



OECD Environmental Performance Reviews (EPRs) provide evidence-based analyses and assessments of countries' progress towards their environmental policy objectives. They promote peer learning, enhance government accountability and provide targeted recommendations to help countries improve their individual and collective environmental performance.

Each EPR cycle covers all OECD member countries and selected partner countries.

#### THE THIRD EPR OF FRANCE

This Review examines changes in the country's environmental performance since the second Environmental Performance Review of France, which was published in 2005 (the first was published in 1997). The process involved a mutually beneficial policy dialogue between France and the countries participating in the OECD Working Party on Environmental Performance.

The *Review* presents 33 recommendations to green the economy and improve environmental governance and management.

These Highlights summarise the main findings, with a special emphasis on:

- Environmental governance
- Green growth
- Energy transition
- Biodiversity

The "Next steps" in this brochure provide an overview of the official recommendations approved by the OECD Working Party on Environmental Performance, which are available in full in the Review at

http://oe.cd/epr



Secrétaire général de l'OCDE





#### **FRANCE 2015**

#### **Population**

64.7 million

#### GDP per capita

(USD current PPP) 39 813

(OECD average: 39 976)

#### Total area

549 087 km<sup>2</sup>

#### Population density

118 inhabitants/km<sup>2</sup> (OECD average: 35)

#### Currency

Euro

1.00 USD = 0.90 EUR

#### Overview

France is the largest country in the European Union by area and the fifth largest economy in the OECD. In 2015, its environmental policy was marked by the enactment of the Energy Transition for Green Growth Act and the adoption of the Paris Agreement at COP21. The previous milestone was the Grenelle Forum in 2007, which set ambitious targets and established a new model of participative governance. Since then, France has improved its environmental performance, yet progress still needs to be made in reducing pollution by nitrates and pesticides, improving air quality and limiting land take.

#### **OPPORTUNITIES**

- One of the world's megadiverse countries by virtue of its overseas territories.
- A low-carbon economy due to the dominance of nuclear power.
- Good-quality water transport, supply and sanitation infrastructures.
- Progress made in green taxation.
- Ongoing modernisation of environmental governance and legislation.
- Prominent and reputable large groups and public research bodies working in water, waste and climate change technology.
- High standards of environmental information.

#### **CHALLENGES**

- Ecosystems under threat from intensive farming and increasing land take.
- Aging nuclear power stations need to meet tighter security requirements.
- Roads and diesel fuel dominate the transport sector.
- Work and businesses are taxed heavily, but polluting activities are not.
- Multiple layers of subnational administration and complex regulations make it difficult to implement environmental policies.
- Social dialogue on the environment needs to be strengthened.

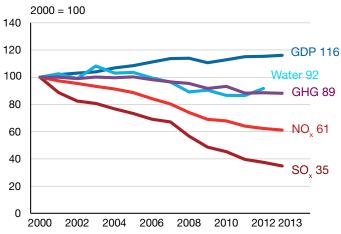
# Environmental performance | key trends

France is home to a great diversity of land-based and marine ecosystems. In contrast, it has few fossil fuel or mineral deposits, and its freshwater resources are modest. Since 2000, against a backdrop of low growth, it has reduced the emissions of a wide range of pollutants. Nevertheless, intensive farming, urbanisation, land take and transport infrastructures continue to have a negative impact on health and the environment.

#### **CLIMATE CHANGE AND ENERGY**

- France is one of the lowest-carbon economies in the OECD due to the predominance of nuclear power in the energy mix (Figure 3). However, it is not on track to hit renewable energy targets for 2020 (page 12).
- France has outperformed the objective, set in the context of the Kyoto Protocol, of limiting its greenhouse gas (GHG) emissions to their 1990 levels.
   These emissions have fallen since 2000 (Figure 1).
- The transport sector produces the most GHG emissions and is the largest consumer of energy behind the residential sector. Additional efforts are required in both these areas to achieve reduction targets for energy consumption.

Figure 1. Decoupling of environmental pressures from economic growth has continued

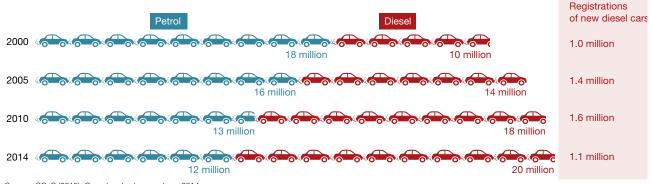


GDP: 2010 prices and PPP. Water: freshwater abstractions. GHG: greenhouse gas. NO<sub>x</sub>: nitrogen oxides emissions.SO<sub>x</sub>: sulphur oxides emissions. Source: OECD (2015), OECD Environment Statistics (database).

#### AIR QUALITY

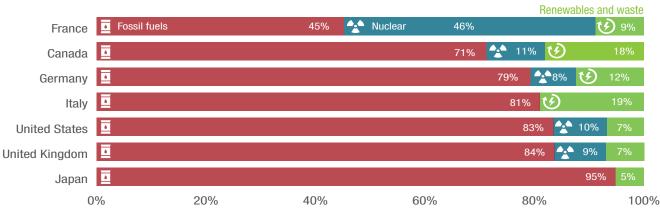
- Emissions of the main atmospheric pollutants have fallen since 2000 thanks to tighter regulations, declining energy consumption and the deindustrialisation of the economy (Figure 1).
- Only nitrogen oxide (NO<sub>x</sub>) emissions exceeded the 2010 thresholds set by European legislation due to growth in the traffic and the number of dieselpowered vehicles (Figure 2).
- Air pollution by ozone, nitrogen dioxide and fine particles (PM<sub>10</sub> and PM<sub>2.5</sub>) regularly exceeds thresholds for the protection of human health in ten urban areas. Air pollution plans are not restrictive enough and lack clear governance, and urban tolls and restricted traffic zones are few and far between. Despite this, air pollution is, along with global warming, the most important environmental issue for the French.

Figure 2. In 2014, 62% of privately-owned cars ran on diesel compared to 35% in 2000.



Source: SOeS (2015), Comptes des transports en 2014

Figure 3. In 2014 in France, nuclear power dominates the energy mix



Total primary energy supply. Source: IEA (2015), IEA Energy Balances for OECD countries (database).

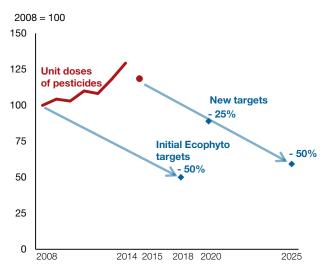
#### NATURAL RESOURCES

- Land take has increased by 19% since 2000, especially around the periphery of cities and along the coastline. Sealed land (built on, covered or stabilised) increases runoff, fragmenting natural habitats and diminishing biodiversity.
- France is in a situation of moderate water stress. Even if freshwater abstraction has fallen (Figure 1), water resources are becoming scarce in some regions and low water flows are becoming increasingly common in the South.
- Like many European countries, France failed to achieve the 2015 good status objective set by the Water Framework Directive, due in particular to diffuse pollution caused by nitrates and pesticides. Drinking water, however, is of the highest quality.
- France is the leading agricultural producer in the European Union and one of the largest users of plant protection products in the world. Nitrogen and phosphorous surpluses have declined but the use of pesticides increased by 29% between 2008 and 2014, contrary to the objectives of the Ecophyto plan (Figure 4).

#### WASTE

- Each French citizen produces an annual average of 510 kg of municipal waste. This figure has fallen since the economic crisis but remains above the European average of 480 kg.
- The recovery rate (recycling and composting)
  has improved but remains well below those for
  Germany and Belgium, due to a lack of awareness
  and appropriate price signals. Landfill was still
  used for one quarter of municipal waste in 2014.

Figure 4. Pesticides use increased by 29% between 2008-2014, contrary to Ecophyto objectives



Changes in agricultural "number of unit doses" (Nodu) compared to Ecophyto plan. 2015 is an estimate based on 2012-14-average. Source: MAAF (2016), Tendances du recours aux produits phytopharmaceutiques de 2009 à 2014.

- Air. Adopt and implement the national plan for the reduction of atmospheric pollutants to ensure that standards for the protection of human health are respected; promote the creation of restricted traffic zones and trial the use of urban road tolls.
- Waste. Strengthen measures to raise awareness and provide information on waste prevention and recycling; step up the pace of implementation of incentive pricing.
- Agricultural inputs. Continue to increase the diffuse pollution charge and introduce a similar charge for mineral nitrogen fertilisers; assess the results of the savings certificates scheme for plant protection products.

# **Environmental governance and management**

Despite institutional changes providing for the better co-ordination of sector policies, the complexity of the multiple layers of subnational administration continues to impede the implementation of environmental policies. To modernise environmental law, the government needs to simplify procedures without compromising environmental requirements, and to reform the conditions of public participation.

#### MULTI-LEVEL GOVERNANCE

- Environmental legislation and policy in France are largely determined by European law.
- National policy is co-ordinated by the Ministry
  of the Environment, Energy and the Sea. In 2007,
  its powers were extended to include transport
  and energy, with a view to encouraging the
  integration of environmental issues in other
  policies. However, this merger has not completely
  put an end to corporatism.
- Regions, departments and municipalities implement environmental policy at local level. However, the system suffers from overlapping remits between the State, its decentralised services and the local authorities.
- The recent reform of territorial organisation, which clarifies the distribution of powers, simplifies planning documents and encourages inter-municipal co-operation, is a step in the right direction.

#### **BRINGING ACTORS TOGETHER**

 In 2007, the Grenelle Forum established the "fiveparty governance" system, which brings together the central government, elected officials, businesses, unions and non-governmental organisations.
 This model has since been adopted by the annual environmental conferences and institutionalised by the National Ecological Transition Council.

#### INDICATORS AND ASSESSMENT

- Progress has been made in integrating environmental issues into national accounts and better incorporating them into the highest levels of government decision making. For example, the French budget acts now include indicators for inequality, quality of life and sustainable development.
- However, too many objectives have been set, making it impossible to properly monitor government plans and policies.
- The scope and requirements of strategic environmental assessments and environmental impact assessments have been clarified. That said, some aspects are still not in line with EU Directives, such as the interpretation of the independence of assessments.
- The current approach of one impact assessment per procedure rather than per project is inefficient as it fails to provide a holistic view of projects' total impacts.

#### AUTHORISATION AND RESPONSIBILITY

- In 2009, France simplified its environmental permitting system.
- In 2008, France introduced the notion of strict environmental liability for damage to water, biological species and natural habitats, and land which could not be covered under damage to health or property.
- Current legislation does not specify procedures or methodologies for environmental remediation. The biodiversity law aims to make it operational.

#### **ENVIRONMENTAL DEMOCRACY?**

Strengthening social and environmental dialogue remains a priority in France, especially in the wake of protest movements which have rattled government policy. Public consultation on plans, programmes and projects occurs too late in the process, when it is impossible to challenge the project and there is only room for marginal changes.

The National Ecological Transition Council proposed two new systems to facilitate upstream participation by civil society. The Macron Act simplifies and modernises the procedure for public participation in projects, plans and programmes. At the same time, it gives the government the power to reform environment law by ordinance, thereby excluding parliament from deliberations.



#### **EVERYTHING ABOUT THE ENVIRONMENT**

The *Tout sur l'environnement* ("Everything about the environment") portal launched in 2009 meets the requirements of the Aarhus Convention regarding access to environmental information. 185 public contributors list information on the state of the environment, environmental pressures, environmental protection actions and current regulations.

In 2015, the portal recorded 142 000 hits and 380 000 page views, and traffic is growing at around 10% per year. The other online portals available to the public are Geoidd for maps, Eider for thematic series and tables, and various topic-based portals.

Since 2011, France has been examining the possibility of open data through its Etalab programme, which pushed the country up to third place from twelfth between 2013 and 2014 in the world *Open Data Index*.

# INTEGRATED WATER RESOURCES MANAGEMENT IN BASINS, A VERY FRENCH AFFAIR

The strength of France's water policy lies in its system of integrated management by catchment basin with decentralised and participatory governance. France pioneered this basin-level approach, which became mandatory at European level in 2000. The national government prepares water policy in line with European directives while basin committees and water agencies handle planning and financial incentives. The responsibility for project oversight as well as resource management and services falls essentially on local authorities.

Nevertheless, water policy is not sufficiently taken into account by sector policies such as agriculture, land use planning and energy, and the large number of actors undermines effective governance. At the local level, France has more than 35 000 water and sanitation utilities. The NOTRe Act, which provides for a reorganisation of territorial divisions in France, aims to strengthen inter-municipal co-operation and should help deliver economies of scale.

- Simplify environment-related planning documents and adopt a more global and integrated approach.
- Strengthen and simplify environmental evaluation with impact-based indicators, case-by-case examinations for projects, clearer links between impact assessments of projects and environmental assessments of plans and programmes.
- Continue to reform the environmental permit regime; improve the targeting of inspections.
- Encourage public involvement further upstream in the preparation of plans, programmes and projects.

#### Case studies



#### **NEW WAVE OF R&D**

France Energies Marines brings together academic partners, competitiveness clusters, regions and industry players with a view to boosting French competitiveness in the marine renewable energies industry. Based in Brest, it is one of the twelve institutes for energy transition in France financed by the "Investments for the Future" programme. This programme was launched in 2010 to improve the long-term growth potential of the French economy through increased investment. Over 2010-20, EUR 35 billion (supplemented with an additional EUR 12 billion in 2014) was allocated to projects selected by an international jury and independent experts. For the two phases of the "Investments for the Future" programme, ecology, development and sustainable modes of transport have received almost EUR 5 billion.





#### **BIODIVERSITY BENEFITS**

National parks are often seen as obstacles to economic and social development. However a survey of France's national parks, updated on a 20-year basis, showed that EUR 1 spent from the Guadeloupe National Park budget (EUR 6.1 million per year) generates EUR 10.7 in benefits, including EUR 0.8 in annual turnover for local companies. Most are non-market benefits, including a EUR 8.7 euros contribution to the welfare value of leisure activities on park sites. Greater use could be made of methods valuing services derived from biodiversity in designing innovative finance mechanisms for funding the parks.



# FEWER PESTICIDES, SAME YIELD

Since 2009, the Dephy network of demonstration and experimentation farms tests, verifies, develops and rolls

out agricultural techniques and systems for reducing the use of plant protection products. At the end of 2014, 1 900 farms were voluntary members of the network. All the sectors involved have managed to reduce their use of plant protection products while maintaining very good productivity levels. Between 2012 and 2014, the average number of treatments fell by 10% for field crops and mixed crop-livestock farming, by 12% for orchards and vineyards, by 15% for vegetable crops, by 38% for horticulture and by 22% for sugar cane. The 2015 Ecophyto II Plan aims to increase the number of farms in the Dephy network to 3 000 and to share their practices with a further 30 000 farms.



#### SINGLE PERMIT FOR WIND FARMS

Excessively complicated regulation in France can slow project development. In 2013, the French Court of Audit noted

that it took three times longer to construct an onshore wind farm in France than in Germany. In May 2014, a single permit procedure was trialled in some regions such as Champagne-Ardenne, Franche-Comté, Rhône-Alpes and Île-de-France. The permit combines the traditional environmental permit, the construction permit, the land clearance permit, the energy permit, the protected species waiver, etc.

#### THE FRANCO-SPANISH CONNECTION

Increasing interconnection capacities between countries is another key factor in developing renewable energy in Europe. The opening of the new interconnection line between Baixas in France, and Santa Llogaia in Spain in 2015 has helped double interconnection levels between the two countries, thereby improving energy security and allowing increased renewable energy use.



The plan for the third industrial revolution in the Nord-Pas-de-Calais region targets complete energy self sufficiency by 2050, based on the promotion of renewable energies and energy-producing buildings, the development of smart grids, the promotion of walking and cycling, energy efficiency, the circular economy and a product service system (replacing the selling of a product with the selling of the function of the product). For nine months, it mobilised all the region's public and economic players. In October 2014, there were 150 business proposals illustrating the commitment of local authorities and social, academic and scientific players to the project.

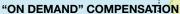
In 2014, over 2.3 million residents in Île-de-France were exposed to levels of fine particles and nitrogen dioxide above safe limits for human health. In 2015, the city of Paris adopted a plan to combat air pollution which included incentive measures to encourage use of public transport, subsidies to purchase electric bicycles and cars, and the extension of the bike lane network and 30 km/h zones. It also became the first city in France to test restricted traffic zones. Since 1 September 2015, vehicles of more than 3.5 tonnes identified as heavily polluting may not circulate in Paris between 8 a.m. and 8 p.m. This ban will be extended progressively to other polluting vehicles according to a fixed schedule by 2020.



BREATHING IN PARIS

NORD-PAS-DE-CALAIS PICARDIE

**PARIS** 



STEPPE DE LA CRAU

The first French natural asset reserve was created in Cossure in 2008, after private initiatives coincided with political thinking. The biodiversity subsidiary of *Caisse des Dépôts et Consignations* (CDC) rehabilitated 357 hectares of dry open grasslands to provide a habitat for birds in the La Crau steppe. The site enabled developers to implement probiodiversity measures as a way of respecting

their obligations to offset the residual impact on the ecosystems of their projects. The project benefitted from being launched before the impacts arose, so more effective initiatives could be planned for the offsets. However, the reserve has been used to offset impacts on species which were not being targeted at the outset, which raises questions as to the overall ecological outcome of the scheme. In addition, the fate of the land beyond CDC's 30-year commitment to protect it remains uncertain.

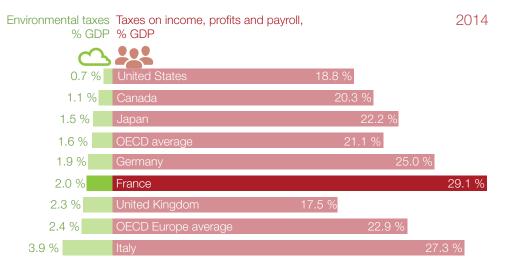




### **Towards green growth**

France has been encouraging investment in sustainable transport, thermal retrofits and clean technologies to drive its economic recovery and create jobs. The use of economic instruments is certainly increasing in environmental policy, but there remains room for greener taxation.

Graphique 5. Green taxes contribute little to the economy, while the strong fiscal pressure on labour and businesses acts as a brake on investment and innovation



"Taxes on income, profits and payroll" also includes social security contributions (OECD and OECD Europe averages: 2013). Source: OECD (2016), OECD Revenue Statistics and OECD Environment Statistics (databases)

#### **GREENER TAXES**

The Environmental Taxation Committee, set up in 2012 and renamed the Green Economy Committee in 2015, has managed to win acceptance for the principle of reflecting the cost of environmental damage in prices.

A carbon factor has been included in the taxation of fossil fuels since 2014. Under the terms of the 2015 finance law, it will gradually increase from EUR 7 to EUR 30.5 per tonne of  $CO_2$  in 2017, although there remain many exemptions to its application.

The general tax on polluting activities has been extended and some rates increased.

The taxation of vehicle fuel favours diesel, which worsens air pollution. Recent efforts to narrow the gap between petrol and diesel taxation could be stepped up.

Several environmentally costly subsidies have been abolished, including the exemption from the domestic tax on coal and natural gas use by the public and on biofuels, and the reduced rate of VAT on fertilisers and hygiene products. Others, such as those that encourage the use of diesel and urban sprawl, remain in place (see p.15).

#### FUNDING THE ENVIRONMENT

Spending on environmental protection rose from 1.9% of GDP in 2000 to 2.2% in 2013, driven mainly by

current waste management costs. The polluter-pays principle is insufficiently applied in this field: the household waste collection tax is not linked to the cost of the service rendered and businesses contribute little to its funding.

Water rates help cover the cost of service provision, but falling demand could pose a problem for financing renewal of the network.

Investment in the high-speed rail network more than quadrupled between 2010 and 2013, and grew by over 50% in collective urban transport. Roads continue to dominate transport, however, and investment in traditional rail remains insufficient.

Abandoning the ecotax on heavy goods vehicles clearly ran counter to the polluter-pays principle by maintaining partial coverage of external costs, including environmental costs linked to use of road infrastructure.

#### INNOVATION AND GREEN ACTIVITIES

France is among the leaders of the EU eco-innovation ranking.

It boasts major groups and public research bodies with excellent reputations in water, waste and environmental engineering. Climate technologies are making progress, although France's position here

#### THE BONUS-MALUS CAR SCHEME

This scheme, set up in 2008, subsidises the purchase of new, low-emission private vehicles and taxes the acquisition of the most energy-intensive vehicles.

Average emissions of new vehicles registered in France fell from 149g CO<sub>2</sub>/km in 2007 to 114g CO<sub>2</sub>/km in 2014, well below the European average of 122g CO<sub>2</sub>/km. But although the bonus-malus scheme has helped reduce CO<sub>2</sub> emissions, it has increased local pollution by favouring diesel vehicles.

It has also been costly, having accumulated a deficit estimated at EUR 1.46 billion between 2008 and 2011. Conditions have been tightened, causing new diesel registrations to slacken in favour of petrol vehicles, and generating a surplus for the scheme in 2014. Since 2015, only electric and hybrid vehicles emitting no more than 110g CO<sub>2</sub>/km are eligible for the bonus.



is weaker than in renewable energies. Almost 50% of public research, development and demonstration budgets for energy are spent on the nuclear sector. In 2013, eco-activities accounted for 1.5% of GDP and over 440 000 jobs, of which half were in waste management, wastewater and renewable energies. Since 2004, they have grown faster than the economy as a whole.

The construction industry is struggling to meet demand for skilled workers, underlining the importance of training and certification programmes in energy saving and the installation of renewable energy systems.

#### THE INTERNATIONAL STAGE

France is one of the biggest spenders of official development assistance on the environment. The amounts allocated have increased, although generally in the form of concessionary loans that must be repaid.

France is the first country to force institutional investors to measure and publish the greenhouse gas emissions related to their assets.

In 2015, the government announced that it would abolish export credits for the construction of coal-fired power plants not equipped with an operational  ${\rm CO_2}$  capture and storage system. Between 2003 and 2013, these credits totalled EUR 1.8 billion.

# AGROECOLOGY: A NEW MODEL FOR AGRICULTURE

Some direct aid disbursed under the EU Common Agricultural Policy is conditional upon farmers adhering to certain environmental criteria, such as crop diversification. On top of this, France offers additional financial support to farmers who voluntarily sign up to additional requirements.

Several initiatives have been launched, including the Ecophyto Plan (page 5), the Ambition bio 2017 plan for the expansion of organic farming, and the "Energy, anaerobic digestion and nitrogen self-sufficiency" (Énergie, méthanisation, autonomie azote—EMAA) plan for the recovery of organic effluent.

However, French agriculture continues to use fertilisers and pesticides intensively, (see Figure 4) and organic farming accounts for just 4% of usable agricultural land. Farmers remain reluctant to adopt a model that differs from the dominant conventional paradigm.

Agroecology is about reconciling economic success with environmental performance in agriculture, a goal enshrined in the 2014 Act for the future of agriculture, food and forests. In practical terms, it comprises: education around the links between agricultural science and ecology; the Dephy network (see page 8); and financial support for farmers switching to agroecological practices.



- Step up the pace of reform of energy and vehicle taxation for better internalisation of damage related to climate change and air pollution.
- Develop the environmental evaluation of public aid to eliminate any potentially harmful subsidies.
- Ensure the sustainable financing of water infrastructure and wastewater services.
- Pursue efforts in R&D and the dissemination of environmental technologies.
- Promote agroecology with information, training, research and financing to facilitate the transition to sustainable modes of production.

# In-depth | energy transition

The environment and climate change have acquired growing importance in France's energy policy, in line with its international and European commitments. The country has set itself ambitious targets for the reduction of greenhouse gas emissions, the development of renewable energies and the improvement of energy efficiency. However, the energy transition remains to be implemented.

#### A COMPLEX FRAMEWORK

- Factor 4 is one of the objectives of the 2005 POPE law setting out the direction of energy policy: greenhouse gas emissions are to be cut by a factor of four between 1990 and 2050. A great many energy and climate targets have been added since, by EU legislation and by France's Grenelle laws.
- A veritable arsenal of economic, financial and regulatory instruments have delivered cuts in greenhouse gas emissions and energy demand.
   But legislative bloat and multiple layers of overambitious targets have complicated governance and hampered progress evaluation.
- The energy transition law sets out a rationalised co-ordination framework: it introduces long-term energy planning, covering all energy sources, and establishes a low-carbon national strategy for reaching Factor 4; it has a vast range of measures affecting areas including retrofits, clean transport, the circular economy and nuclear safety. The law confirms France's EU and international targets, and adds another: the diversification of electricity production, in order to reduce the share of nuclear to 50% by 2025.

#### **EXPANDING RENEWABLE ENERGIES**

- Renewable energies currently account for 14.6% of gross final energy consumption. This must increase to keep carbon emissions low if the share of nuclear energy is to be reduced.
- To reach the targeted 23%, the efforts made since 2005 will have to increase almost threefold in renewable electricity, and fourfold in renewable heating, between 2014 and 2020.
- The instability of support measures, combined with excessive red tape, have hampered the development of renewable energies. This is a problem shared with other OECD countries. Recent simplifications, such as the single permit (page 8), have been a welcome step forward.
- Support for renewable energies is largely funded by a contribution paid by electricity users, while in France electricity is fairly low carbon. This contribution has skyrocketed because of the rapid expansion of these industries. It was reformed in late 2015, with the introduction of additional financing from the carbon component of the tax on fossil fuel consumption.

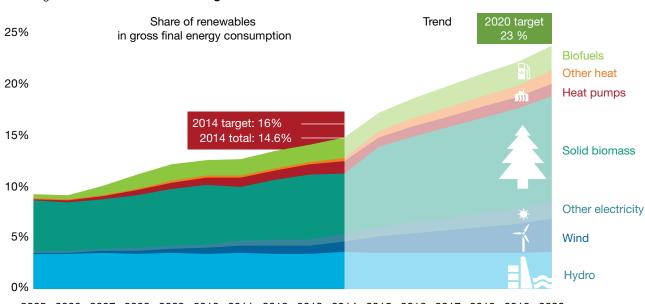


Figure 6. The 23% renewables target will be difficult to reach

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

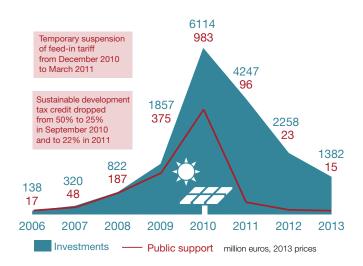
Source : SOeS, Bilan de l'énergie (réalisé, jusqu'en 2014) et plan national d'action (trajectoire, à partir de 2014).

Figure 7. The instability of support measures for solar power affected investment

Feed-in tariffs to support the solar power industry were badly calibrated at the outset, generating windfall profits, and were subsequently changed several times, resulting in a slump in investment and several firms going out of business.

Under the Energy Transition Act, the feed-in tariff will be gradually replaced by feed-in premiums for installations in mature segments above a certain size. This should encourage the integration of renewables into the electricity market while limiting windfall effects.

Source : CGDD (2015), Les comptes de l'environnement en 2013, Rapport de la Commission des comptes et de l'économie de l'environnement.

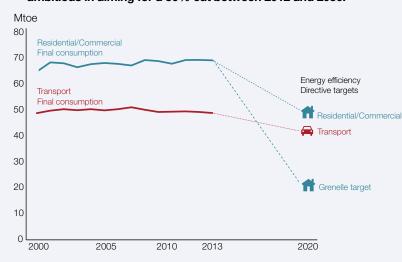


#### IMPROVING ENERGY EFFICIENCY

- Buildings, which consume over 40% of total final energy, hold the most potential for energy savings.
   Energy savings certificates, heat regulations, tax breaks and subsidised loans have been set up to improve their performance.
- Heat regulations for new buildings are one example of best practice because, unlike those for existing buildings, they are based on mandatory results rather than means.
- The target of 500 000 retrofits per year by 2017 is a big ask: there were 265 000 energy-efficiency renovation projects in 2013. Changes to the eligibility conditions for financial incentives have restricted access, generated windfall effects and led to renovations that insufficiently comprehensive. These grants are a big cost to the public purse: EUR 1.4 billion for the tax credit in 2016.
- The lack of professionalisation in the building industry has led to wide gaps in the quality of surveys and services. Since 2014, public assistance has been available only to consumers calling on officially approved professionals.
- The Habiter Mieux programme financed energy efficiency projects for 140 700 vulnerable

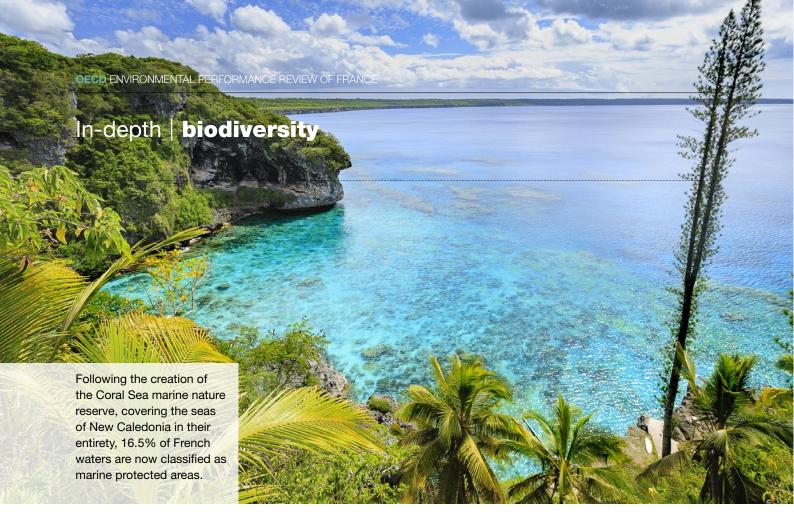
households between 2010 and 2015, and is targeting 300 000 homes by 2017. Social energy tariffs, criticised for their complexity and their cost, will gradually be replaced by an "energy cheque" regardless of the type of heating used.

Figure 8. Final energy consumption has not fallen enough to reach targets. The Energy Transition Act is highly ambitious in aiming for a 50% cut between 2012 and 2050.



Millions of tonnes of oil equivalent. Residential/Commercial: corrected for climatic variation. Source: MEDDE (2014), Plan National d'Action Efficacité Energétique 2014 (database); SOeS (2015), Pégase (database).

- Prepare the co-ordinated development of all generation sources compatible with the national low-carbon strategy (SNBC).
- Ensure the long-term legibility and transparency of support measures for renewable energies and energy efficiency; ensure that they reflect changes in technological costs and do not result in a windfall effects.
- Promote European co-operation in the electricity market; develop interconnection capacities in order to integrate renewable energies.
- Couple thermal regulations for existing buildings with global energy performance requirements for buildings; subject financial incentives for energy retrofits to the same performance.



By virtue of its position in Europe and its overseas territories, France is one of the world's 18 megadiverse countries. It is also one of the ten countries with the greatest numbers of endangered species. The biggest threats to wildlife come from the homogenising of the environment linked to the intensification of agriculture, the fragmentation of habitats and land take. But there are also incoming exotic species, overfishing of some stocks and climate change, which are particularly intense in France's overseas territories.

#### GOOD INTERNATIONAL PERFORMANCE

- Official development assistance for biodiversity has almost tripled since 2007-08.
- France played a leading role in setting up the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES).

#### A HERITAGE UNDER THREAT

- Despite taking extensive action, France and the other countries failed to meet the Convention on Biological Diversity (CBD) target to stem the loss of biodiversity by 2010. In mainland France, three quarters of habitats of community interest are in poor condition and one in five species is endangered.
- The situation in the overseas territories is even more worrying: on Reunion Island and in Guadeloupe, over 30% of birds are endangered or have already disappeared; one third of vascular plants native to Reunion are endangered.
- Since 2000, the deterioration of wetlands, which

- matter for the conservation of species and the regulation of the water cycle, has scarcely slowed.
- France has already reached the CBD's target of protecting 17% of its land surface by 2020 and at least 10% of waters within its jurisdiction, but barely 0.7% of the mainland territory is protected as defined for the strictest categories of the IUCN.

#### **GOVERNANCE REFORM**

- The second National Biodiversity Strategy, for 2011-2020, involves associations and businesses more than the first, but local government and the public need to be more included. The strategy sets neither precise figures nor specific deadlines for its targets, and does not specify the resources needed.
- French policy is based on the voluntary commitment of stakeholders and the use of "experimentation", an approach which has encouraged buy-in but which has weakened the State's ability to force the hand of economic players and local politicians. As a result, national strategy is applied heterogeneously, occasionally to the detriment of biodiversity.

- The Grenelle II law moved biodiversity law forward, reforming impact studies, introducing green and blue belts (TVB), regional ecological coherence plans (schémas régionaux de cohérence écologique) and a national strategy for the integrated management of the sea and coastline.
- France's bill on restoring biodiversity signals the country's renewal of its legal framework in the area, for the first time since 1976.
- A key measure of the proposed law is the creation of a French biodiversity agency, which could rationalise governance if it embraces all the different structures managing biodiversity without adding further red tape.

#### BIODIVERSITY AND LAND USE PLANNING

- Land take is increasing twice as fast as the population. Space for economic activities, public facilities and transport infrastructure is encroaching mainly on grasslands.
- It is vital that planners take biodiversity into account. Bringing these departments together under the same ministry is a welcome step forward, as is the green and blue belt network that has raised awareness among local politicians. At a regional level, this network of ecological corridors could help inform planning decisions.
- France has intensified application of the mitigation hierarchy, which requires planners to avoid and reduce the negative impacts of their projects before offsetting any residual impact. As of yet, however, there is no performance monitoring of offsetting, which remains difficult to implement.

#### **HARMFUL SUBSIDIES**

Some public aid encourages the destruction of natural habitats, the overexploitation of natural resources and pollution: supporting property that fuels urban sprawl, subsidies for agriculture and intensive fishing, under-pricing water pollution.

French biodiversity—and the State budget—would benefit from abolishing this aid, or redirecting it to encourage beneficial behaviour. One example is the planning tax for public facilities which could be adapted to encourage activities that use less space. There is potential for increased use of instruments that benefit biodiversity, such as the low density charge which would be effective against urban sprawl, or fees for the use of the public maritime domain which could factor in the cost of the related impacts on marine biodiversity.



# Next steps

- Add quantified objectives, indicators and financing perspectives to the National Biodiversity Strategy
- Improve the performance of the green and blue belt network, agri-environment measures and the mitigation hierarchy using results indicators and strengthened governance.
- Pursue the French assessment of ecosystems and ecosystem services, and encourage the use of valuation methods.
- Ratify the Nagoya protocol on access to genetic resources and the fair and equitable sharing of benefits arising from their utilisation.

#### **VULTURES ARE BACK**

With clear objectives, targeted actions, concrete deadlines and results indicators, national action plans for the preservation and restoration of endangered species have achieved tangible results.

The griffon vulture has been successfully reintroduced to the southern Massif Central and the Alps, with numbers in France reaching over 1 000 breeding pairs, up from 60 in thirty years. The reintroduction of the cinereous vulture in Southern France was also successful. It is also now estimated that there are 45 breeding pairs of bearded vulture in the Pyrenees, Corsica and the French Alps, where it was reintroduced after being exterminated in the 1930s.



# OECD ENVIRONMENTAL PERFORMANCE REVIEWS FRANCE 2016

The complete report in French, chapters and data are in open access on http://oe.cd/examenvFrance.

The report in English will be available in October 2016 or http://oe.cd/epr.

This website also gives access to all previous reports, Highlights brochures and extra information on the Environmental Performance Reviews programme.

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