution to address the challenge at the local level. Alongside making efforts to improve air quality, the French government is also addressing the threat of soil artificialisation by investing in the decontamination and rehabilitation of urban and industrial brownfield sites. Past initiatives have resulted in the rehabilitation of 2,700 hectares of brownfield sites¹⁸. However, details about the technologies and thresholds applied for the decontamination process are not available.

Transversal



Allocations towards research, innovation and international aid are significantly relevant for advancing sustainability and climate adaptation efforts in France. The central role of scientific research in driving positive sustainability outcomes is underscored by SDG 9.5, which emphasises the need to enhance scientific research and technological capabilities across industrial sectors. Similarly, the Paris Climate Accord's Articles 6 and 11 highlight the importance of multilateral aid and the significance of considering the needs of developing countries, particularly those most vulnerable to climate change effects. Additionally, financing for multilateral aid helps bridge a considerable climate finance gap for developing countries, which was \$16.7 billion in 2020¹⁹.

Projects financed under this category significantly contribute to enhancing knowledge in environmental sciences and bolstering resilience in vulnerable economies. Most of these initiatives are conducted by relevant entities that increase knowledge in the domain of environmental sciences. Environmental research is a critical tool, although indirect, in combating climate change, informing policy and spurring technological development. This knowledge-building brings long-term potential for positive impact.

ESG risk management

We have not applied a negative adjustment for ESG risk management to the expected impact score. France is a designated country under the Equator Principles. Also, it is a signatory of all the major UN Human Rights conventions (including the European Convention on Human Rights, and the UN Guiding Principles on Business and Human Rights) and adheres to the OECD Guidelines for Multinational Enterprises, which assure that the country is required to sufficiently address the management of most ESG risks. At the international level, France has published and updated its national determined contributions to the Paris Agreement. At the local level, in 2009, France introduced a law that requires authorities to conduct environmental impact assessments before the implementation of major projects. Ex-ante impact assessments ensure the implementation of the principles of prevention, integration, precaution and public participation. They also foster transparency on the government's decision process regarding environmental and social impacts.

Coherence

We have not applied a negative adjustment for coherence to the expected impact score. The eligible categories of the framework align with the government's sustainability strategies, focusing on a transition to a net-zero economy that supports growth and energy security. France has adopted the National Low-Carbon Strategy, in line with the Paris Agreement, which drives a road map to reduce its GHG emissions by 40% by 2030 and to reach a net-zero target by 2050. These efforts are reflected in the allocation of proceeds, of which the largest shares are allocated to energy and buildings. These are also the two domains in which France lags the most.

Appendix 1 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The seven eligible categories included in the Government of France's framework are likely to contribute to six of the UN's Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 7: Affordable and Clean Energy	Renewable Energy	7.1: Ensure universal access to affordable, reliable and modern energy services
	Renewable Energy	7.2: Increase substantially the share of renewable energy in the global energy mix
	Green Buildings	7.3: Double the global rate of improvement in energy efficiency
GOAL 9: Industry, Innovation and Infrastructure	Clean Transportation	9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
GOAL 11: Sustainable Cities and Communities		11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
GOAL 12: Responsible Consumption and Production	Living resources	12.2: achieve the sustainable management and efficient use of natural resources
GOAL 13: Climate Action	Adaptation	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
GOAL 14: Life Below Water	Living resources	14.2: Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts
		15.1: Ensure the conservation and sustainable use of terrestrial and inland freshwater ecosystems and their services
GOAL 15: Life on Land	Pollution Control and Eco-efficiency	15.2: Promote the implementation of sustainable management of all types of forests
		15.5: Reduce the degradation of natural habitats and biodiversity loss, and prevent the extinction of threatened species
GOAL 17: Partnerships to achieve the Goal	Transversal	15.3: Combat desertification and restore degraded land and soil
		17.1: Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection
		17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

The mapping of the UN's SDGs in this SPO takes into consideration the eligible project categories (or key performance indicators) and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA's SDG Mapping Guidance and the UN's SDG targets and indicators.

Appendix 2 - Summary of eligible categories in the Government of France's framework

Eligible Category	Description	Sustainability Objectives	Main Impact Reporting Metrics
Green buildings	Improving building's energy efficiency Main Green Eligible Expenditures: - Energy efficiency investments by households, social housing corporation (tax credits, subsidized loans, etc.)	Climate Change Mitigation	- Number of households benefiting from tax credits for retrofitting its housing - Avoided carbon emissions
Clean transportation	Maintain, increase and promote public transportation and support multimodal transport solutions, and reduce use, improve energy efficiency and decrease carbon intensity of vehicles Main Green Eligible Expenditures: - Support to rail and waterways operators - Innovation in energy efficiency transportation systems and technologies - Investment in infrastructures triggering modal switch	Climate Change Mitigation	- Status of waterway network - Share of combined transport - Avoided carbon emissions
Renewable Energy	Develop renewable energies technologies and invest in assets (wind, solar, hydro, geothermal, marine), incl. their efficient integration in power systems (smart grids) Main Green Eligible Expenditures - Research and innovation in renewable energy - Investments in smart grids	Climate Change Mitigation	- Production of dedicated research activities - Innovation transfers to companies - Avoid carbon emissions
Living Resources	Promote organic farming, and enhance biodiversity and land environmental protection Main Green Eligible Expenditures: - Sustainable forestry management - Support to certified organic farming - Investment in protected areas - Research on living resources and biodiversity protection	Protection and restoration of biodiversity and ecosystems Sustainable use and protection of water and marine resources Climate Change Mitigation	- Number of Natura 2000 sites - Share of protected areas - Biodiversity-related indicators to be developed
Adaptation	Develop climate change extreme weather events observation systems and support adaptation related research, and develop adaptation related infrastructure Main Green Eligible Expenditures: - Atmosphere, oceans and biosphere monitoring systems, including ships and satellites - Research on adaptation systems and infrastructures	Climate Change Adaptation	- Performance of weather models in anticipation of extreme events - Biodiversity-related indicators to be developed
Pollution control and Eco-efficiency	Develop pollution monitoring and control systems and promote sustainable consumption and production modes (e.g., waste reduction and recycling, e.g., "circular economy") Main Green Eligible Expenditures - Monitoring Systems - Research and innovation - Promotion of the circular economy	Pollution Prevention and control Protection and restoration of biodiversity and ecosystems	- Monitoring of air quality indices - Pollution-related indicators to be developed - Recycling efficiency indicators to be developed

Endnotes

- 1 [Measuring distance to the SDG targets – France](#), OECD, 2022.
- 2 [National Biodiversity Strategy](#), Government of France, 2023.
- 3 [La rénovation énergétique](#), Government of France, July 2023.
- 4 [Greenhouse Gas Emissions and Carbon Footprint](#), France's Environmental Performance Review, 2021
- 5 [The combined transport](#), French Minister for ecological transition, March 2023.
- 6 [Infrastructure de transport de l'UE: accélérer la mise en oeuvre des mégaprojets pour générer l'effet de réseau dans les délais prévus](#), European Court of Auditors, 2020.
- 7 [Share of renewables in energy production](#), Enerdata, 2023.
- 8 [Chaleur renouvelable: la grande oubliée de la stratégie énergétique française?](#), Carbone4, November 2022.
- 9 [Stratégie Nationale Pour Les Aires Protégées](#), Government of France, January 2021.
- 10 [Agriculture and Water Policies \(France\)](#), OECD, August 2023.
- 11 [International Environment Rankings](#), Government of France, February 2022.
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