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At a time when France is sweltering and an intense heatwave is hitting many countries in the northern hemisphere, Emmanuel Macron took advantage of 14 July to promote the CEO of TotalEnergies, Patrick Pouyanné, to the rank of Officer of the Legion of Honour. Described as "a huge middle finger to climate change" by an opposition MP, this decision, which came from the Ministry of the Economy and Finance, sheds light on the French government's more tacit, yet important support for France's biggest polluter.

Instead of urging TotalEnergies to reduce its greenhouse gas emissions and hydrocarbon production, the government has often backed the company's oil and gas expansion strategy. Although the company can no longer benefit from government export guarantees for its fossil fuel projects, it can still count on France's economic diplomacy. After supporting the French major in its EACOP heated crude oil pipeline project in East Africa, Emmanuel Macron seems determined to help Patrick Pouyanné strengthen his presence in liquefied natural gas in the United States.

The latest development was the announcement last Thursday of the final investment decision for the Rio Grande LNG shale gas export terminal project in southern Texas. TotalEnergies' involvement in this controversial project, estimated to produce emissions equivalent to 44 coal-fired power stations, was made public in June. There is no coincidence in the timing here; the acceleration of the project comes just a few months after the presidential visit to the United States at the end of 2022, during which Patrick Pouyanné accompanied Emmanuel Macron.

Far from being anecdotal, This case accentuates the divisions among France's political, economic, and financial stakeholders regarding the expansion of shale gas and its export. The three biggest French banks have pledged not to finance it; BNP Paribas even closed the door in 2017 to any support for American LNG. However, as the banks were distancing themselves, French companies adopted a different approach. ENGIE was the first to get involved through a gas import contract, followed by TotalEnergies, which joined the project with an import contract and several equity stakes.

In 2020, ENGIE was negotiating the signature of its first import contract. But the government intervened to oppose it, as hydraulic fracturing used to import shale gas is banned in France. Three years later, Emmanuel Macron's climate promises have gone up in smoke, ENGIE and TotalEnergies have signed several shale gas import contracts, and France has become the number one destination for LNG exported from the United States. Worse still, while 43% of ENGIE's private investor shareholders voted in favour of stepping up the company's climate action at its general meeting in 2023, it was the French government that opposed their adoption.

The French government is well on the way to becoming the strongest obstruction to climate action in the country. Yet a number of legislative opportunities are opening up, such as the Green Industry Bill as well as several discussions on adaptation. These represent crucial chances not to be missed in order to achieve progress. The scorching summer heat serves as a stark reminder that even the slightest increase in temperature matters.

Lucie Pinson,
Director of Reclaim Finance

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