

Environmental Protection Expenditure

**Extract from France's 2021 Environmental Performance
Review**



Environmental Protection Expenditure

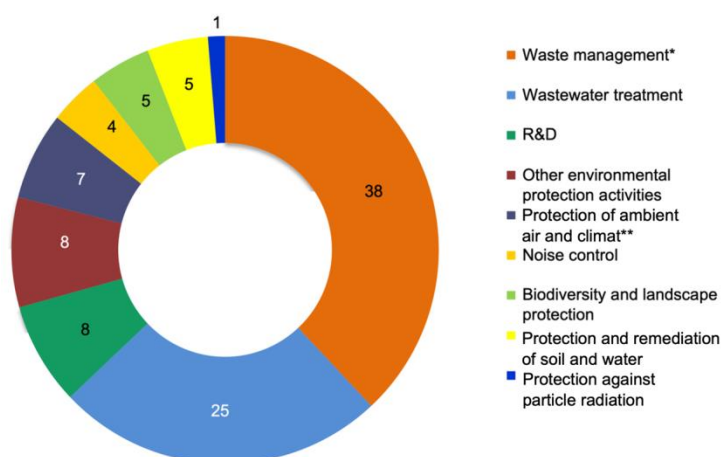
In France, the national government, local authorities, the business sector and households organise actions to preserve natural resources and protect the environment from harmful human activities and repair environmental damage. In 2019, €54.3 billion were spent on environmental protection¹.

BREAKDOWN OF ENVIRONMENTAL PROTECTION EXPENDITURE

The main targets for spending are waste management (€20.6 billion) and wastewater management (€13.5 billion) which is nearly 63% of total expenditure. Environmental protection spending also covers actions against air, climate, soil, water and noise pollution and the protection of biodiversity and landscapes. Other multidisciplinary spending covers several different areas. Spending is also allocated to R&D which improves knowledge in the field of environmental protection and the development of new and cleaner technologies, or technologies linked to other environmental protection activities such as support for decisions, regulation and environmental administration by public authorities, environmental education and information – (Figure 1).

Figure 1: Breakdown of environmental protection expenditure, 2019

In %



*excluding collection and conversion of waste into recycled raw materials; ** excluding energy management and energy production from renewable sources.

Note: provisional data.

Scope: France.

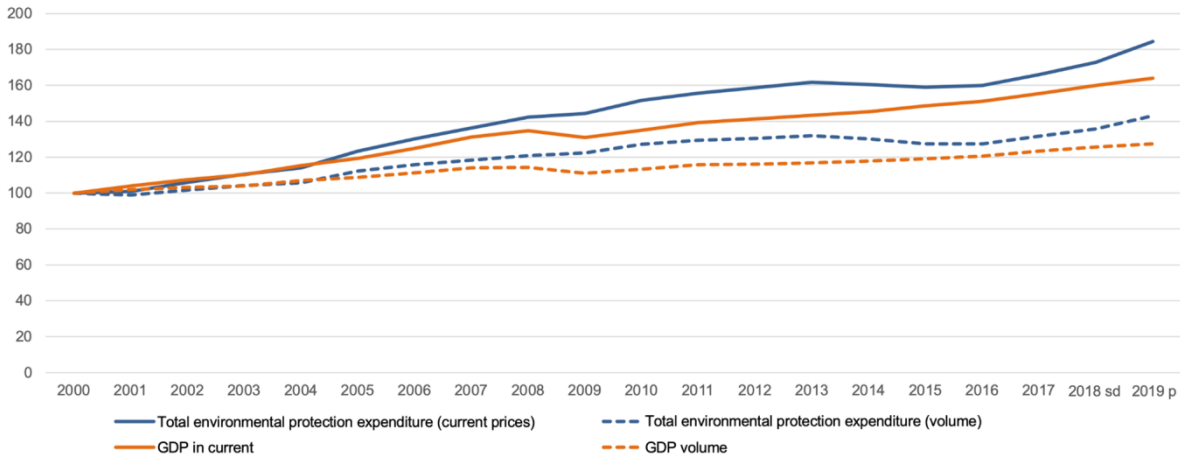
Source: SDES, satellite environment account, 2021

DYNAMIC CHANGE DRIVEN BY THE WASTE AND WASTEWATER SECTORS

Spending on environmental protection has been growing faster than gross domestic product (GDP) since 2000. In current prices, environmental protection spending grew by an average of 3.3% per year, while average annual GDP growth was 2.7% for the same period between 2000 and 2019. The average annual increase over the same period was 1.9% and 1.3% respectively, excluding inflation (Figure 2).

¹ Excluding sustainable management of natural resources, through energy management and production from renewable sources and sustainable management of water resources and collection and conversion of waste into recycled raw materials.

Figure 2: Trends in spending on environmental protection expenditure and GDP
Base index value 100 in 2000



sd = preliminary data; p = provisional data.

Scope: France.

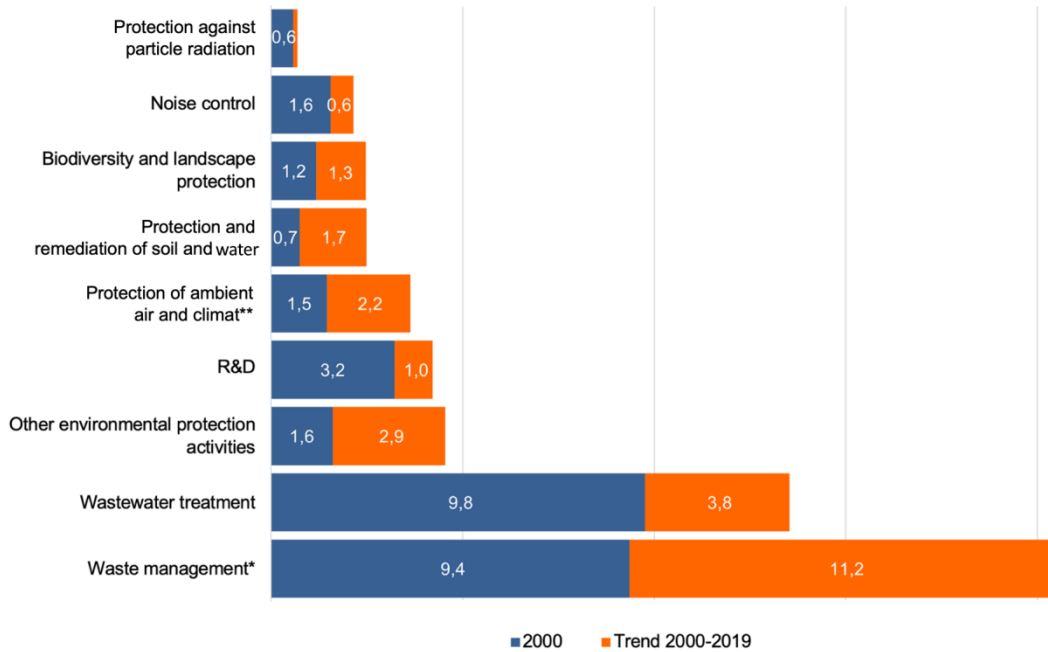
Sources: SDES, Satellite Environment Account, 2021; INSEE, National Accounts, 2021

Waste management has the greatest impact on this spending increase due to continued efforts to improve selective waste collection and waste recovery with public services for household and similar waste including separate door-to-door collection of recyclable waste, more recycling centres, sorting and composting centres for fermentable waste, and incineration for energy recovery. Taxes or levies on household waste collection increased by almost 5% on average per year between 2000 and 2019. Business waste is usually handled by private services. 55% of all waste management expenditure is financed by enterprises and 30% by households.

Expenditure on wastewater management has increased less since 2013 than in the previous decade due to a decline in investments after a sustained period of increases between 2000 and 2007 (Figure 3). This is explained by a deadline for upgrading a significant part of urban sewage treatment plants which was required by the European Directive concerning urban wastewater treatment (91/271/EEC). In 2019, equipment in 93.2% of sewage treatment plants complied with European regulations. 90% of wastewater management expenditure is spent on public sanitation systems. Households are the main contributors (44%) to this line of spending via their water bills.

Fact Sheet: Environmental Protection Expenditure

Figure 3: Breakdown of environmental protection expenditure by area
In current €bn



*excluding collection and conversion of waste into recycled raw materials; ** excluding energy management and energy production from renewable sources.

Note: provisional data 2019.

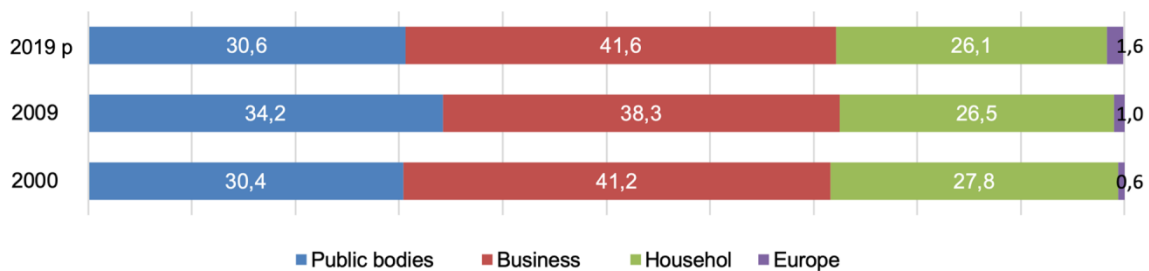
Scope: France.

Source: SDES, satellite environment account, 2021

BREAKDOWN OF ENVIRONMENTAL PROTECTION EXPENDITURE

Business is still the main source of environmental protection expenditure (almost 42%), particularly for waste, R&D and air protection. Government authorities are second (30.6%), ahead of households (26.1%). European financial contributions are marginal (1.6%), mainly as grants under the European Agricultural Fund for Rural Development (EAFRD) – (Figure 4).

Figure 4: Breakdown of financial contributions to environmental protection expenditure
%



p = provisional data.

Note: in 2019, 41.6% of environmental protection expenditure was financed by companies.

Scope: France.

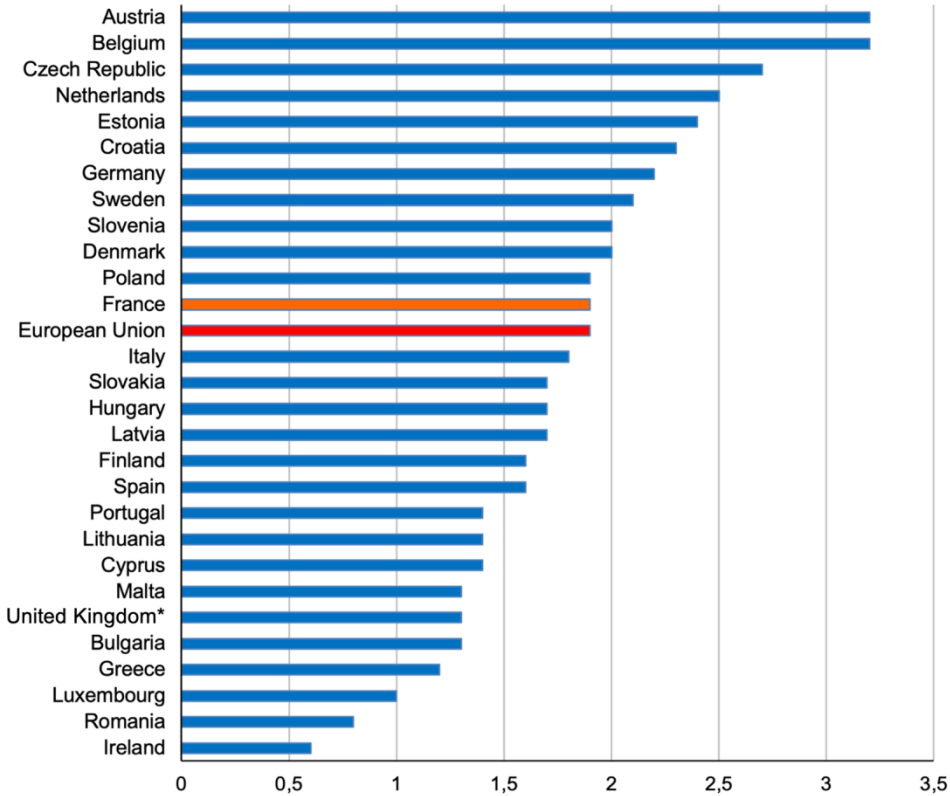
Source: SDES, satellite environment account, 2021

Fact Sheet: Environmental Protection Expenditure

In addition to environmental protection expenses, €10.1 billion was invested in 2019 for the development of renewable energies in France, particularly individual heat pumps and wind power. These amounts are part of funding for reducing greenhouse gas emissions and mitigating the effects of climate change. More generally, in 2020, the I4CE Institute estimates that total investment by all concerned for the climate in France was €45 billion in housing energy renovation, transport infrastructure, low-carbon vehicles, renewable energies and nuclear electricity.

In 2018, the level of domestic spending on environmental protection was similar in France to the average of all European Union countries at 1.9% of GDP². France is the 12th European country in terms of environmental protection expenditure, at the same level as Poland (1.9%) or Italy (1.8%). Some countries, such as Austria and Belgium have much higher levels of expenditure at 3.2% of GDP.

Figure 5: European countries' environmental protection expenditure in 2018
In % of GDP



*2017 data.
Scope: EU28.
Source: Eurostat, data extraction January 2022

² International comparisons are based on a restricted scope of environmental protection expenditure ('characteristic environmental protection activities', i.e., 90% of the total). This excludes related products (directly related to an environmental protection objective) and adapted products (the purpose of which is not environmental, but are less polluting to use), as well as resources from the rest of the world (European subsidies). The result is lower than previously reported (1.9% vs. 2.2% in 2018 and 2019).

Fact Sheet: Environmental Protection Expenditure

FOR MORE INFORMATION

- [Spending for environmental protection - Eurostat](#)
- [Institute for Climate Economics \(I4CE\)](#)