

Review Report R20 AUSTRIAN WORLD SUMMIT 2017

The launch of the R20 AUSTRIAN WORLD SUMMIT took place on 20 June under the patronage of Federal President Alexander Van der Bellen and with host Arnold Schwarzenegger. In addition, key role models such as Laurent Fabius, Paris Climate Conference Chair 2015 and Paris Climate Agreement Architect, Patricia Espinosa (Secretary General of the United Nations Framework Convention on Climate Change), Li Yong (UNIDO Director-General), Erik Solheim (UNEP Director), Maria Neira (Director of Health and Environment at the World Health Organization, WHO) and Chancellor Christian Kern attended the event.

Arnold Schwarzenegger and his organization R20 Regions of Climate Action have been committed to climate protection in regions for many years. Together with the R20 Director for Austria and the EU, Monika Langthaler, the R20 AUSTRIAN WORLD SUMMIT will now become a global platform for international best practice examples for achieving the Paris climate goals and the UN Sustainable Development Goals.

More than 700 representatives from the private and public sector, from politics, the UN, NGOs and civil society from over 50 nations took part in the inaugural conference in the Hofburg. Under the motto "From Sustainable Goals to Real Action" it was shown from different perspectives that climate change affects us all, but at the same time each and every one of us can and must make their contribution to climate protection. Climate action is a worldwide movement that can not be stopped - this central message ran through the entire conference. Whether politics or business, the course for a liveable future must now be set to achieve the 2030 goals. Together, however, we must also work on the vision of a sustainable future.

In the future, the R20 AUSTRIAN WORLD SUMMIT will take place annually in Vienna, and the date for next year has already been set and communicated on 15 May 2018.

1. High Level Session

Chancellor Christian Kern emphasized that the challenge of climate change lies in recognizing the resulting opportunities. To do that, one has to abandon old patterns of thinking and develop courageous visions. Ecological interests can and must be linked to economic goals and interests. In the long term, the money must increasingly be invested in green technologies (renewable energies and energy efficiency), which will allow about 40,000 additional jobs to be created in Austria by 2030. ([YouTube-Link](#))

Li Yong, director of UNIDO, described the Paris Agreement and the SDGs as international milestones for future development. For the purposes of the UNIDO, this means concretely the creation of a "Clean and Climate Resilient Economy". For sustainable industrialization also means strengthening women's rights, reducing poverty and protecting nature and the environment for future generations. ([YouTube-Link](#))

Patricia Espinosa, Executive Secretary, UNFCCC, stresses the important role of the UN in international climate protection, but also underlines the importance of Role Models such as Arnold Schwarzenegger, Amina Mohamed, Leonardo DiCaprio, etc., who direct public attention to pressing challenges and raise awareness, because everyone needs to know that he can do something to improve the world. Action must now be taken to minimize the negative economic, environmental and social impacts of climate change. In November 2017, the next COP will take place in Bonn to operationalize the Paris Agreement. ([YouTube-Link](#))

Quotes Patricia Espinosa: "After the ratification of the Paris Agreement, we are now in the era of implementation."

"Regions and cities are at the forefront of the Momentum of Change initiative."

Maria Neira, Director of Health and Environment, WHO, cites "10 reasons why we need more action". ([YouTube-Link](#))

- 12.6 million deaths per year worldwide are caused by environmental risks.
- Consistent environmental and health policies and measures can reduce this mortality by 25%.
- 92% of the world's population breathe air that does not meet WHO standards, and every year 6.5 million people die as a result of air pollution.
- 40% of the world's population cook, heat or illuminate their homes with energy from direct biomass burning - with all its negative effects on health and the environment.
- Air pollution is a big problem, especially in megacities.
- Key measure: sustainable transport systems
- Key Action: Clean Energy
- Sustainable development of the health system
- Primary prevention: healthier environment means less chronic diseases etc.
- ...which will also result in financial savings

Representing **Amina Mohammed (Deputy Secretary General of the UN), Erik Solheim, director of UNEP**, outlines the positions and perspectives of the United Nations: Climate protection and poverty reduction go hand in hand.

More and more droughts, sea level rise, increased incidence of cyclones, etc. - sooner or later all of us will be affected by climate change. A global coalition of states, regions and companies is needed to take action together. Of particular importance is the focus on the developing countries that are particularly affected by climate change and the reduction of poverty (SDG No. 1).

Sustainable energy supply plays a key role in sustainable growth. To achieve this, companies and regions or cities need to work closely together and create new financing solutions that are accessible to all. ([YouTube-Link](#))

Arnold Schwarzenegger, founder of the climate protection organization R20 and co-initiator of the AUSTRIAN WORLD SUMMIT, reiterates how many people die each day from the effects of pollution and climate change and that more has to be done as soon as possible. International and cross-party cooperation is necessary, because this topic concerns us all. The clean energy revolution is unstoppable - not even in the US. After Washington has announced the exit from the international climate agreement, a large part of the American people, scientists, many entrepreneurs and politicians continue to be behind the Paris Climate Agreement.



Quotations Arnold Schwarzenegger:

"It's about creating a future for the next generations, it's not about politicizing this issue (climate change). Because we all breathe the same air. "

"I'm optimistic because America is not Washington. While a man may have turned his back on Paris and environmental progress, our states and cities have not. "

His climate protection organization R20 is working hard on how to promote the energy transition at the regional level, regardless of international politics or individual states. At the local and regional level, things are developing faster than ever: wind and solar projects, alternative means of transportation and daily technical innovations. And these developments can not be stopped anymore.

The good messages and success stories of the "Green Energy Future" have to be increasingly disseminated: jobs are created (e.g. Lower Austria, 100% renewable energy), innovative products and companies (e.g. Tesla) promoted, lives are saved and a clean one Environment created.

Quote Arnold Schwarzenegger: "We know the past, not the future. This fear lies in the nature of man. That's why we need to make it clear to people that the green future will be profitable. We showed that with the example of California! "

Positive communication is the key to depriving people of the fear of change and progress, and showing that climate protection and economic success are not mutually exclusive. And the AUSTRIAN WORLD SUMMIT is an important mouthpiece for this. ([YouTube link](#))

Federal President Alexander Van der Bellen took over the patronage for the first R20 AUSTRIAN WORLD SUMMIT, making him an important supporter of the first hour.



The influence of human action on climate change has been scientifically proven, and the consequences of this can no longer be dismissed (major changes can be seen in the Alps, for example). After the US government's exit from the climate deal, we must redouble our commitment and continue to do our utmost to preserve our planet for future generations.

Quotes Alexander Van der Bellen:

"The earth knows no I'll be back"

"Most states have already recognized that climate change leads to more health, more jobs, more security and more innovation."

After the fossil and nuclear energy era, we are now heading for an era of environmental protection. We have to create this change together. Cities and regions together with companies and investors to launch concrete projects, based on the model of the R20 model and the motto of Arnold Schwarzenegger "Less Talk, More Action". We are here today to learn from each other and to understand which projects worked and why. The solutions are there, you just have to use them – which is another basic idea of R20.

[\(YouTube-Link\)](#)

Quote Alexander Van der Bellen: "Through the Austrian World Summit, Austria can make a major contribution to climate protection as a small country."

2. Panel Discussion: Business meets policy. Why addressing climate change is good for environment, health, economy and society

Overview

Especially in times marked by major upheavals, implementation-oriented solutions to global challenges are required of companies and politicians. The Sustainable Development Goals and the Paris Agreement provide historically important agreements for this. Leading politicians and entrepreneurs discussed in Panel 1 the positive effects of sustainable system transformation on human health, the environment, the economy and society as a whole. It's about new business models, innovative products and partnerships in the fields of energy technologies, infrastructure, mobility and financing. Ambitious goals and strategies at national and international level exemplify the challenges we face but also the opportunities arising from climate protection. It is about pioneers and visions and about how the political as well as the economic world will change in the future.



(YouTube-Link)

Participants

- Laurent Fabius, President, COP21 in Paris
- Erik Solheim, Direktor, UNEP
- Vidar Helgesen, Minister for Environment, Norway
- Andrä Rupprechter, Minister for Environment, Austria
- Jörg Leichtfried, Minister for Infrastructure, Austria
- Andreas Matthä, CEO, ÖBB
- Wolfram Littich, CEO, Allianz Elementar Versicherungs-AG
- H.R.H. Princess Abze Djigma, CEO, AbzeSolar
- Johan Eliasch, CEO, HEAD & Founder, COOL EARTH Initiative

Summary

Implementation of the Paris Climate Change Agreement and the SDGs

- US exit from the agreement brings new challenges but no threat to implementation
- The main problem with the exit will be a financial problem, as the US has committed to making payments to developing countries, which are now discontinued. These payments must be compensated, because the developing countries depend on it.
- In particular, non-state actors such as cities, regions, businesses, NGOs and civil society are already performing well
- The short-term effects of climate change must also be emphasized. It's not just about health, food security and migration, it's also about war or peace.
- Climate protection and economic growth must go hand in hand.
- It's about empowerment and about how to create green development from the grassroots level, that is, through local people.
- People must be involved and convinced that climate change is really taking place.

National climate protection policy

- Norway has set itself the goal of reducing emissions by 40% by 2030. This applies above all to the oil and gas industry.
- Great efforts have also been made in the mobility sector. Here, Norway has decided not to use fossil propulsion until 2025 and switch to electromobility instead. This also requires significant investment in public transport and the rail system. In urban areas, people should travel short distances by bicycle or on foot.
- In Austria, electricity supply is to be 100% covered by renewable sources by 2030. Climate neutrality until 2050 is feasible.
- Austria has already achieved a share of 34% renewable energy, perhaps 50% by 2030. Here, however, it is necessary to set actions now, e.g. through the green electricity law
- The introduction of a CO₂ tax or tax incentives for green technologies as well as more investment in renewable energies are necessary to reach the 2030 climate goals (faster).

Sustainable mobility and infrastructure

- In Austria, the focus is on the expansion of public transport and on the transformation of individual transport through electromobility.
- Almost half of Austrians live in cities. Numerous Smart City projects include research and applications of innovative, green technologies that will continue to be promoted.
- ÖBB is the largest mobility provider in Austria, and various promising projects are already contributing to a sustainable mobility future:
- Own solar power plants, which feed electricity directly into the overhead line
- Use of hybrid locomotives
- Energy saving through consistent recovery of electricity

Climate protection and financing

- The flow of capital is the strongest lever when it comes to changing things.

- The capital is very concentrated, we speak worldwide of 77 quadrillion euros in asset management companies. Only ten companies currently control a third of these funds. The change in the asset allocation of these companies could make a huge difference if their investments were diverted to renewable energies, as Allianz has already demonstrated.
- There is no contradiction between profitability and sustainable investments.
- There is no need for more regulation in the financial sector, but a harmonized framework on the capital side (labels or labels so customers know what they are buying).

Initiatives of companies

- Companies benefit when they behave responsibly, as consumers prefer to buy products from responsible companies.
- Taking action on climate change is also good for the business.
- Climate protection is an opportunity for growth, innovation and job creation.

3. Panel Discussion: Solutions in cities and regions. Strategies and best practice examples to prepare for the future.

Overview

Panel 2 of the R20 AUSTRIAN WORLD SUMMIT focused on solutions in cities and regions as well as cities' strategies and best practice examples to meet the new challenges of the future. Vienna was represented in this panel by Deputy Mayor Maria Vassilakou and Michael Strebl (Managing Director, Wien Energie).

According to a WHO study, air pollution is the largest environmental factor-based health risk in the world. About 6.5 million people die each year as a result of air pollution, equivalent to every eighth death worldwide.

Cities and regions play a key role in countering this global evolution and preventing these risks. Because they are in direct contact with the local people, they have the ability and capacity to intervene. More than 50% of the population lives in cities and by 2050 it is predicted that it will be over two-thirds. Today, cities generate 80% of global gross domestic product, but they also consume two-thirds of global energy resources and account for 70% of global greenhouse gas emissions. We therefore need healthier places to live. How can cities and rural areas develop sustainably? Which possible solutions have high replication and scalability?



(YouTube-Link)

Participants

- Moderation: Georg Günsberg, Strategie Consulting
- Magnus Berntsson, Präsident der Versammlung der Regionen Europas
- Michael Pistauer, CFO, VARTA AG
- Ashok-Alexander Sridharan, Mayor of Bonn, Vice President ICLEI Local Governments for Sustainability
- Michael Strebl, CEO, Wien Energie
- Maria Vassilakou, Vice Mayor of Vienna
- Kurt Weinberger, CEO, Österreichische Hagelversicherung
- Ingmar Höbarth, CEO, Österreichischer Klima- und Energiefonds

Summary

The central role of cities and regions in the implementation of the Paris Climate Agreement is becoming increasingly clear. Currently, their importance is particularly evident when regions, cities and universities publicly announce their further pursuit of the Paris Climate Action Objectives and do not retreat, even if e.g. Turn heads of states away from the agreement. The following topics were described by the participants of this panel as essential factors and measures on the path of the energy transition for cities and regions:

- The market for renewable products can be managed by cities and local government (for example, by tendering for sustainable products).
- Innovation and creativity are key drivers, climate protection should be exciting and interesting, concrete and practical.
- Networking and networks should be used
- Implement SDGs locally with the involvement of the population or with international project partners

- Urban growth as an opportunity to avoid repeating the mistakes of the past, e.g. New neighbourhoods with good access to public transport and spacious, usable by all green spaces
- Transport policy as an important field of action in the city to reduce emissions
- Methodology is essential: start the discourse with citizens early on, communicate goals transparently from the beginning and raise the needs of the citizens
- Energy transition offers ecological and entrepreneurial opportunities for energy suppliers
- Commissioner for package of measures in Austria:
 - Clear commitment to public transport and e-mobility
 - prohibition of reinstalling oil heater
 - More regional food
 - Stop the use of land (Soil protection fee, anchoring in the constitution)
- Greening the tax system
- For the transformation of the energy and mobility system, the regions are the optimal levers and need the following success factors:
 - A concrete vision
 - Implementation of concept with measures
 - A manager, as the "engine" of the region
 - Identification of the region with the goals
 - Funding through the Climate and Energy Funds

4. Panel Discussion: Best of sustainable projects. What are driving factors in practice to moving fast forward?

Overview

In panel 3, different ideas and projects were presented on how to implement active climate protection and how to deal with the progressing climate change. A clean and sustainable energy supply is crucial to meeting many human needs: 1.2 billion people are still without access to electricity and 4.5 million die each year of air pollution that occurs inside buildings, e.g. caused by open fire and hotplates. As the problems are similar in many countries and regions, cooperation and sharing of know-how is particularly important.

Participants

- Moderation: Walter Koren, CEO, Aussenwirtschaft Austria
- H.R.H. Princess Abze Djigma, CEO, AbzeSolar from Burkina Faso
- Morlaye Bangura, Energy commissioner, ECOWAS
- Christophe Nuttall, CEO, R20 Regions of Climate Action
- Kilian Kleinschmidt, CEO, Global Networking
- Gunter Schall, Privat Sector & Development, Austrian Development Agency
- Intervention: Barbara Kreissler, Philips Lightning

Access to electrical energy as a local success factor

- Light can change a life: A childhood without electric light brings decisive disadvantages for the further life course. For children who can grow up with electricity, it is better possible: e.g. to learn and to read. In addition, air pollution within the building and thus health restrictions are prevented.
- Affordable and available energy supplies are also important for businesses or farmers. But this new energy supply must be renewable and "clean".
- This creates local and sustainable jobs, even in remote regions.
- Partnerships between private and political actors are crucial.
- The products and services must be easy to use, meet international quality standards and be "cool" for people to use successfully.
- The following objectives are important (Africa as an example):
 - 2.5 million households per country should have access to electricity.
 - 5,000 train-the-trainer courses should be offered
 - Jobs for rural youth should be created to provide them with a livelihood: energy efficiency and renewable energy are key prerequisites and opportunities.
 - Electrification of households also changed the lives of women in industrialized countries decades ago. That is exactly what must be achieved in developing countries.

Development of renewable energy supply in the ECOWAS states

- Austria supports ECREE, the regional center for renewable energies and energy efficiency of the ECOWAS states.
- There is a great potential for renewable energy resources in the ECOWAS states: biomass, hydropower and solar energy. Only 36% of people have access to electrical energy, especially in rural areas. Here lies the great opportunity of renewable energy.
- Within ECOWAS there is a joint development and implementation plan to expand renewable energy. Regional Energy Agencies, programs and legal instruments have been developed jointly.
- Energy agencies develop regulations and provide training.
- A common position for the further development of the energy system is crucial for a rapid expansion of renewable energy.
- The confidence of developed countries in the will and policies of developing countries to implement energy and climate projects is important. Vienna as a UN location is particularly important here!

R20 Success Factors: Partnerships and Cooperations

- Political will, technology and financial resources are available, but local implementation often fails.
- R20 has built a partnership and value chain that has been successfully implemented in several projects. Key factors were:
 1. Projects must be coordinated with local governments and stakeholders.
 2. Projects must be prepared in a single, international standard for development banks and other financial institutions. R20 has developed a training program.

3. Feasibility Studies support the projects to become "bankable" for development banks.

4. Projects must meet SDGs and environmental impact criteria in order to contribute to the Paris Agreement.

- Building on these four points, R20 developed a new fund, Impact Investor Blue Orchard, to fund projects on the ground.
- For the long-term training of local project developers, a master's degree program was established in Nigeria.
- The link between project portfolio, technology, local politics and funding is missing in many international programs. The success factor for R20 is to provide and accompany this implementation path.

Energy efficiency projects as a key to climate protection

- Although energy efficiency is increasing by 15% per year, global energy consumption is growing by 3% at the same time. A doubling of the energy efficiency is therefore a prerequisite to curb the increase in energy consumption.
- Renovation and renovation are important levers for energy efficiency improvements in developed countries.
- When building new energy systems in developing countries, efficiency and renewable sources must be used right from the start.
- Optimization of lighting systems can save up to 50% in fuel consumption and up to 80% through the use of smart lighting. By converting to LED lighting, Los Angeles has reduced energy use by 63%, saving \$ 9 million annually.
- Strategic partnerships and innovative overall solutions are important success factors. Philips will therefore be part of the R20 "Pre-Investment Facility on LED Lightning": R20 closes the link between projects, political will to implement and financing and helps make the projects "bankable".

Connection of refugee movements and climate change

- Currently, 65 million people worldwide are on the run. In addition to political conflicts, aggravated rural conditions (aggravated by climate change) due to droughts and crop failures are among the most common reasons to leave home. That's why more and more people are fleeing to cities. Technologies and financial resources to reduce flight or assist refugees are in principle in place, but the necessary interfaces between local actors and international organizations are insufficient.
- It is too rare to implement the necessary energy, infrastructure and climate protection projects in order to curb migration movements from rural regions.

Development aid can also trigger a big impact through small projects

- Missing access to energy mainly affects women
- Small solutions, such as working with Sunnybag, can help build local markets. In a test phase, the local application will be tested in order to involve poor people in the projects.

- The next challenge is to scale up and sustainably implement business models in the following steps.
- The success factors for anchoring development aid projects in the long term are summarized below:
 - pilot and test phase
 - Scaling and rolling out the project
 - Finding new, successful business models

5. Panel Discussion: How climate projects attract financing? Accelerate the implementation of the Paris Agreement.

Overview

Panel 4 dealt with the financing of climate projects and the question of how financing instruments can be used to drive the implementation of the Paris Agreement. A specific objective of the Paris Agreement is to mobilize financial flows to reduce greenhouse gas emissions, as well as for climate-resilient and sustainable development. The agreement was a clear signal to businesses and governments to continue decarbonising the global economic system. In order to be able to implement corresponding projects, local actors must learn to use alternative financing instruments and sources for themselves. The private sector and private foundations are also increasingly playing a key role in financing climate-relevant projects. However, it needs a better understanding of the needs of individual actors in order to mobilize the necessary financial resources necessary for the implementation of the Paris Agreement. But how can the interests of these actors be better coordinated with each other and with the objectives of the SDGs? How are the new sources of funding assessed and used by governments, especially developing ones? (YouTube-Link)



Participants

- Moderation: Barbara Buchner, Director, Climate Policy Initiative
- Renat Heuberger, CEO, South Pole Group, Zürich
- Martin Hiller, Director, REEEP
- Mahama Kappiah, Director, ECOWAS Centre for Renewable Energy and Energy Efficiency ECREEE
- Patrick Scheurle, CEO, Blue Orchard
- Christian Schön, CEO, Erste Asset Management GmbH
- Terry Tamminen, CEO, Leonardo DiCaprio Foundation
- Andrea Hagmann, OeEB Austrian Development Bank

Summary

- Financial instruments are central to facilitating or accelerating a transition to a decarbonised future.
- Technology costs are on the decline and at the same time so much is invested in renewable energy than ever before.
- Nevertheless, the amounts invested are too small to reach the global climate goals.
- According to the IEA, electricity alone costs \$ 16.5 trillion by 2030 ("we need trillions instead of billions")
- In order to close the investment gaps, existing instruments need to be adapted and new instruments created.
- This requires a better balance between risk and return, which in turn involves investors who have not previously dealt with climate change issues. Central to this are:
 - State measures: financing, policy framework etc.
 - Collaboration between actors ("financial and non-financial") in order to bring together and coordinate the different ecosystems
 - Innovation: cutting technology costs to enable change

What are the success factors for mobilizing financial resources?

- The involvement of state and especially non-state actors
- Parent platforms can help governments to implement an appropriate policy framework.
- Platforms can be used to share know-how and best practice examples with other stakeholders.
- Governments should accelerate current developments; a lot happens anyway! Without state support, however, the 2 ° C target can no longer be reached in time.
- Climate subsidies can release follow-on investments, stimulate the economy and at the same time sustainably reduce technology costs.
- Nationally determined contributions (NDCs) under the Paris Agreement of 195 countries are the largest collection of business opportunities (excellent information for future project opportunities)
- Trends in active divestment in the banking sector, adding profitability and legal aspects to the question: "Is it the right thing to do?"

- It is important to offer retail clients opportunities for sustainable investments (eg green bonds, microfinance funds, environment funds, etc.)
- Reducing capital requirements would be helpful to facilitate investment in climate projects; For this purpose, we are working on the framework conditions at EU level to facilitate green investments.
- In addition to the availability of funds, an offer of suitable projects is crucial. In a campaign by R20 and the Leonardo DiCaprio Foundation, about 600 investment opportunities were identified.
- Building on this, R20, LDF and Blue Orchard are currently bringing together financial actors at all levels to mobilize funds for a Sub-national Climate Fund for developing countries.
- Investors take care of three aspects: "Return", "Scale" and "Risk"; Government support should be guided by these three aspects
 - Return: feed-in tariffs or carbon credits increase the return
 - Scale: Legal framework conditions such as uniform and efficient approval procedures allow the scalability of the projects
 - Risk: De-risking measures such as Blended finance often offer the best result compared to the funds spent on it
 - Government loan guarantees, such as in the Swiss Technology Fund, reduce the cost of capital for clean tech companies
- The focus should be on evaluation and monitoring to learn from projects.
- Frequently, evaluation reports are hardly used after creation; Monitoring generates "commercial, investment and policy intelligence"
- This "intelligence" needs to be made available to the investment community and governments to make appropriate decisions.
- Improved market intelligence makes even difficult, tricky markets more attractive to investors.

How can financing accelerate the implementation of climate projects?

- The majority of the economy consists of SMEs and micro-enterprises. This increases the administrative and monitoring costs, but also offers the greatest leverage for the implementation of climate projects ("mainstreaming climate action").
- It would be important to talk more openly about bad investments, to learn from them and at the same time document successes in order to point out the business case behind climate protection projects.
- Insurances (for example against crop failures) are also an important tool for climate change adaptation measures for farmers in developing countries.
- It is not enough that offers are available - they must also be accessible to the affected persons.
- This in turn requires involvement from a variety of actors.
- The focus is increasingly on small projects and households, rather than primarily on large infrastructure projects.
- Investors should increasingly focus on NPOs, whose involvement as intermediaries is often necessary to enable or accelerate projects.

- Development banks such as OeEB are also pushing the role of the private sector to combat poverty and climate change
- Central is u.a. the support for the project development: Many projects are promising, but not yet ready for implementation or they have structuring needs before they become "bankable" for investors.
- It is necessary to combine the strengths of the different actors and actively build bridges.

Lessons Learned: What is necessary?

1. Policy Matters: Most of the climate investments are mobilized and invested within the same country, so appropriate regional conditions are crucial for investors.
2. Knowledge is Power: It is necessary to raise awareness of risks and opportunities in climate investments; In the area of finance, more economic, social and environmental factors must be taken into account in decision-making.
3. Think Outside the Box: It takes creative thinking to mobilize the necessary financial resources and be able to address the actual or perceived risks of climate finance.