



Climate Assistance and Investments

13th Meeting of the Environmental Task Force

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Why are investments needed...

▪ Context of the Paris Agreement

- ..hold temperature increase well below 2°C above pre-industrial levels and to pursue efforts to limit temperature increase to 1,5°C..
- ..increase ability to adapt to adverse impacts of climate change and foster climate resilience and low GHG emissions development..
- ..make finance flows consistent with pathways to such low greenhouse gas emissions and climate resilient development..

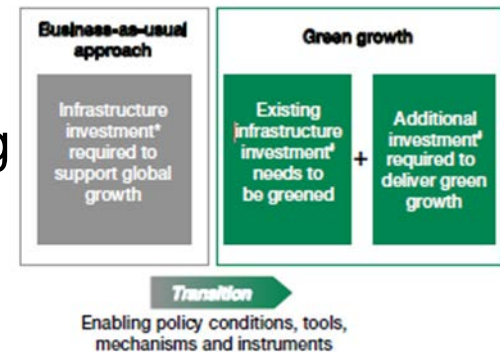
Importance of Climate Finance

Climate finance is critical to:

- provide large-scale investments to significantly reduce emissions
- financial resources to allow countries to adapt to the adverse effects and reduce the impacts of climate change

Climate finance refers to:

- local, national or transnational financing
- public, private and alternative sources of financing



How to trigger domestic investments...

Support scheme and programme management

- Provision of environmental subsidies in Austria and managed by KPC (municipal water management, Industrial environmental protection measures, rehabilitation of contaminated sites):
 - Energy Efficiency measures funded under the Austrian Environmental Support Act (UFG)
 - Climate and Energy Fund
 - klima:aktiv mobility support programme
 - Management of provincial support programmes (e.g. photovoltaic for private residential buildings)
 - Renewable Energy Investment Support (OeMAG)

Key Figures of KPC 2015

	Number	Investment Costs	Financial Support	Clearances	Disbursements
Environmental support schemes of the federal government	22.777	1.665,1	289,4	19.662	523,7
Water management	2.097	648,9	127,7	1.876	339,8
Environmental support in Austria	1.972	465,5	62,0	2.349	82,2
Consultancy services	2.038	4,3	1,2	0	1,2
Commercial renovation initiative	200	38,5	7,9	462	18,2
Private renovation initiative	16.449	473,3	59,9	14.954	49,3
Remediation of contaminates sites	21	34,5	30,5	21	33,1
Climate and Energy Fund	14.622	302,1	48,0	13.906	47,4
Photovoltaic systems	8.051	97,1	10,5	7.207	8,7
Wood-fired heating systems and solar energy plants	4.880	67,0	6,0	4.876	6,0
Energy efficiency support	7	0,0	0,0	38	0,0
Mobility management	1.184	93,6	8,9	1.325	10,8
Work programmes	500	44,3	22,6	460	21,9
Other programmes	46.332	578,9	164,3	45.631	121,4
Federal Funds for flood protection measures	584	202,3	109,2	604	101,7
k:a mobil	70	3,7	0,1	55	0,1
EU co-financing	995	117,6	16,3	335	0,0
Handwerkerbonus	44.254	126,4	18,3	44.254	18,3
Eco-electricity-hydro-power plants	45	112,2	19,4	51	0,0
Waste-avoidance initiative	0	0,0	0,0	8	0,1
Photovoltaics in Vorarlberg	29	0,4	0,0	29	0,0
Photovoltaics in Vienna	37	0,6	0,1	47	0,0
Grid connection support scheme in Tyrol	182	8,3	0,4	61	0,5
Salzburg Climate and Environment Pact	136	7,5	0,4	187	0,6
Total	83.731	2.546,0	501,7	79.199	692,6

Key Figures of KPC 2005 - 2015

	Number	Investment	Support granted	Clearances	Disbursements
KPC total 2005	3.704	1.376,1	378,2	2.114	394,9
KPC total 2006	4.928	1.449,0	436,2	2.822	387,0
KPC total 2007	5.102	1.202,1	382,0	3.833	401,3
KPC total 2008	14.745	1.672,4	457,1	3.723	433,1
KPC total 2009	33.213	2.472,4	582,2	7.811	580,0
KPC total 2010	15.956	2.050,4	488,8	17.276	582,4
KPC total 2011	45.476	2.688,7	524,2	20.190	554,9
KPC total 2012	42.812	2.395,1	475,4	26.232	595,6
KPC total 2013	46.275	2.928,8	471,3	42.574	666,8
KPC total 2014	60.657	2.479,9	429,4	64.952	618,4
KPC total 2015	83.731	2.546,0	501,7	79.199	692,6
Total 2005 - 2015	356.599	23.261	5.126	270.726	5.907

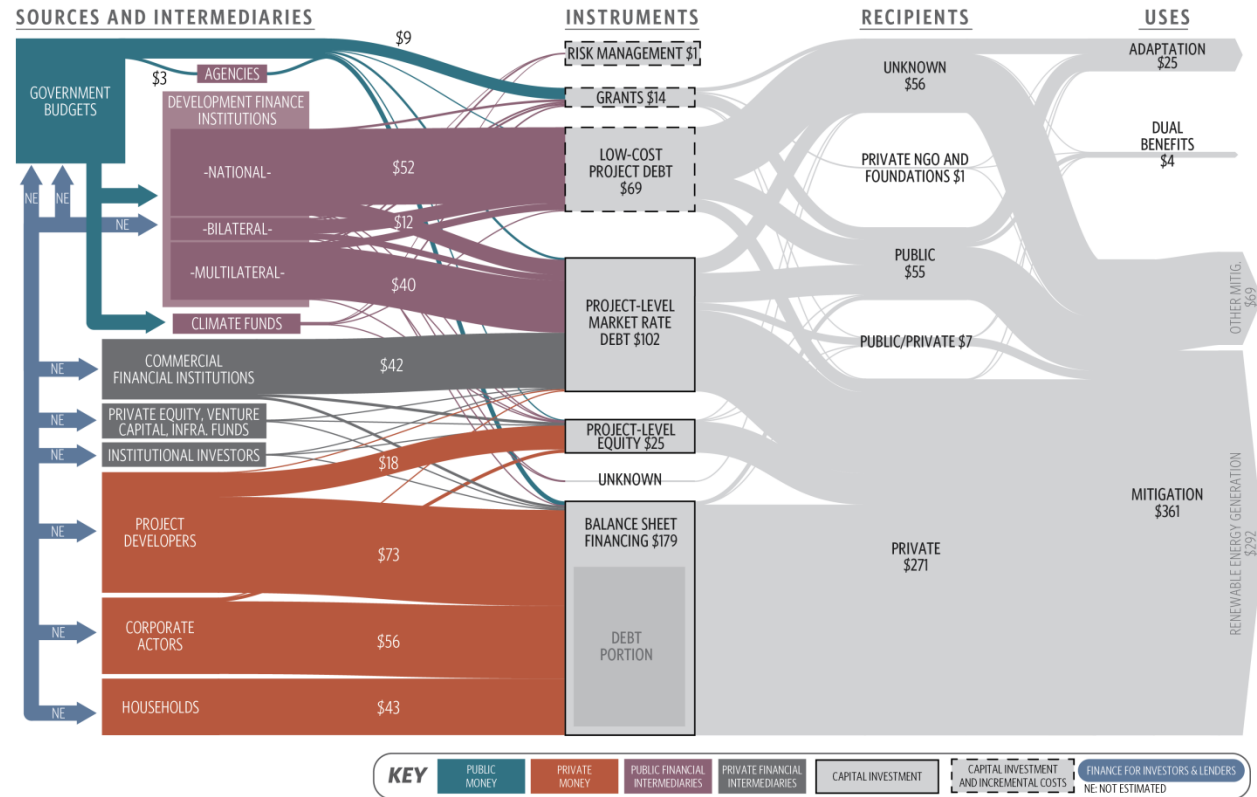
How to trigger international investments...

- Climate finance is funding used to support climate change **mitigation and adaptation**
- Involves traditional funds and new sources
- Plays a key role in shifting and scaling up funding for low carbon investments (such as infrastructure investments / energy efficiency / renewable energy / waste / transport...)
- combination of sources from state budgets / multilateral sources / bilateral sources / private investments
- Financial products (e.g. green bonds)/ leveraging debt finance / mitigating investment risks

Climate finance flows

GLOBAL LANDSCAPE OF CLIMATE FINANCE 2015 **USD 391** BN TOTAL

Landscape of Climate Finance 2015 illustrates climate finance flows along their life cycle for the latest year available, mostly 2014, in USD billions



- some observations:
- 38% public money
- 33% of total flows from DFIs
- private sector money mostly RE
- 93% mitigation – 7% adaptation money
- adaptation finance mostly for water and WW management
- 55% of CF into Asia & Pacific, Europe

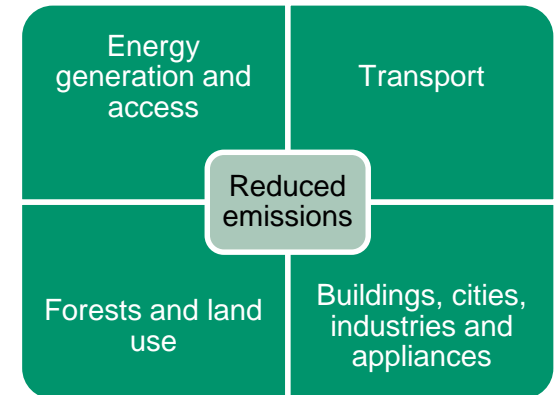
Climate finance in the context of the Paris Agreement

Level of finance

- pre-2020 provision of urgent and adequate finance (technology transfer and capacity building) support.
- Developed country Parties strongly urged to scale up level of support with a concrete roadmap to achieve **\$100bn annually by 2020**; enhancement of adaptation support
- Developed country Parties continue the collective \$100bn/year goal to 2025.
- Prior to 2025 a **new quantified goal** (from \$100bn floor) shall be set.

Dedicated Climate Funds Green Climate Fund (GCF)

- under UNFCCC;
- Capitalization: 9.9 billion mobilized (Nov. 2016);
- 50:50% mitigation : adaptation (*over time*)
- Financial instruments: grants, loans, equity, guarantees
- Investment criteria: impact potential, paradigm shift potential, sustainable development potential, needs of the recipient, country ownership, efficiency and effectiveness



Funding amount per financial instrument

Loans	Grants	Equity	Guarantees
46%	41%	2%	11%

Summary

- Climate driven policies in line with country needs and investment priorities / aligned with countries' low greenhouse gas emissions development pathways
- public money as „seed money“ (guarantees, insurance, incentives, subsidies, policy support) to attract private investment
- the importance of DFIs and Funds (GCF) as leading institutions in international climate finance
- Int. climate policies already lead to ...market signals that investment in fossil fuels may no longer be a low-risk business case.../...indication that investors and project developers should shift their assets into green growth... (divestment)



Kommunalkredit Public Consulting GmbH (KPC)

KPC at a glance...

THE SPECIALIST FOR PUBLIC CONSULTING



Fields of Business

- **Support scheme and programme management**
- **International Climate Protection**
 - Climate Finance International
 - Austrian JI/CDM Programme
 - Climate Austria - Voluntary Carbon Offsetting
- **National and International Consulting**
for the Environment & Energy segment
- **Management of the Environmental and Water Management Fund (UWF)**
Total assets 2015: EUR 1.9 billion



KPC international at a glance..

- **Services**

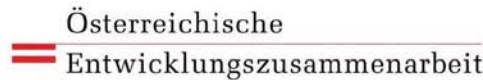
- ✓ Environmental and Infrastructure Fund Management
- ✓ Design and implementation of Financing Facilities
- ✓ Capacity Building & Policy advise
- ✓ Environmental Infrastructure Development
- ✓ Public-Private Partnerships and Procurement Support
- ✓ Climate Finance Services

- **Markets**

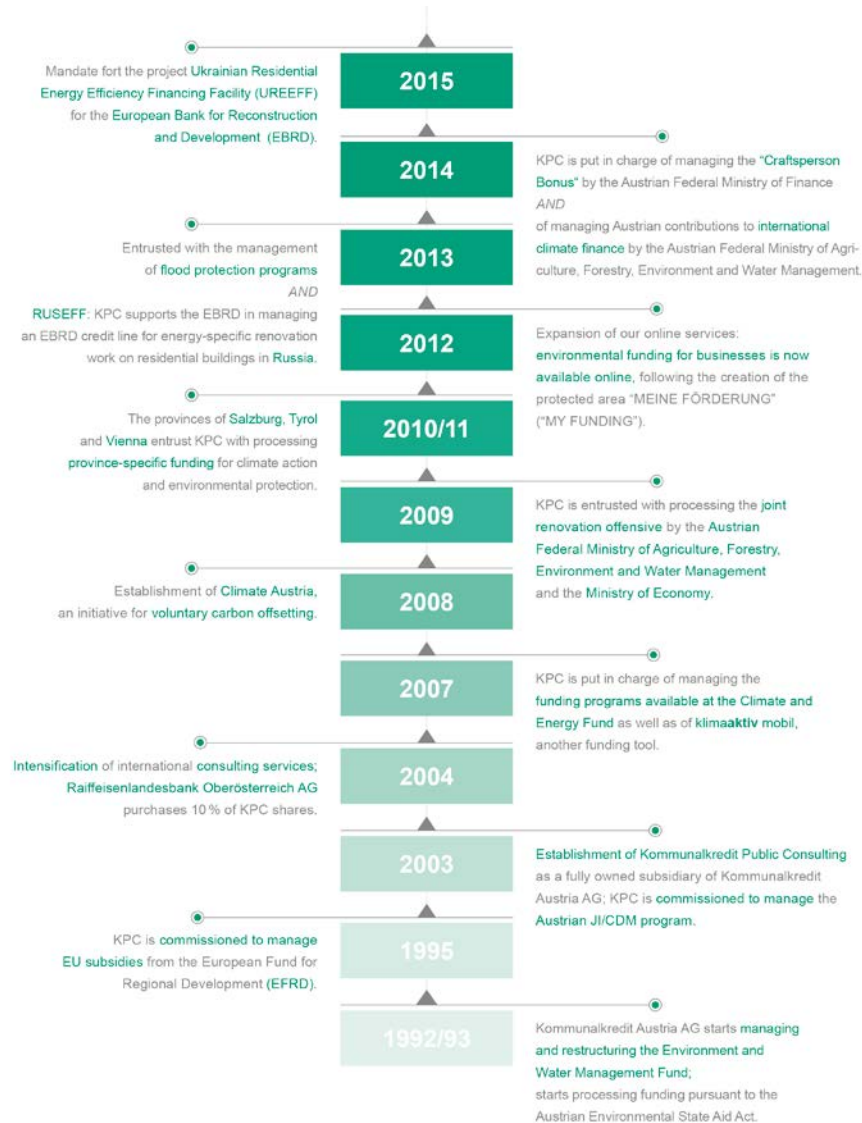
- ✓ Balcan States
- ✓ CEE
- ✓ Central Asia
- ✓ MENA
- ✓ Africa



Our clients and partners



History of KPC





Thank you !

EECC (Energy, Environment and Climate Change Department)

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