

Cour des comptes



# THE ECOLOGICAL TRANSITION

Public thematic report

September 2025

## Summary

France's international and European commitments to ecological transition require annual monitoring of their implementation, results and cost, particularly for public finances. The Court of Accounts intends to contribute to this annual assessment. This first report on the ecological transition represents that contribution.

### **The worsening state of our environment requires urgent action to limit the impact on societies**

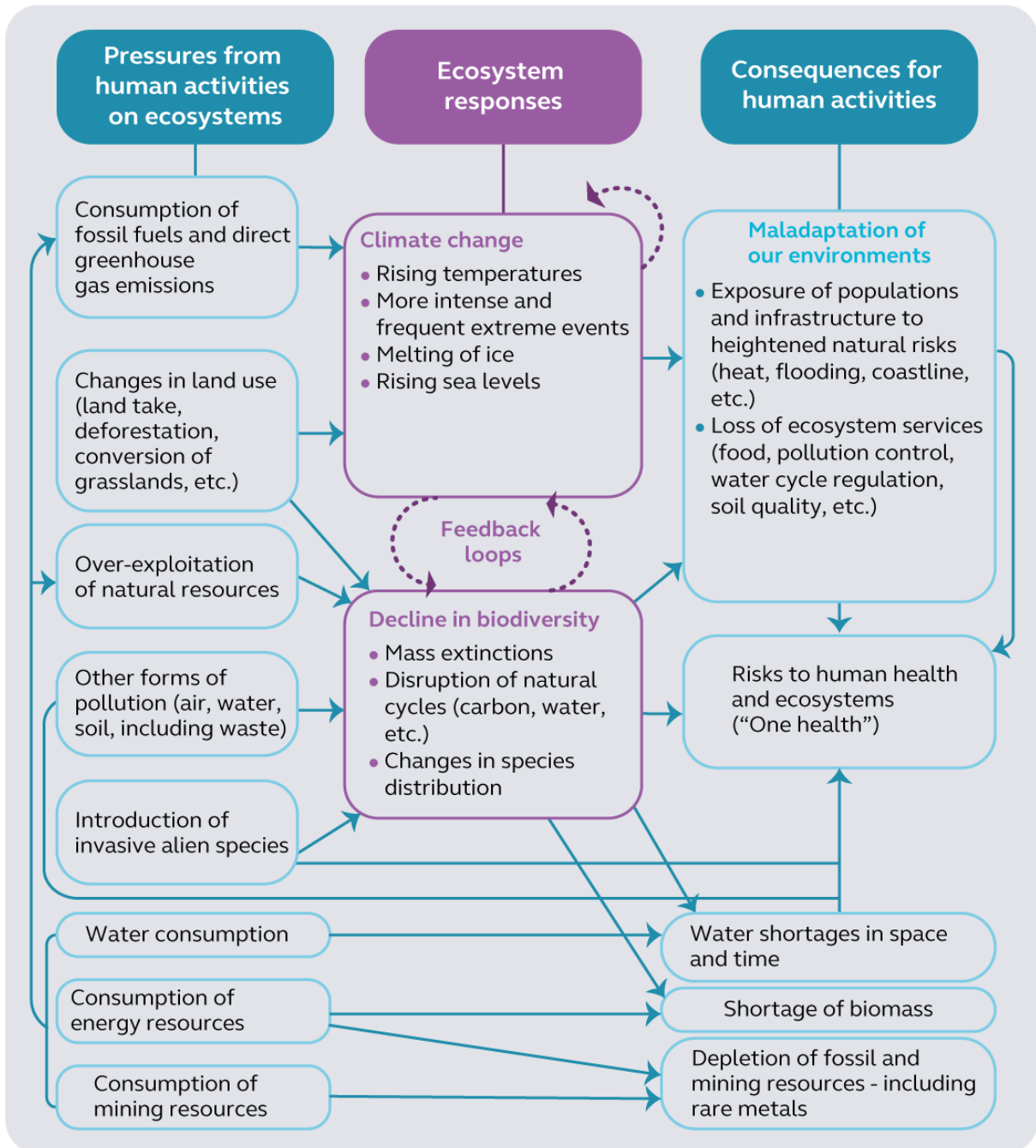
The ecological transition is now recognised as an essential element of public policy.

### *The continuing and proven deterioration of our environment calls for urgent action to limit its impact*

The acceleration of global warming, rising sea levels, more extreme weather events, disruptions to the water cycle, the collapse of biodiversity and pollution are all consequences of human pressure on the environment, which in turn degrades living conditions and the health of populations, as well as economic activity.

Due to the interrelationships between these complex developments, scientists from the International Panel on Climate Change (IPCC) and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) are calling on all countries to make profound changes.

## Cross-cutting environmental issues

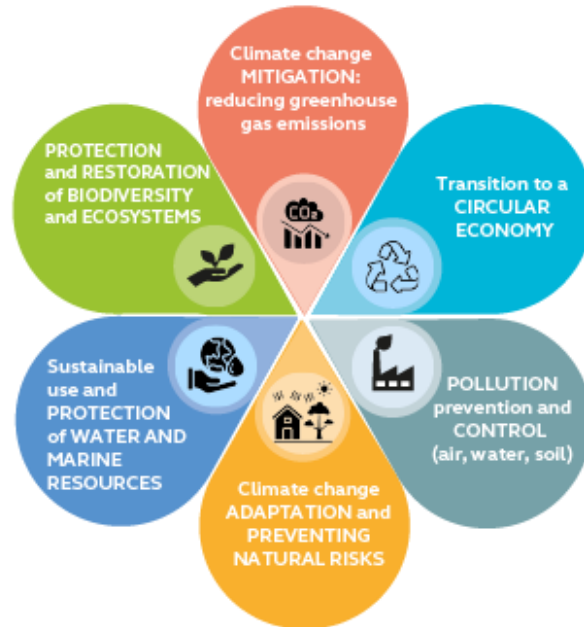


Source: Court of Accounts

Note: The five main pressures driving biodiversity loss are identified in the work of the IPBES.

These are based on the consistent and long-term implementation of the six European environmental priorities: climate change mitigation, climate change adaptation, protection of water and marine resources, transition to a circular economy, pollution prevention, and protection and restoration of biodiversity.

## The six pillars of the European taxonomy



Source: Court of Accounts

*The cost of the transition, which is much lower than the cost of inaction, will increase with the delay in implementing the changes*

According to estimates produced by the world's major reinsurers, these environmental disruptions will result in direct economic costs of around 300 billion euros in 2024 on a global scale, a figure that has been rising steadily since 2015.

The global network of central banks and supervisory authorities for the greening of the financial sector emphasises, in progressively refined scenarios, that in the short and medium term, the cost of inaction is significantly higher than that of an “ecological transition”. In France, a scenario of maintaining the status quo in terms of climate change policy would result in a loss of 11.4 percentage points of GDP by 2050.

Furthermore, because the losses in well-being resulting from climate change increase over time and because the cost of remedial measures rises as environmental debt grows, the ecological transition must be carried out without delay and, ideally, in a coordinated manner.

*The transition policies already in place are producing positive results, but these are still fragile and sometimes insufficient*

France, which has made commitments at international, European and national levels on the various aspects of the ecological transition, has set itself objectives and developed strategies to achieve them.

Significant progress has been observed, for example in relation to certain atmospheric pollutants and greenhouse gas (GHG) emissions, which fell by more than 30% in France between 1990 and 2023. However, data from 2024<sup>1</sup> indicate that these efforts are no longer sufficient to meet France's climate commitments. They must therefore be stepped up in order to stay on track.

Achieving the target of reducing GHG emissions by 55% by 2030 and carbon neutrality by 2050 therefore means taking into account the more comprehensive concept of 'carbon footprint', which includes 'imported' emissions (i.e. those generated by the production of goods imported and consumed in France). These emissions have been rising since 1990 and, to date, no reduction targets have been set.

Furthermore, in other areas of ecological transition, the situation continues to deteriorate rapidly: biodiversity continues to decline, adaptation to climate change is lagging behind as its effects intensify, the volume of waste is increasing, and the state of water resources is deteriorating in the face of growing threats (pollution, urbanisation, disruption of the water cycle, etc.). In these areas, progress in public action, sometimes hampered – but never prevented – by insufficient data, quantified targets or monitoring indicators, remains limited.

### **Faced with environmental challenges, local authorities and administrations have mobilised, supported by an interministerial structure that needs to be strengthened**

Beyond the Ministry of Ecology alone, all administrations have gradually become involved in the field of ecological transition and, in some cases, such as the Ministry of Economy and Finance, have set up large teams. Above all, since 2022, the Government has set up a General Secretariat for Ecological Planning (SGPE), attached to the Prime Minister's office, with the initial task of setting out a comprehensive and coherent roadmap for the low-carbon transition, facilitating interministerial decision-making, and monitoring the results achieved.

For several months now, ecological concerns seem to have taken a back seat to other international priorities (unpredictability and the proliferation of armed conflicts) and national priorities (the necessary recovery of public finances).

It is in this context that, despite its positive contribution, the SGPE's position has been weakened and its influence on decision-making reduced. The Court recommends that it regain its dual capacity for coherence and impetus, in order to give priority to the most effective and efficient public policies based on relevant, coherent and consistent data in both physical and financial terms.

#### *Strengthening and enhancing the national multi-year financing strategy ...*

Since 2020, the State budget has been reviewed through the lens of its environmental impact, and this analysis, useful and progressively refined, is set out each year in an annex to the draft Finance Bill. However, this classification of expenditure does not make it possible to outline the multiannual financial trajectory needed for the implementation of the ecological transition, nor to assess the gap between that trajectory and reality.

noted in Chapter IV of its [July 2024 report on the situation and outlook for public finances](#), "*it is essential to better align climate planning with public finance planning*". Beyond the issue of climate, all environmental physical trajectories (such as reducing carbon emissions from housing or the length of hedgerows for biodiversity) must also be aligned with the trajectory of the necessary financing. This was the purpose of the multi-year strategy for financing the ecological transition (Spafte), the first edition of which was produced in autumn 2024. Its imperfections should not obscure the importance of this exercise: Spafte is intended to set the course for investments in favour of the ecological transition, based on the 'paths' to be taken to achieve the objectives and distribute the costs between private and public actors. The

function of Spafte is not to determine, year by year, a fixed amount of expenditure to be included in the budget, but to present orders of magnitude and, above all, levers (moderation of use and consumption, “greening of expenditure”, i.e. redirection of investments, etc.) and tools (subsidies, regulation, taxation, etc.) that are most effective, even in a context of budgetary constraints.

It must therefore play a broader and more clearly defined role than the one implicitly assigned to it today, as a document submitted to Parliament during the annual budget debate. The Court therefore recommends that the Spafte be transmitted to Parliament each spring, ahead of the budget procedure.

### *... and rolling out this strategy at all relevant levels of public action*

The link between the physical trajectory and the national financial trajectory must also take into account the strategies and actions of local authorities. This “territorialisation of ecological planning”, under the aegis of regional Conferences of the Parties (COPs), which is recent and still imperfect, will need to reflect pre-existing territorial dynamics more fully. Local authorities are in fact the most appropriate political and administrative levels for designing and implementing appropriate actions to adapt to climate change, combat pollution, manage water and preserve soil and biodiversity.

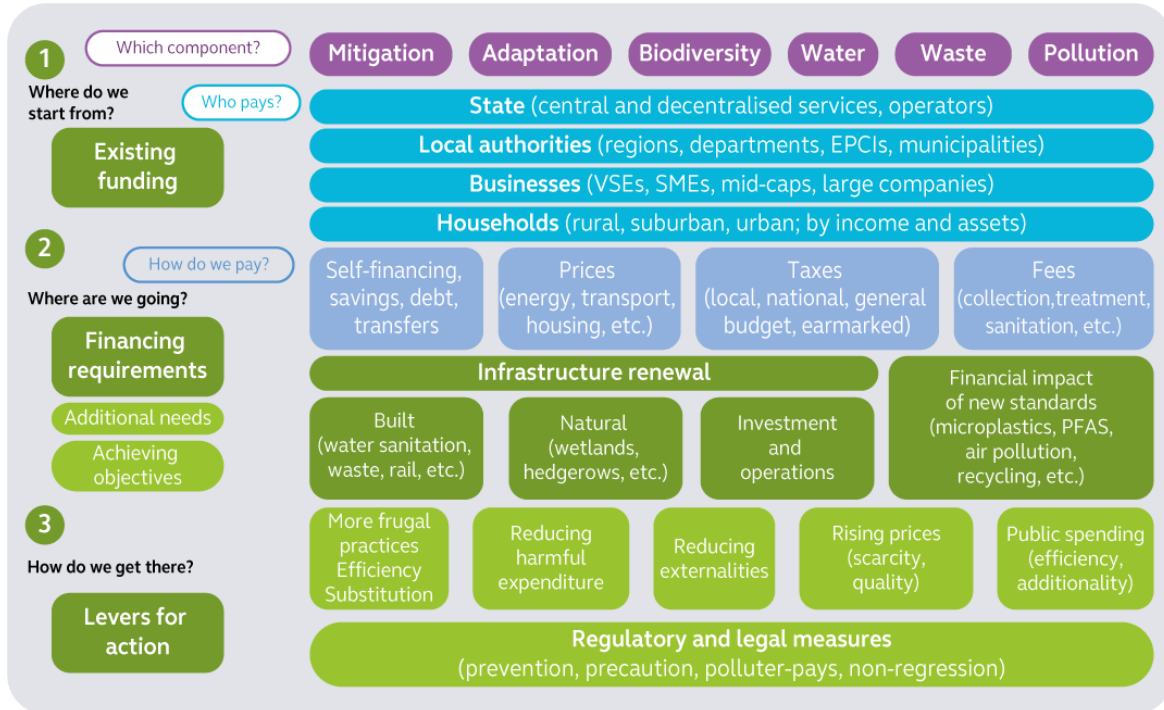
Local authorities' multi-year investment plans (PPI) could be the instruments that promote the development of financial trajectories consistent with the transition objectives defined in regional plans for development, sustainable development and territorial equality (SRADDET), territorial climate-air-energy plans (PCAET) and local and inter-municipal urban planning plans (PLU and PLUi). These strategies would also benefit from taking into account the implementation of regional roadmaps resulting from COPs, with rigorous monitoring in terms of both the funding mobilised and the results achieved, and from drawing on the environmental assessments of budgets now required from local authorities.

## **Financing needs to be better assessed, and levers for action whose use must be more clearly defined**

A successful ecological transition requires additional public and private investment on top of that made in a non-transition scenario. There are still many shortcomings in the quantification of these investments, for example in terms of adaptation to climate change. Conversely, climate change mitigation is the subject of the most robust assessments, the details of which are set out in the multi-year strategy for financing the ecological transition (€110 billion by 2030).

The levers and tools to be deployed have different strengths and limitations, whether in the form of regulation, price-setting (for example through applying the polluter-pays principle in the fields of water or waste, or through carbon pricing), measures to promote efficiency (such as energy renovation of buildings), or reducing harmful expenditure such as lower taxation of fossil fuels or public subsidies.

## Current financing, additional financing needs and levers for action (methodological approach)



Source: Court of Accounts

Note: This diagram is intended for informational purposes only and does not claim to be exhaustive.

Work is currently being carried out under the auspices of both the SGPE and the Ministry of the Economy, with the aim of clarifying how these levers can be combined and identifying the most effective tools in the context of the forthcoming multi-year strategy for financing the ecological transition. In the context of a “demanding and difficult recovery of control over our public finances from 2026 onwards”, as indicated by the Court of Accounts in its July 2025 report on the situation and outlook for public finances, the implementation of ecological planning will rely heavily on private investment in various business sectors (construction, transport, energy), as is already the case for 80% of such investment.

However, private investors will only commit to the ecological transition, outside of regulatory obligations, if they have the resources to do so and if the investment is profitable. Determining the profitability of private investment and assessing the additional costs (particularly for households) is therefore a prerequisite for any effort to prioritise and implement possible public support measures, which may trigger investments with low or zero profitability.

These analyses are currently being carried out within a working group led by the SGPE, in preparation for the forthcoming Spafte.

To strengthen the participation of households and businesses in the gradual investment effort, it is necessary to better identify the obstacles to it. With regard to households, the Court recommends the development of comparative scenarios, which would make it possible to target the most effective and least costly public tools for the public sector. This exercise would also make it possible to monitor the fulfilment of commitments made. Their development requires the use of a variety of physical indicators, as well as consolidated data on household debt, residual costs and regional disparities. The Court recommends developing these tools to implement a more effective and fairer transition.

## Recommendations

1. Set carbon footprint reduction targets in the national low-carbon strategy (SNBC), broken down by sector (*Prime Minister, Ministry of Ecological Transition, 2026*).
2. In conjunction with the Interministerial Directorate for Digital Affairs, consolidate the digital and data roadmap for ecological planning and specify the terms of its governance, implementation and monitoring (*Prime Minister, 2025*).
3. Support the work of the General Secretariat for Ecological Planning (SGPE) in its mission to prepare interministerial decision-making, including the definition of the multi-year strategy for financing the ecological transition (*Prime Minister, 2025*).
4. Present the multi-year strategy for financing the ecological transition ahead of the debate on the initial Finance Act in order to guide medium- and long-term investment choices (*Ministry of Finance [Directorate-General of the Treasury], Prime Minister [SGPE], 2026*).
5. Develop scenarios and a framework for the use of public policy levers and tools that are least costly for public finances and most effective, in order to achieve the physical targets of the SNBC (*Prime Minister, Ministry of Ecological Transition, Ministry of Finance, 2026*).
6. Assess households' financing capacity in order to distribute their investment burden in relation to the ecological transition fairly (*Ministry of Ecological Transition, Ademe, INSEE, 2027*).