

Profit before loss

Interview

The KPC management on the business year 2021
page 8

Environment Social Governance

The three pillars of sustainability
page 12

Green Cities Action Plan

Program for green investments in cities
page 54

OWNER AND PUBLISHER

Kommunalkredit Public Consulting (KPC)
Türkenstraße 9, 1090 Wien
t + 43 1 31 631-0 fax DW 104
kpc@kommunalkredit.at
www.publicconsulting.at

EDITORIAL STAFF

Karin Merzendorfer

WITH THE COLLABORATION OF

Slavica Askovic, Katharina Colom, Wolfgang Diernhofer, Petra Fleischmann, Klaus Frühmann, Christopher Giay, Frank Hasselwander, Stefan Heidler, Michael Heuberger, Sophie Holper, Gudrun Götz, Jan Frederic Kreitz, Johannes Laber, Valentin Libicky, Sebastian Holub, Marcus Mayer, Gerlinde Mayerhofer-Fras, Bernhard Müller, Moritz Ortman, Christoph Prandtstetten, Norbert Peherstorfer, Doris Pühringer, Simone Skalicki, Andrea Stockinger

PICTURE CREDITS

AdobeStock@rose wong/EyeEm 4/6, AdobeStock@SerkanMutan 8, KPC MatthiasSilveri 9/10/11/13/17/41/53, shutterstock@GikaPhoto By waraphot 12, shutterstock@Erkki Makkonen 15, AdobeStock@rosanna fung/EyeEm 16, AdobeStock@Tatyana 18, AdobeStock@Ryan-king999 20, shutterstock@Kichigin 22, Wohnprojekt Wien 25, shutterstock@Prostock-studio 25, DI Martin Rainer-Schöpf, MA 6/01 Hochbau, Stadtgemeinde Salzburg 26, Mayr-Melnhof Holz Reuthe GmbH 27, Dietger Wissounig Architekten (EntwurfBild) 29, AdobeStock@kichigin19 29, Renate Vallant 32, AdobeStock@lukjonis 33, shutterstock@ScarletRE 34, Christian Wiesenegger, Land Salzburg 37, Michael Sturm, Land Tirol 37, Johannes Wolf, Patscheider & Partner GmbH 37, Isabella Schild, Wiener Gewässer – Stadt Wien 38/39, AdobeStock@JackStock 40, Wasserverband Ill-Wallgau 42/43, shutterstock@Erika Parfenova 44, shutterstock@philip openshaw 45, Teerteiche Trieben, Gregor Gnjezda 46, shutterstock@Wirestock Creators 47, shutterstock@bleung 48, AdobeStock@soft_light 50, Nihad Harbas/KPC 53, Lejla Softic/KPC 53, shutterstock@ANDREA RIBBA 54, shutterstock@struivictory 55, shutterstock@NABODIN 56, SalzburgMilch 57, Almdudler 57, Wiener Börse 58, GoodMills Österreich 58, Johannes Zinner 58, shutterstock@Rawpixel.com 59, shutterstock@NABODIN 60, shutterstock@Reddogs 62, 63, shutterstock@Stefan Kunchev 64, shutterstock@Andrey Armyagov 67, shutterstock@Piyawat Nandeenopparit 68, shutterstock@Erika Parfenova 70, AdobeStock@eric rodell/EyeEm 72, AdobeStock@paolarigo 74
Illustrations: 66/67/68/70/71 AdobeStock@winyu, AdobeStock@nikol85, AdobeStock@dstarky, AdobeStock@linjerry, AdobeStock@Allec Gomes, AdobeStock@Artco

BUSINESS COMMUNICATIONS AND PROJECT SUPPORT

fa-bel-haft, Renate Ruhaltinger-Mader

DESIGN

Dechant Grafische Arbeiten

PRINTING

Print Alliance

Printed climate neutral on environmentally friendly paper Impact Natural 100% wastepaper FSC® with plant-based bio-degradable colors without mineral nutrients. This product corresponds to the Austrian Eco Label for low-emission print.



Printed according to the »Print Product« directive of the Austrian Eco Label, Print Alliance HAV Produktions GmbH, UW-Nr. 715

benefit

Kommunalkredit Public Consulting

Performance report 2021



Acknowledgments

On behalf of KPC, we would like to thank our partners, clients, the supervisory board and the advisory board for their cooperation, support, and continued faith in us.

We would also like to thank our employees for their commitment, loyalty, flexibility, and openness to something new.

performance report

Lead to Success

- 08 The business year 2021
 - 12 Environment, Social, Governance
 - 16 Project development in the field of renewable energies
 - 18 Electric mobility remains on the fast lane in 2021
-

Business area Funding Management

- 21 Business area Funding Management
 - 22 Our contribution ... to the national climate and energy strategy
 - 29 Forest fund
 - 30 Adaption of funding requirements in the course of the ÖARP
 - 31 „Raus aus Öl und Gas“
Continuation of a success story
 - 34 Our contribution ... to flood protection
 - 40 Our contribution ... to residential water management
 - 44 Our contribution ... to the remediation of contaminated sites
-

Business area Consulting

- 49 Business area Consulting
 - 50 PAF – Innovative finance mechanisms for climate protection measures
 - 52 Green Economy Finance Facility – Western Balkans
 - 54 Program for green investments in cities – Green Cities Action Plan
 - 56 Climate Austria – Collaboration partners 2021
-

- 76 Epilogue

facts+figures

Lead to Success

- 61 Business development 2021
 - 63 Best of ... events
-

Business area Funding Management

- 65 Processing numbers 2021
 - 66 Ecological effects
Environmental funding for businesses and municipalities
Environmental funding for private households
 - 67 Water management
 - 67 Contaminated sites
-

- 68 SDGs – KPC's contribution to sustainable development
-

Business area Consulting

- 69 Where are our projects located?
 - 70 Climate Austria
-

Kommunalkredit Public Consulting GmbH

- 71 KPC team
 - 72 Proprietors and bodies
-

This issue's highlights

p. 13

ESG means Environment, Social, and Governance which constitute the three pillars of sustainability. Within these areas, the financing sector has to develop specific answers in order to adequately support the real economy in transitioning towards a sustainable future. The goal is to translate the topic of sustainability into concrete, manageable, and legally admissible norms. For this, the EU has developed a sustainable financing strategy in 2018 already, which directs cash flows towards a sustainable economic development.

p. 17

Since 2021, KPC is establishing a new business area: project development in the field of renewable energies. The goal is to use KPC's technical know-how together with Kommunalkredit's financial capacity and develop projects in the field of renewable energies in Austria but also in the EU.

p. 19

The change towards climate friendly mobility has considerably quickened once again in 2021. A very attractive funding offer for private individuals and businesses plays an important role here. That way, more electric vehicles than Diesel powered ones were registered in September 2021 for the first time ever. E-mobility has now finally arrived on Austrian roads.

p. 49

Green Cities Framework – Green City Action Plan (GCAP) (program for green investments in cities) The European Bank for Reconstruction and Development (EBRD) has launched its Green Cities Programme with the goal to support cities with their green, climate neutral, and resilient transition. In the course of the program, the participating cities are supported in the identification and prioritization of their primary environment problems and further in the definition of adequate investment and political measures.

EDITORIAL

From the
BENEFIT editorial staff

Dear reader,

Also the fifth edition of BENEFIT offers a multitude of interesting topics in regard to what happened in one year at KPC. In the 2021 edition, we would like to present you an interesting interview with the management concerning the business year 2021 – affected by funding budgets that haven't risen strongly on the one hand and the Corona pandemic on the other hand. A balancing act that KPC has coped with optimally.

We are going to inform you about the successful development of the funding framework "e-mobility" which was listed a record year for applications in 2021 once again, we will further let you in on the developments concerning flood protection, and we are also going to present you an interesting interview about our new business area "project development in the field of renewable energies".

Have you always wanted to know what "ESG" stands for? An informative interview with experts DI MBA Wolfgang Diernhofer and DI Reinhard Fischer will provide you with answers to all your questions concerning sustainability in the financial sector.

We hope you will enjoy reading our stories.

The world is changing.

We are facing new and complex duties and challenges. The global health crisis and its effects have not been overcome yet; geopolitical tensions and military developments tighten the initial situation.

All this has confirmed the increasing need for panic-proof infrastructure and the significance of a working infrastructure in order for society to survive. The necessity of the maintenance, modernization, and extension of infrastructure in the fields of supply, social infrastructure, and communication will continue to be on the agenda of public and private policy makers. With everything happening, we must not lose sight of climate change being and remaining one of the biggest challenges. This calls for extensive investments, especially in the fields of infrastructure and energy.

Kommunalkredit group targets exactly that: with investments in sustainable infrastructure and energy projects, we create considerable additional value for society. Kommunalkredit Public Consulting (KPC) with its focus on climate and environment protection projects essentially contributes to these national and international climate and energy targets by means of funding management, project consulting and development. In 2021, about 100,000 projects have been assessed (an increase of 142% compared to the previous year), which had an investment volume of almost 4.6 billion Euro as their basis. Besides the positive environmental effects, this also acts as an important driving force for the regional and local economy.

KPC's expertise ranges from technical and economic consulting service to the conduct of studies, capacity development and policy advice as well as sustainable finance analyses for national and international organizations and financial institutions. Concerning international consulting, the Kommunalkredit subsidiary has put a particular focus on counseling services in the fields of energy, climate protection, and sustainable finance. An increased focus also lies on services in the field of ESG (Environment, Social & Governance) and on topics regarding green finance and the EU taxonomy. In addition to that, KPC is a counselor of the Austrian board member in the Green Climate Fund which, as an international climate finance instrument, provides financial means for projects regarding emission reduction as well as measures to adapt to climate change in developing countries.

Since 2021, KPC is establishing a new business area: project development in the field of renewable energies. The goal is to use KPC's technical know-how together with Kommunalkredit's financial capacity and develop projects in the field of renewable energies in Austria but also in the EU. For this, a new team of experts concerning renewable energies will be established, which will enable the development and realization of photovoltaic and wind projects within the Kommunalkredit group as well as in the course of collaborations. A further step in order to strengthen the Kommunalkredit group's position in regard to national and international climate and energy goals as well as the Green Deal. With its expertise and a precise focus on topics regarding environment, energy, and climate, KPC is an integral part of the company group and positioned ideally for the future.

Kind regards,
Bernd Fislage

Chairman of the supervisory board

A photograph of a field of tall grasses. The foreground is filled with a dense thicket of dry, golden-brown grasses. A single, thin, green stem rises vertically from the center-right of the foreground, extending towards the top of the frame. The background is a soft, out-of-focus expanse of similar grasses, bathed in a warm, golden light that creates a hazy, atmospheric effect. The overall color palette is dominated by warm yellows, oranges, and greens.

The business year 2021

INTERVIEW



In an interview with the management, new KPC Executive Director Mag.^a Gerlinde Mayerhofer-Fras together with KPC Executive Directors DI Christopher Giay and Dipl. Kfm. Frank Hasselwander review the business year 2021 – a year of changes, which was affected by the Corona pandemic again but still proved to be very successful in a lot of business areas.

What was the year 2021 affected by for KPC? Which changes took place?

C. Giay: The tragic loss of Alexandra Amersortorfer who died on April 8th, 2021 after a long illness required a realignment of KPC's management. After Frank Hasselwander strengthening the management in March 2021 with his expertise in acquisition, development, conception, and funding of projects in the field of renewable energies, Gerlinde Mayerhofer-Fras, as the successor of Alexandra Amersortorfer, was appointed KPC Executive Director in October 2021.

How did KPC's business develop in the previous year? How have things progressed concerning funding management in particular?

C. Giay: For KPC, 2021 was mainly affected by funding budgets that haven risen strongly in regard to national environmental funding, the renovation offensive and "Raus aus Öl und Gas" as well as the Climate and Energy Fund – a pleasant development for KPC and also for climate protection. Never before has such an amount of means of climate relevant fundings been available. This has enabled a considerable increase of requests for the funding of climate protection projects: in 2021, 100 % more applications have been submitted compared to the previous year. Despite the very difficult surrounding conditions, KPC has been able to successfully cope with this positive challenge and presented itself on a high-performance level. In order to meet the rising funding demand, more than 20 new employees were hired in 2021.

G. Mayerhofer-Fras: You could say it was a very successful year for a lot of our business areas. With about 98,300 assessments and a funding volume of about 773 million Euro, we can look back on one of the most successful business years in the history of environmental funding. And, as noted earlier, we have grown considerably compared to the previous year.

Which funding areas should be particularly emphasized here?

G. Mayerhofer-Fras: The change towards climate friendly mobility has considerably quickened in 2021. After a successful start of the e-mobility offensive in the years 2019/2020, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology continued said campaign in 2021 and provided additional means of funding in the amount of 114.5 million Euro. The e-mobility offensive will also be continued in 2022 with a considerable budget rise compared to the previous year. Overall, 167.2 million Euro will be available for e-mobility measures in the promotion period.

The development and implementation of new funding programs is part of KPC's business activities. What can be said about this?

G. Mayerhofer-Fras: To name a few examples, I would like to emphasize the implementation of a funding program concerning the promotion of timber construction in the forest fund, numerous funding offers in the course of the Austrian Recovery and Resilience Facility, as well as the introduction of a new funding offer concerning the decarbonization of district heating.



Gerlinde Mayerhofer-Fras has been Executive Director of Kommunalkredit Public Consulting since 2021. She studied law, and, besides the funding area climate and energy, she is also responsible for central services and sustainability agenda.



Frank Hasselwander has been Executive Director of Kommunalkredit Public Consulting since 2021. He is a graduate in business management and commercial director, as well as an expert in renewable energies and the project development of these technologies.

2021 saw the addition of the area "international project development" to the portfolio. Can you give a first summary?

F. Hasselwander: We started with that in March 2021. The goal is to build an effective team which, in the beginning, puts the focus on the development and implementation of photovoltaic and wind projects in Austria and the EU. Together with Kommunalkredit Austria AG (KA) and joint ventures with local project developers, we identify and develop projects of the MW class in order to sell them either "ready to build" or fully completed to interested investors. For this year, we are expecting the finalization with local developers in the >250 MW scope and the implementation of the first photovoltaic projects coming from this pipeline. Further projects are in acquisition and follow the goal of the "Green Deal" in the EU and the decarbonization of our economy.

Let's take a look at consulting: how have things progressed in 2021?

F. Hasselwander: The business area consulting continued to be affected by the Corona pandemic in 2021. The noticeable effects concerning calls for tender and granting procedures as well as the restrictions in regard to project works on site were compensated with a target-oriented participation in the calls for tender and an adapted project management of the running projects. Furthermore, we have continued to pursue new consulting approaches in the field of sustainable finance in 2021. Based on the increasing demand for sustainable financial products in the financial sector and on the regulatory developments in regard to taxonomy in the EU, KPC's consulting offer now also addresses financial institutions which want to be active in the field of climate protection. In particular, we have extended our activities concerning ESG (Environment, Social, Governance), and, in regard to green loans, we got accredited as a verification agent according to the standard of the Climate Bond Initiative (CBI).

Climate Austria is a product of KPC. How has this Austrian climate protection initiative developed in 2021?

G. Mayerhofer-Fras: Since the start of the business, Climate Austria has become one of the leading compensation providers in Austria. It was possible to gain notable partners like Almdudler, Wiener Börse, Fini's Feinstes, SalzburgMilch and the Parliamentary Administration in 2021. We are confident that climate protection will remain an important topic for companies and that the compensation of unavoidable CO₂ emissions will serve as an integral part of the corporate strategy. This is confirmed by numerous cooperation partners of Climate Austria.

How has the collaboration with Kommunal-kredit Austria AG developed in 2021?

G. Mayerhofer-Fras: KPC continues to acutely and successfully collaborate with Kommunal-kredit Austria AG. KPC offers technical assistance up to the supervision of projects in the joint venture PeakSun between Kommunal-kredit Austria AG and the eww Anlagentechnik GmbH, which, in the course of photovoltaic contracting, offers companies the possibility to produce their own solar power at a favorable price and use it without having to make investments. KPC also contributes its expertise with the development of sustainable asset and finance products. With their technical competence, KPC's experts support the bank employees in the development and assessment of international infrastructure projects.

Finally, an outlook: what is due in 2022?

C. Giay: As pointed out already, we will be allowed to manage a considerable higher amount of means of funding regarding national environmental funding, the renovation offensive as well as the Climate and Energy Fund. In addition, means of funding from the European Recovery and Resilience Facility (RRF) will be available.



DI Christopher Giay has been Executive Director of Kommunal-kredit Public Consulting since 2005. He studied agricultural engineering and water management. He is the managing director as well as an expert in the development and implementation of funding programs.

New funding frameworks will start, for instance recycling management, the repair bonus, or a funding program for farms on their way to energy self-sufficiency.

With consulting, we continue to pursue a definite growth strategy – including new topics like "ESG – Environment, Social, Governance" and new clients.

Already successful campaigns like the e-mobility offensive and "Raus aus Öl und Gas" are to be continued in 2022 with considerably higher funding budgets. ●



Environment,
Social, Governance

An interview with DI MBA Wolfgang Diernhofer and DI Reinhard Fischer on the topic of "Environment, Social, Governance".

The topic of ESG is very popular at the moment. What does it actually refer to?

W. Diernhofer: ESG means Environment, Social, and Governance which constitute the three pillars of sustainability. Within these areas, the financing sector has to develop specific answers in order to adequately support the real economy in transitioning towards a sustainable future. The goal is to translate the topic of sustainability into concrete, manageable, and legally admissible norms. For this, the EU has developed a sustainable financing strategy in 2018 already, which directs cash flows towards a sustainable economic development. This shall help investors with investing in sustainable technologies in order to reach the climate goals of the Paris Agreement.

R. Fischer: ESG is about measures that define how finance institutions have to align their processes towards green activities; for instance the assessment and increased alignment of existing loan portfolios in regard to climate relevant investments, the obligation to disclosure and to a reporting system with defined nonfinancial information, and the risk evaluation of ESG risks in bank products.

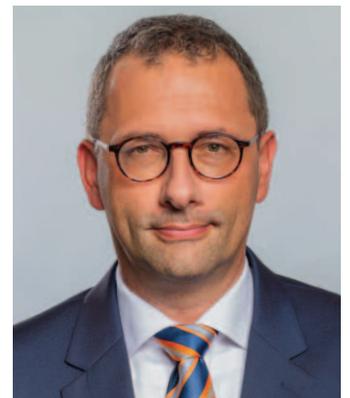
In connection to ESG, taxonomy and CSRD are often mentioned.

W. Diernhofer: Dealing with taxonomy and the obligation to disclosure according to the (future) Corporate Sustainability Reporting Directive (CSRD) are on top of the list of many finance institutions. Taxonomy can be compared to a dictionary for green activities, meaning it defines which economic activities are to be classified as "green". The EU has defined six environment goals in the course of the taxonomy directive: the decrease of climate change, the adaption to climate change, the use and protection of water resources, recycling management, the prevention of environmental pollution, as well as the protection and recovery of biodiversity and ecosystems. Especially at the beginning of the new year, the implementation of taxonomy was discussed controversially in terms of if nuclear energy and the use of natural gas can be classified as "green".

R. Fischer: The CSRD deals with the obligatory reporting of the economic activities of companies in the course of the existing year-end closing and reporting. What only a few companies have published in their sustainability reporting so far, will pledge about 2,000 companies in Austria alone to report on their business performance in regard to ESG on a regular basis and according to fixed standards from 2023 on. More than ever, this should help stakeholders to determine whether companies are on a sustainable path into the future.



Wolfgang Diernhofer is the responsible head of department for consulting at KPC. Besides counseling projects for multinational institutions and financing banks, he also accounts for project developments in the field of sustainable, green finance.



Reinhard Fischer is a senior expert in the field of sustainable finance at KPC. He oversees projects which deal with the use of taxonomy, the certification of green loans, and the assessment of green assets.

How is ESG significant for companies in the future?

W. Diernhofer: The implementation of ESG along with the accompanying directives and regulations will create a lot of challenges but also chances for companies. On the one hand, companies will have to make preparations in order to depict their ways of decarbonizing, they will have to report on their green economic activities in the course of the CSRD and disclose environmental indicators like the Green Asset Ratio respectively. On the other hand, the transition from a "brown" to a "green" economy offers new business opportunities to a lot of companies. For instance, banks have started to adapt their product portfolios and offer their clients green products like green savings accounts, green loans, or green mortgages.

Fischer: The measures for the transformation of finance and the real economy towards sustainable, green economic sectors have only started yet. More and more companies are getting aware of the change concerning business as they know it, a change that is irreversible and the only reasonable answer to already noticeable effects of climate change.

What significance does ESG have for KPC, and what is KPC's role in this field?

W. Diernhofer: We see that, for companies, ESG presents a lot of challenges which rise in numbers and are becoming the focus of attention for economic action. At the same time, we are aware of a lack of know-how within companies that only have very few resources for ESG and sustainability at hand. Many companies are only learning now that the topic of sustainability changes from a soft communication topic into a multi-disciplinary one that both concerns trading and back-office processing & control.

Fischer: This is where KPC's counseling approach comes into play. With our up-to-date expertise we are able to purposefully support and accompany companies transforming into green companies. For instance, KPC got accredited as a verification agent according to the Green Bond Standard for green loans and can therefore supervise companies with the emission of green loans. KPC also has hands-on experience in the screening of loan portfolios or the classification of company activities according to the taxonomy directive. In regard to that, KPC not only acts in Austria but has accepted orders of multilateral finance institutions within the EU and beyond.

W. Diernhofer: In summary, you can say that KPC is going to be an integral part of economic life, which is essential for the development towards green and sustainable company activities. The respective changes and their legislative incorporation have already become a subject of the economic cycle and will rise considerably in the coming years. Based on its experiences and expertise in this field, KPC aims at being an important partner for companies and their transformation. ●





Project development in the field
of renewable energies

An interview with Dipl. Kfm. Frank Hasselwander on the topic of "project development in the field of renewable energies", the new business area of Kommunalkredit Public Consulting (KPC).

Since 2021, KPC has been extending the business area "project development in the field of renewable energies". What is it all about?

F. Hasselwander: The simplest way to describe it is to look at our very own photovoltaic project on top of our headquarters at Türkenstraße in Vienna. You start with looking for a location (in that case the roof of Kommunalkredit Austria AG [KA]), and then you conclude a lease agreement with the owner, which arranges that a photovoltaic plant may be installed on site. After that, the planning in regard to which roof areas can be used for the plant begins. What follows is the compilation of a face plan and determination of the dimension of the photovoltaic system. For this, regulatory, technical, private-law, but also climatic surrounding conditions are to be considered. It mainly is about the following questions: does my photovoltaic system meet all fire protection requirements? Is it allowed to be visible from the street? Does my neighbour allow for the joint use of their wall? Is an alignment towards the south the only reasonable way? Am I exceeding roof loads?...

When these questions are answered, the necessary documents will be compiled and submitted to the respective authorities and parties. As soon as the planning permission has been granted, it is possible to start with the realization of the project. This is carried out by specialized companies which have been previously selected on the basis of offers. With large-scale projects, which are our main focus, everything is more complex because not only are there more parties involved but also the effects on the environment are bigger and need to be examined first.

What is the duration of a permit procedure?

F. Hasselwander: You can basically say that the duration of permit procedures for wind projects is longer than for photovoltaic projects. According to their size, photovoltaic projects can usually be completed within a year; with bigger photovoltaic projects in the megawatt scope, a duration of more than a year is to be expected. Wind projects on the contrary can hardly be realized under two years due to the noise and shadow expert opinions as well as the bird studies that are part of the permit.

Can you tell us about specific projects which have been started?

F. Hasselwander: In order to not start with several years of lead time at KPC, I have looked for joint venture partners whom I have worked with in the past. This means we are joining projects that have already been pre-processed by our partners. Currently, we are looking for suitable photovoltaic projects in the megawatt scope in Poland, Spain, and Germany. I am confident we will soon be able to realize one of the collaboration projects.

Who are the partners KPC works with?

F. Hasselwander: As noted earlier, they are usually smaller project developers whom I have worked with in the past and who are able to implement further and bigger projects together with us and the KA. ●



Frank Hasselwander has been Executive Director of Kommunalkredit Public Consulting since 2021. He is a graduate in business management and commercial director, as well as an expert in renewable energies and the project development of these technologies.

A close-up photograph of a green evergreen branch, likely a spruce or fir, showing numerous small, pointed buds. The buds are arranged in a regular pattern along the branch, and the overall color is a vibrant green. The background is dark and out of focus.

Electric mobility remains
on the fast lane in 2021

The change towards climate friendly mobility has considerably quickened once again in 2021. A very attractive funding offer for private individuals and businesses* plays an important role here. That way, more electric vehicles than Diesel powered ones were registered in September 2021 for the first time ever. E-mobility has now finally arrived on Austrian roads.

After a successful start of the e-mobility offensive in the years 2019/2020, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology continued said campaign in 2021 and provided additional means of funding in the amount of 114.5 million Euro. Together with vehicle and two-wheeler importers and the specialist sports trade, private individuals and businesses* were once again supported in the purchase of e-vehicles, e-two wheelers, e-light vehicles, light e-commercial vehicles, e-minibusses, and e-special vehicles.

More accuracy regarding the funding of e-charging infrastructure

Also the investments in e-charging infrastructure were again awarded in 2021. For the first time, a funding possibility for charging stations, wall boxes, and intelligent chargers was available even when no vehicle was purchased. On top of that, besides publicly available charging stations, also non publicly available ones could be funded. With technical specifications, the level of detail was increased considerably which further significantly improved the accuracy concerning the amount of funding. In 2021, it was not differentiated between the amount of devices, but charging points were funded instead. The amount of funding varied according to the performance of the charging point and public availability.

Up to 50% funding for 100% climate protection

The use of vehicles and charging infrastructure powered by electricity and hydrogen from 100% renewable energies constitutes a requirement for all funding offers. The funding is offered in the form of flat rates which are limited to 50% of the environmentally relevant investment costs for private individuals and 30% for businesses.

Once again a record year 2021: number of e-vehicles continually increases

Both extensive funding offers and great public interest are reflected in the number of vehicle registrations: in total, 33,250 applications for the mobility offensive could be funded in 2021. 22,244 strictly electric powered vehicles constitute the largest group. If one considers all eligible e-vehicles, this number even rises to a total of 36,330 vehicles. A clear sign electric mobility continues to gain popularity.

In the course of the current campaign, 11,845 vehicles for private use and 24,485 vehicles for business use were able to get funded. On top of that, 2,146 publicly available and 1,772 non publicly available charging points with different performance stages were funded for businesses.¹ It was also possible to fund 7,769 private charging stations, wall boxes, and intelligent chargers irrespective of the fact if a vehicle was purchased or not. This way, for the first time, more than 11,687 charging points were funded in 2021.

Continuation in 2022

The successful e-mobility offensive will also be continued in 2022 with a considerable budget rise compared to the previous year. Overall, 167.2 million Euro will be available for e-mobility measures in the promotion period. The funding campaign supports the purchase of electric vehicles and e-charging infrastructure for private and business use. For further details on funding offers, please see www.umweltfoerderung.at.

* This term is representative for businesses, public local authorities, clubs, and confessional institutions.



BUSINESS AREA

FUNDING MANAGEMENT

Funding management is our main business area. For our clients, we implement tailored funding programs in the field of climate and environment protection. Serving as an interface between our clients who provide financial means and the applicants of funds, we see the whole funding process through. The funding process is carried out on a digital, networking and coordinated basis and guarantees a quick and non-bureaucratic handling of the instruments. Clear funding criteria make for objectivity and planning reliability and add to customer satisfaction.

The range of services includes:

- Granting of funding application in form and content
- Determination of funding degree
- Support concerning the decision process, compiling of funding recommendations
- Assistance of decision boards
- Issuing of contracts and letters of rejection
- Processing of final settlements and payment management
- Monitoring and reporting

For further information concerning funding management, please go to:

www.umweltfoerderung.at

CONTRIBUTION 1

National climate and energy strategy
National environmental funding substantially helped towards the realization of the Austrian climate and energy strategy in 2021.

CONTRIBUTION 2

„Raus aus Öl und Gas“

Continuation of a success story with a new record budget: means of funding in the amount of 400 million Euro are available for replacing a fossil heating system with a modern and sustainable one in the years 2021 and 2022.

CONTRIBUTION 3

Flood protection

The project "Integrated flood protection Liesingbach" in Vienna makes for a significant improvement of the flood protection along the Liesingbach und further considerably improves its water quality.

CONTRIBUTION 4

Remediation of contaminated sites "Land recycling" – together with the experts of Kommunalkredit Public Consulting (KPC), the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) has set up a new funding framework as a contribution to the reduction of land consumption.

Facts and figures regarding funding management can be found in **Facts & Figures 2021** further back in this report. (page 65)

OUR CONTRIBUTION ...
to the national climate
and energy strategy



The main goal of the national climate and energy strategy is the decarbonization of both the economy and the energy systems. The energy revolution is not only connected to technological change but is also a social project. The revolution shall be made possible through a combination of awareness raising measures, the increase of energy efficiency, the efficient use of renewable energies, and the specific support of innovative environmental technologies.

The goal: until 2030, greenhouse gas emissions are to be reduced by 36% in comparison to 2005. Electricity in Austria shall be fully produced by renewable energies. The fundings in regard to environment are an important tool for the achievement of these ambitious goals of the Austrian federal government.

National environmental funding (UFI) is the long-standing established instrument by the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) and processed by KPC for the funding of environment and climate protection measures in Austria. Over the last years already, this instrument has put a particular focus on climate protection: with the funding of renewable energies, a broad funding palette concerning energy efficiency, the use of industrial waste heat, and more. Besides that, also resource efficiency belongs to the funding offer. In the future, an even stronger focus on the national climate and energy strategy (NEKP) will take place.

The second big instrument for which KPC oversees funding actions in the field of climate and energy is the Climate and Energy Fund which also has a broad funding palette designed for different target groups. A lot of the projects which are processed daily by employees of KPC are making a significant contribution to the implementation of the NEKP.

Electric mobility

Being a main focus of the Austrian federal government, electric mobility acts as a key measure for the decarbonization of traffic. With about 46% of the total emissions (outside of emissions trading), traffic currently is the sector in Austria that produces the most emissions. Therefore, electric mobility with power produced by renewable energies carries the hope to reduce greenhouse gas emissions in the field of traffic. In order to achieve the overall goal until 2030, a reduction of emissions by about 7.9 million metric tons of CO₂ equivalent is intended.

National environmental funding (UFI) together with the Climate and Energy Fund (KLIEN) and with their main focus on e-mobility also play an important role as pioneers in this field. The basis consists of the "e-mobility offensive" which was initiated by the Austrian federal government in collaboration with vehicle and two-wheeler importers and the specialist sports trade. The main focus is on the installation of efficient charging infrastructure and the funding of conventional electric and plug-in hybrid powered vehicles.

Overall, almost 18,400 companies have registered for funding in 2021; more than 11,600 applications for electric and plug-in hybrid powered vehicles have been submitted for funding. The numbers from the private sector are also positive: more than 23,000 private individuals have registered for funding in 2021; in the same year, more than 18,700 vehicles – also electric powered two-wheelers and electric cargo bikes – have been submitted for funding. The processing of the funding regarding e-mobility of private individuals alone saves 16,500 metric tons of CO₂ per year. In the operational field, a total of 40,000 metric tons CO₂ could be saved in 2021.

Thermal renovation

About 16% of Austrian greenhouse gas emissions in sectors outside of emissions trading are caused by heating and hot water production in buildings.

Thermal renovation and the conversion to renewable energies contribute to the reduction of greenhouse gas emissions in sectors outside of emissions trading and the Austrian demand for energy. Until 2030, at least 3 million metric tons of CO₂ equivalent shall be saved. With this, these measures considerably contribute to the goal of Austria being climate neutral in 2040 the latest. The funding of thermal building renovation is making an important contribution to the realization of the goal. In the course of the renovation offensive 2021, about 21,900 projects were submitted for funding. The projects were supported with means of funding with an amount of 142 million Euro. About 316 commercial and 12,971 private projects have been granted in the same year. A considerable amount of the means of funding has been derived from the "Raus aus dem Öl und Gas" bonus (see "renewable heat"). The funding applications granted in 2021 yield an annual reduction of about 98,400 metric tons of CO₂.

Renewable heat

Here, the demand for heating and water is also an important topic – but from another point of view. Fossil heating systems (fuel oil, natural gas) still play a major role concerning heating in Austria. Even though the amount of renewable energies has risen, many oil and gas heating systems are still operating nationwide, the latter also in new buildings. The projects funded by national environmental funding increase the use of renewable energies by many gigawatt hours annually. Concerning this field, the construction of local heating supply on the basis of renewable energies, a district heating connection, heat pumps, biomass individual plants and micro grids, geothermal use, and thermal solar systems are funded. With an environmentally relevant investment volume of about 272.3 million Euro, the respective funded projects in 2021 are able to reduce about 209,000 metric tons of CO₂ per year. The aforementioned renovation offensive and the "Raus aus dem Öl" bonus add to that. In 2021, more than 18,577 family home households have utilized the bonus. This means 79% of all granted projects in this field. The projects funded in the course of national environmental funding (UFI) boost the use of renewable energies in Austria, reduce greenhouse gas emissions, increase the degree of national self-supply with energy, and push local value added.

PROJECT EXAMPLE
ELECTRIC MOBILITY
Wohnprojekt Wien

"Verein für nachhaltiges Leben"
and their holistic view of mobility

Since the middle of 2021, inhabitants of "Wohnprojekt Wien" in the 2nd district of Vienna have an electric vehicle at their disposal for joint use. Thanks to a battery capacity of 62 kWh, the new Nissan Leaf has a range of up to 385km. According to the manufacturer's instructions, even 528km are possible in urban traffic. The electric powered new addition to the car and bike sharing project bridges one of the last gaps of the sustainable mobility concept of the "Verein für nachhaltiges Leben", which primarily focuses on the use of public transport, (e-)bikes, and (e-)cargo bikes. Also the neighboring project "Wohnen mit Scharf" is involved in the project.

The e-charging station was implemented in the shared underground garage of both buildings. The charging power 100% comes from renewable energies and is mostly produced by a photovoltaic plant which is set up on the premises. Inhabitants of more than 80 apartments are now able to rent an electric vehicle at a low price via a digitally supported rent system including a rate system that differentiates between frequent and non frequent drivers.



This makes for a flexible and environmental friendly use of Austrian roads. The offer is well accepted; the local car sharing project is a complete success. Since the launch, the climate friendly corporate e-vehicle has covered a distance of thousands of kilometers. It is used by the club members for various transports, trips, and other destinations that are difficult to reach via public transport or bike.

With a total investment volume of 37,168 Euro net of tax for the electric vehicle and the e-charging station, the "Wohnprojekt Wien" of the "Verein für nachhaltiges Leben" considerably contributes to the decarbonization of traffic and therefore to a transition to sustainable mobility. These projects funded with a total of 2,900 Euro by the Climate and Energy Fund are able to annually save up to 14.95 metric tons of CO₂.

Lennart Pusch, David Spiola and Tom Cook
[e-Wow-Group and inhabitants of "Wohnprojekt Wien"]



PROJECT EXAMPLE
THERMAL RENOVATION

Stadt Salzburg
Immobilien GmbH

Thermal renovation of two school buildings for more sustainability and climate protection



The SIG Stadt Salzburg Immobilien GmbH is a wholly owned subsidiary of the City of Salzburg and, as an autonomous limited liability corporation, administers the city's developed real estates. Among them are official buildings, schools, preschools, sports grounds, nursing homes, businesses, as well as residential and business buildings. The company has an extensive assignment portfolio which comprises the holistic view of all performances of a real estate during its entire life cycle reaching from the study, planning, establishment, and its operation to the renovation, reuse, dismantling, and disposal.

Thermal renovation usually refers to the modernization of a building in order to minimize the energy consumption for heating, hot water, and ventilation. It is one of the best measures to save energy, CO₂ emissions, and most of all money. A change from a fossil heating system to one powered by renewable energies (pellets, woodchips, solar heat) will improve the carbon footprint by 100%. In order to take a next step towards climate protection and sustainability, the Stadt Salzburg Immobilien GmbH intends the thermal renovation of two school buildings in Salzburg.

One of the projects is the Volks- und Neue Mittelschule Taxham built in 1968. In the course of thermal renovation, the existing exterior walls are getting insulated with 20cm mineral rock wool, and 8cm insulating wall panels made of rigid foam are being applied to the soil adjacent walls. Windows and doors will get changed as well. In order to reduce the cooling demand, an exterior sunblind will be additionally applied. Due to the comprehensive renovation, the overall energy efficiency factor of the building will improve significantly from 1.15 to 0.77, and the reference heating demand will be reduced from 76.73 to 29.38 kWh/m²a.

The second project comprises the thermal renovation of the north west wing of Volksschule Leopoldskron. In the course of renovation, the existing exterior walls are getting insulated with 18cm mineral rock wool, and the roof will be equipped with 16cm flat roof insulating boards. Windows and doors will get changed. Also here, an exterior sunblind will be applied in order to reduce the cooling demand. Due to the comprehensive renovation, the overall energy efficiency factor of the building will improve from 0.99 to 0.73, and the reference heating demand will be reduced from 65.3 to 34.5 kWh/m²a.

These planned measures will be able to annually save more than 178 metric tons of CO₂. The project was funded with more than 410,000 Euro in the course of national environmental funding (UFI).



PROJECT EXAMPLE RENEWABLE HEAT

Mayr-Melnhof Holz Reuthe

Wood heating system with micro grid for self supply takes an important step towards climate protection.

For more than 50 years, glued wood products for constructive timber and concrete formwork have been produced at Mayr-Melnhof Holz Reuthe GmbH in Vorarlberg. Today, the company counts as one of Europe's leading providers of glue-laminated timber and supplies woodwork companies, specialist dealers, importers, as well as construction companies worldwide. The roots of the brand "MM Holz" go back to 1850 and are the basis of entrepreneurial thinking which reflects values like sustainability, reliability, modernity, and tradition. The concept of sustainability can be found throughout the whole production and supply process of the Mayr-Melnhof Holz group. The carbon neutral material wood significantly contributes to that. In order to take a next step in the fields of active climate protection and sustainability, the Mayr-Melnhof Holz Reuthe GmbH has now implemented a wood heating system with a micro grid for their self supply.

The existing plants were replaced with two biomass boilers, and the two operating areas were connected via an internal pipeline in an underground utility tunnel. In addition to that, a load smoothing storage was installed. In combination with the superordinated process control, the supply of internal consumers in production (drying of the timber as well as operation of the plants for sheet production) can be secured.

The annual heating demand for the drying chambers, production plants, and the heating of the buildings amounts to about 31,484 MWh. The company aims for the no waste principle: untreated wood remains that cannot be further processed and sawing byproducts from production are used as combustible materials. With the new wood heating system, more than 12,200 metric tons of CO₂ emissions can be annually saved. The project was funded with more than 965,000 Euro in the course of national environmental funding (UFI).

Important Economic Incentives

Extension of the funding offer in the field of climate friendly district heating as of July 2021

New funding area for climate friendly district heating and cooling systems

With the amendment of the Environmental Support Act (UFG) on July 27th, 2021, the funding of district heating and cooling systems was restructured and laid down in the UFG. National environmental funding (UFI) is intended to push the expansion and decarbonization of district heating and cooling systems. The aim is to reach an annual increase of the use of renewable energies and waste heat respectively of more than 1.5%. With this, a significant contribution can be made to the realization of climate neutrality until 2040 in the field of space heating. An annual budget of 30 million Euro from 2021 until 2030 is available for this.

What is climate friendly district heating?

It is called climate friendly district heating when at least 50% of the heat come from renewable sources, industrial waste heat, or 75% from combined heat and power plants, or 50% from a combination of said sources. Investments in building connections and climate friendly district cooling systems with cooling units on the basis of renewable energies or waste heat are funded as well, provided that at least 50% of the industrial waste heat produced by these compression cooling plants is used and supplied with the district heating network.

The evidence (decarbonization path) of achievement of a share of at least 60% of renewable energies until 2030 when it comes to the supply of district heating and district cooling, and a share of 80% until 2035 is a requirement for funding.

A notable project example from the field of renewable energies/use of industrial waste heat is Stadtwerke Judenburg AG.

Stadtwerke Judenburg AG operates a local heating network at their site in Judenburg and plans to extend it by 18 more consumers. Industrial waste heat from the pulp mill in Pöls is used for the supply of the new heat consumers. The heat sale of the whole network amounts to about 12,000 MWh heat per year after implementation. With the implementation of this measure, it is possible to annually save more than 480 metric tons of CO₂.

The use of renewable energies is an important step towards a sustainable future for energy because only renewable energies are available in the long run and allow for a carbon neutral use of energy. With its new funding offer, national environmental funding supports the extension and decarbonization of climate friendly district heating and cooling systems and makes a significant contribution to the achievement of climate neutrality until 2040. ●

FOREST FUND



Due to the effects of climate change, Austrian forests are under considerable strain: extreme weather events, drought, and pest infestation cause a high amount of damaged timber. In 2019, about 62 percent of the overall Austrian timber harvesting consisted of damaged timber. In addition to that, the demand for the resource timber has considerably decreased due to the Corona pandemic. The forest fund is an investment in sustainable forestry which is ready for the future.

The forest secures income, protects from dangers caused by nature, supplies energy, contributes to climate protection, is a habitat for both animals and plants, and a place for recreation for humans. With its effects on the habitat for humans, animals, and plants, it is an essential basis for Austria's ecological, economic, and social development. The forest fund, launched by the federal government, is a promising chance for our forests: 350 million Euro for 10 measures which forest operators, the whole value-added chain forestry-timber-paper, climate, and the community profit from. Among other things, the forest fund contains a bundle of measures for the increased use of timber as basic, raw, and building material. Within this field, KPC processes the funding of the construction of large-volume buildings in the residential and public sector, for instance schools or municipal tenements. A wooden construction of the building with a high share of renewable raw material from sustainable forest management is a requirement. Since February 1st, 2021, funding applications for measures 1 to 6 as well as 8 and 9 can be submitted. The funding processing for measures 7 and 10 are currently under implementation.

One forest fund flagship project which has already been granted is the Versicherungsanstalt öffentlich Bediensteter, Eisenbahnen und Bergbau in Styria.

Sonderkrankenanstalt Mürzzuschlag

The building will be erected south of the existing hospital and care center Mürzzuschlag for the treatment of metabolic disorders. It consists of one and a half basement floors and six and a half above-ground floors with a total of gross floor space of about 14,700 m². The basement floors, the ground floor, and the first floor have a solid construction and accommodate infrastructure facilities.

The 2nd to 5th above-ground floors accommodate 76 single rooms and 4 double rooms for patients. Apart from a few variations, the walls and ceilings will be built in wood modular construction. The single wood modules are industrially prefabricated from wooden solid building boards in a board plywood version and just need to be mounted at the construction site. About 640 tons of timber are used for this which further bind about 1,150 metric tons of CO₂.

From an architectural point of view it has to be noted that, besides the generous glazing of the rooms due to the arrangement of green atria which are situated on the ground floor and on the floors above at various locations, a part of the exterior area will be visually integrated in the inner area. That way, the inside rooms and development areas are brightened up and exposed naturally.

The heat supply is provided by a district heating connection of Stadtwerke Mürzzuschlag, using mostly locally sourced biomass. The project shows that even the highest standards in terms of hygiene and strict requirements in terms of fire protection commonly used in hospitals and healthcare facilities do not contradict timber constructions and can be convincingly realized at least in certain sectors.

Adaption of funding requirements in the course of the ÖARP

National environmental funding (UFI) is the central funding instrument of the federal government when the protection of the environment and climate is involved. It sparks attractive incentives for investments in Austrian environment technologies and simultaneously pushes sustainable economic growth.

The current adaptations of the funding requirements in the course of the ÖARP, which are accompanied by the increase of fundings for "Town centers fit for climate", are other milestones towards climate neutrality 2040.

As from October 8th, 2021, numerous innovations concerning fundings in the course of national environmental funding entered into force. The basis consists of means from the European Recovery and Resilience Facility (RRF) which, in the course of the Austrian Recovery and Resilience Plan (ÖARP), intends to support the economic and social reconstruction after the Corona crisis.

Measures for the creation of town centers fit for climate

The resettlement of businesses in town centers makes the latter more attractive and reduces the need for mobility. Here, national environmental funding intends to push back the fossil operated supply of town centers and provides additional means for the thermal renovation of commercial and municipal buildings and other incentives for district and local heating plants. Furthermore, the effects of climate change in Austria shall be reduced by new concepts for the cooling of town centers in the form of roof and facade greening. For the campaign "Town centers fit for climate", national environmental funding has budgeted a funding volume of a total of 40 million Euro derived from means of the ÖARP until 2026. The respective funding requirements are valid for all projects granted as of October 8th, 2021.

Thermal building renovation in town centers

Increased fundings will now be available for the thermal renovation of commercial and municipal buildings in town centers if the energy efficiency is increased by 30% at least. Proof of energy saving due to renovation has to be provided in the form of energy performance certificates.

New funding area – facade greening in town centers

A part of the funding for town centers fit for climate is available for roof, facade, and soil greening. In the course of national environmental funding, a funding volume of 5 million Euro derived from the ÖARP shall be granted for the financial support of facade greening and for the soil desealing in town centers until 2025. This is about buildings which already go below the existing energy efficiency norms for renovations. The funding can be submitted in the form of a single measure or together with thermal building renovation. ●

„Raus aus Öl und Gas“ Continuation of a success story with a new record budget

The funding campaign "Raus aus Öl und Gas" which has already been much sought-after in previous years was continued in 2021. Planned as a two year campaign for the first time, it launched on February 9th already in the course of the nationwide renovation offensive.

Means of funding in the amount of 400 million Euro are available for the replacement of fossil heating systems with sustainable ones for the years 2021 and 2022 – with the budget being twice as much compared to the previous year. That way, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) continues to pursue Austria's realization of climate neutrality 2040. In 2021, funding applicants were not only able to enjoy a simple and user-friendly online application process for their already realized boiler replacement project but also improved funding requirements: in the field of single and two family houses, the realization period between registration and application was extended to six months. Also, due to an amendment of the funding requirements, the district heating connection charges can now be considered as eligible costs.

Improvements have also been made in the field of multi-story residential buildings: the change from funding individuals to funding buildings caused a considerable simplification of the application process for building owners. In addition to the funding flat charges of up to 10,000 Euro, which are graduated according to the nominal heat output, a premium of 1,500 Euro per apartment can be granted in case of centralized heating. In the course of its development, "Raus aus Öl und Gas" has become a reliable, continuous, and at the same time flexible funding instrument with potentials for specific focuses. The funding flat charges in the field of single and two family houses are currently at up to 7,500 Euro or 50% of the eligible environmental relevant investment costs respectively and are therefore now an

even more attractive offer for the change to a modern and climate friendly heating system. In addition to that, a new funding premium was created in order to particularly push residential buildings in town centers supplied with natural gas towards the connection to highly efficient district heating networks. In the field of single and two family houses, up to 2,000 Euro are possible, whereas the premium for multi-story residential buildings can be up to 4,000 Euro. The attractiveness of this funding campaign is reflected in the number of applications: despite all the challenges for private households and the heating industry caused by the on-going pandemic, about 18,500 applications have been submitted/boiler replacement projects have been funded in 2021.

2021: More than half of the households (58%) opted for a climate friendly biomass heating system. With more than a third (32%), the heating system was changed to a highly efficient heat pump. District heating was used in about 10% of the cases. The main part of the replaced heating systems consisted of oil boilers (67%), followed by multi-fuel stoves/coal/coke (20%). 11% of the households replaced their gas heating system, and 3% had their old electric heating system removed. The annual saving of CO₂ that can be yielded by this amounts to about 130,000 metric tons. With this, about 450,000 MWh energy can be saved per year. The campaign will be seamlessly continued until December 31st, 2022, provided that the budget will not be exhausted ahead of time. This multi-annual perspective offers advantages for all participants of the funding campaign in regard to planning ability, and it is a positive signal for the market to provide capacities for a lot more heating system replacements in the long run. Applications for services that have been rendered in 2021 already can also be submitted in 2022. In addition to that, it is still possible for companies and municipalities to use means of funding for climate friendly heating. For further information concerning the funding campaign "Raus aus Öl und Gas", please see www.raus-aus-oel.at.

PRACTICAL EXAMPLE "Raus aus Öl und Gas"

A Carinthian household becomes
fit for climate

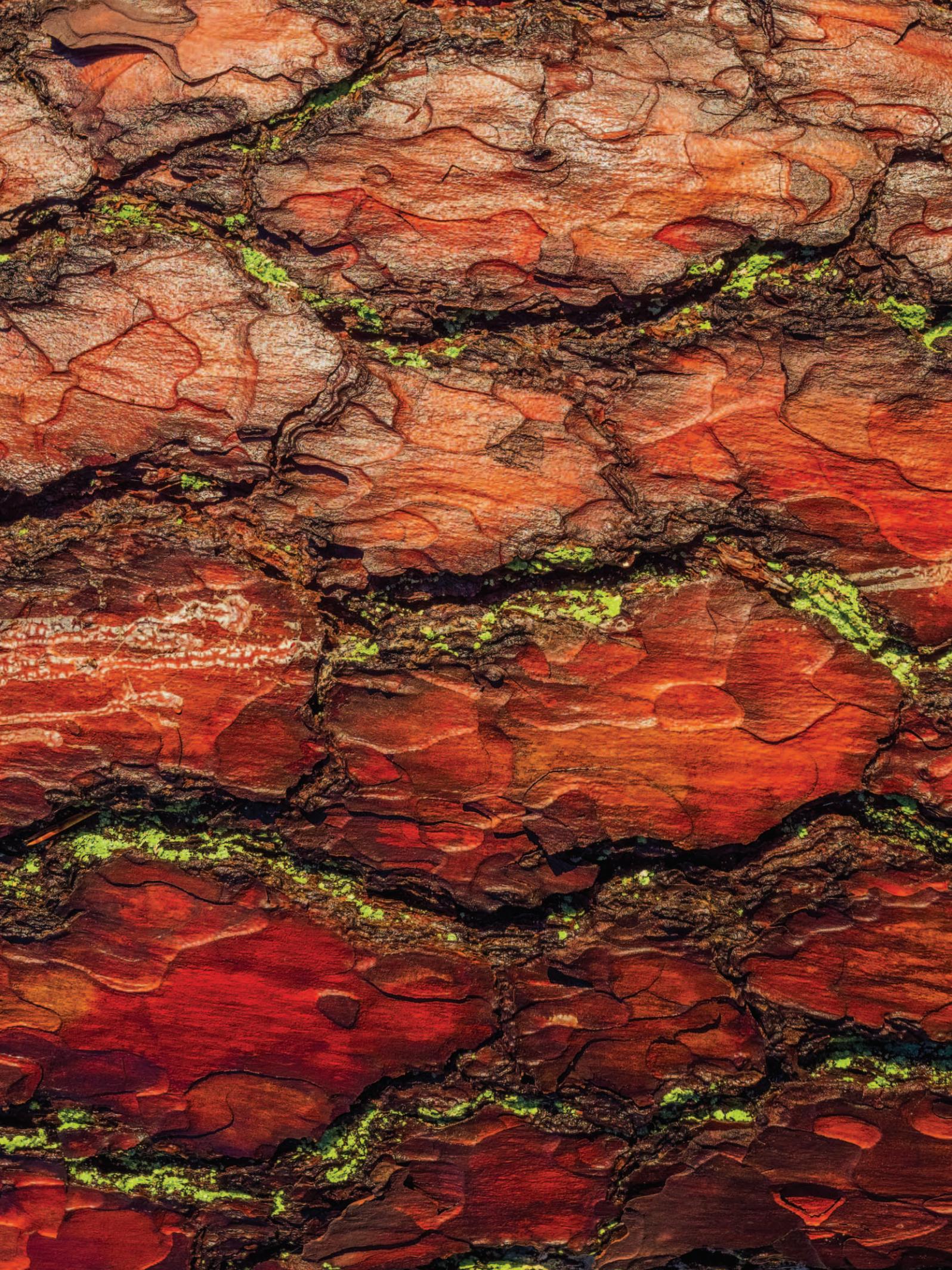


As did about 18,580 other Austrians, also Renate Vallant from Carinthia decided to replace her current heating system in the course of the nationwide funding campaign "Raus aus Öl und Gas", supported by the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK). Instead of the 30 year old oil heating, a modern and climate friendly heating system now provides heat in her single family house in Lavanttal.

In order to get an overview of the different possibilities regarding the replacement of her heating system, Renate Vallant drew on an energy-related advisory service at her home in early summer 2021, which was funded by the federal state of Carinthia. It was intended to produce the heat for her house solely from renewable energies instead of fossil ones. She finally opted for a pellets central heating system by an Upper Austrian manufacturer with a nominal capacity of 15 kW. Besides increased local value added which is generated by both the construction and the operation of the new system, also the ease of maintenance and operation were important to Renate Vallant. A local heating installer carried out the replacement of the heating system, installed the needed pellets storage including a suction probe system, and took care of the professional disposal of the heating oil boiler and tank. In addition to that, the already existing solar heat plant for hot water generation was integrated in the new heating system which was put into operation in October 2021.

A few months later, Renate Vallant is already very satisfied, "The new heating system has met all my expectations. It's a good feeling to know I have contributed to the protection of the environment and was even able to save heating costs." But not only heating costs can be saved but also climate-damaging CO₂ emissions can be reduced due to the replacement of the heating system: the realization of the project is able to annually avoid an emission of 6.77 metric tons of CO₂.

The federal funding by the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) was crucial for Renate Vallant's decision to replace her heating system. The environmentally relevant investment costs of the project amounted to about 21,000 Euro. The replacement of the heating system in the course of "Raus aus Öl und Gas" was funded with 7,500 Euro which equals a third of the expenses incurred. The whole funding processing was carried out on the KPC online platform. The processing was completed after two weeks already. For further information concerning the funding campaign "Raus aus Öl und Gas", please see www.raus-aus-oel.at.



An aerial photograph of a wetland area. The top half of the image shows a body of water with ripples and reflections, appearing in shades of teal and light blue. The bottom half shows a dense field of tall, green reeds or grasses. The overall color palette is dominated by various shades of green and blue.

OUR CONTRIBUTION ...
to flood protection

THE FLOOD YEAR 2021

Several major flood events were registered in Austria in 2021, which caused disastrous damages. The first half of the year was characterized by a long-lasting drought period from February until May, whereas above-average rainfall was registered in May and July.

Heavy floods were caused by the low-pressure zone called "Bernd" which moved from Great Britain via The Netherlands and Belgium to West Germany and then on to Austria and finally to Eastern Europe between July 12th and 19th. In the German federal states North

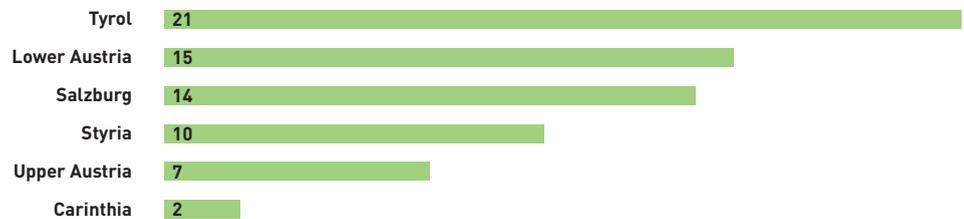
Rhine-Westphalia and Rhineland-Palatinate heavy rainfall was registered, which ultimately lead to disastrous floodings for instance along the Ahr river. As a consequence of this, Germany had to mourn the death of 184 people.

The storm front hitting the Eastern Alps caused heavy floodings and damages especially in the federal states of Tyrol, Salzburg, Styria, and Lower Austria. Some measuring points showed more than twice the amount of rainfall in the course of a month than in an average July. What was striking was the vast amount of storms with only short-time – a couple of hours tops – heavy rain events. Also the fact that many storms were accompanied by hail which further caused massive damages to residential areas and agriculture was exceptional.

1 Overview concerning the immediate measures

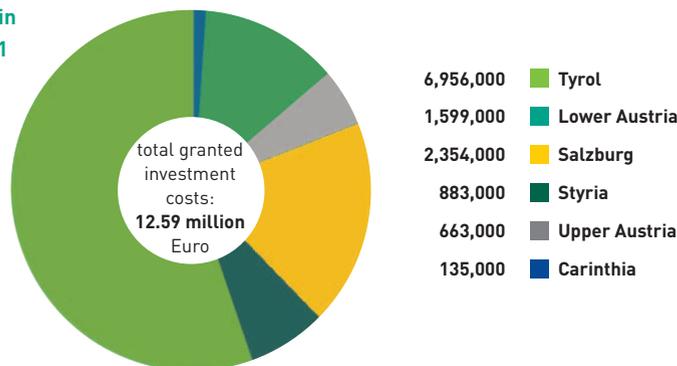
in regard to flood protection, which have been funded with federal means after the flood events 2021

(Total number: 69)
[source: KPC]



2 Overview concerning the total costs of immediate measures in regard to flood protection 2021

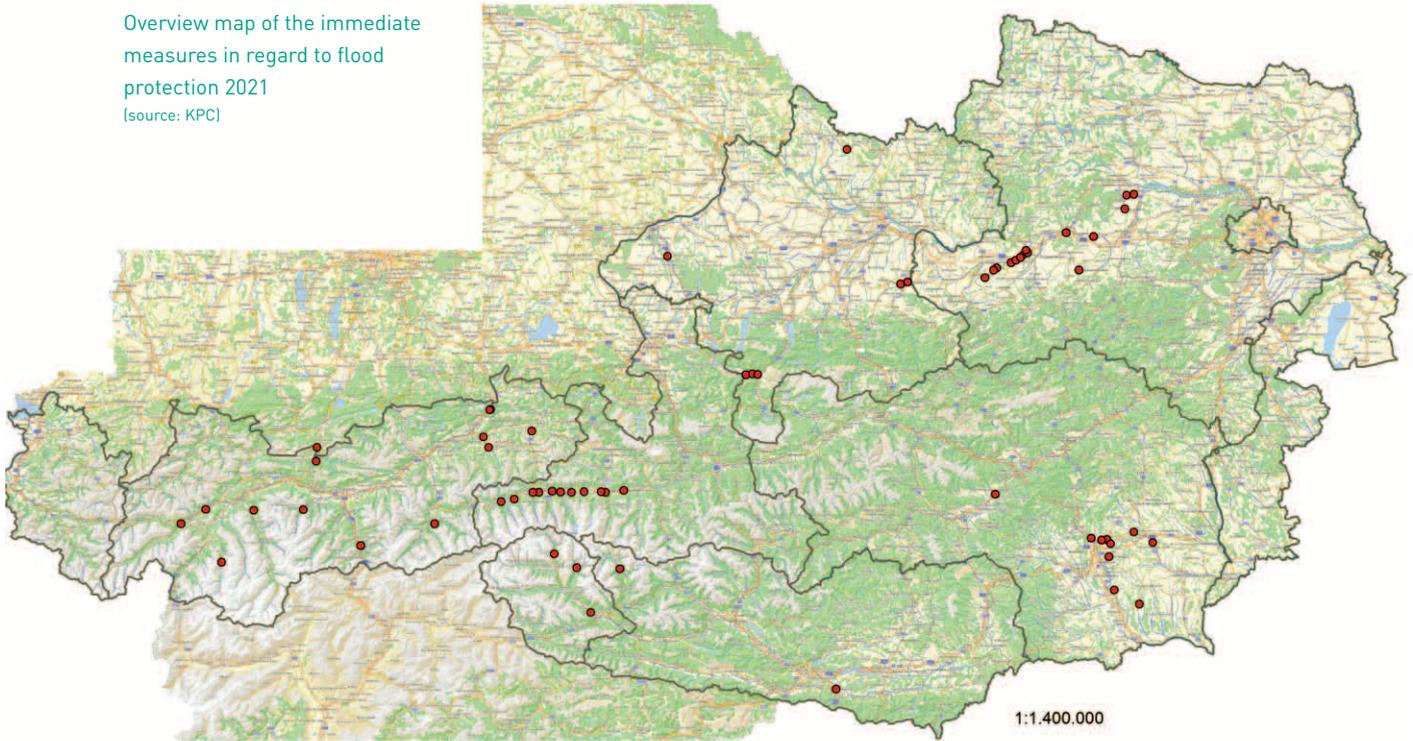
[source: KPC]



Facts and figures regarding flood protection can be found in **Facts & Figures 2021** further back in this report. (page 67)

3

Overview map of the immediate measures in regard to flood protection 2021
(source: KPC)

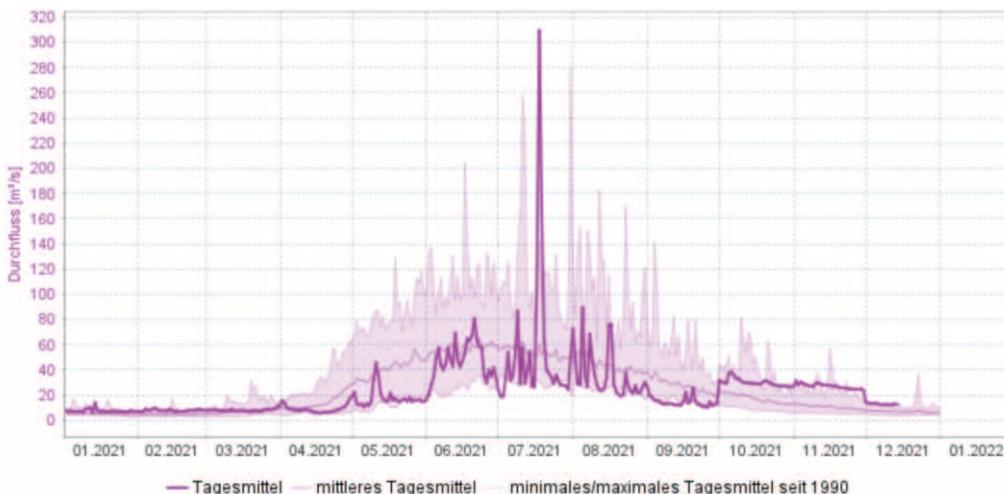


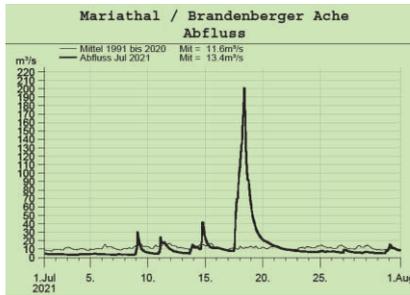
In this short period of time, a total of 25 flood events were registered in the federal database concerning floods. At least 39 municipalities close to about 20 water bodies were affected by these documented events. Some municipalities even had two or more water bodies that became damage-relevant at the same time. In Lower Austria, particularly Mostviertel was heavily affected: after the collapse of a bridge, the municipality of Ferschnitz in the Amstetten area was temporarily inaccessible. The cemetery in Neuhofen an der Ybbs was flooded, whereas the Ennstal route of Austrian Federal Railways in Ernsthofen needed to be closed after a rockslide.

After warnings by hydrologists and meteorologists, mobile flood protection walls were erected along the Salzach river in the City of Salzburg. Massive floodings and damages of the old town were registered in Hallein after the Kothbach river – a torrent which, coming from the Dürnberg, runs through the old town towards the Salzach river – overflowed its banks and rushed through the streets with tremendous force. In Mittersill, located in Oberpinzgau, the civil protection alarm was triggered after the Salzach river crossed the warning limit. The big flood retention basin built after the catastrophic flood in 2005 was filled to the brim. Despite this, extensive floodings of railway tracks, roads, and settlement and industrial areas occurred.

4

Hydrograph at gauge Mittersill at the Salzach river
(source: Hydris Online; Federal state of Salzburg)

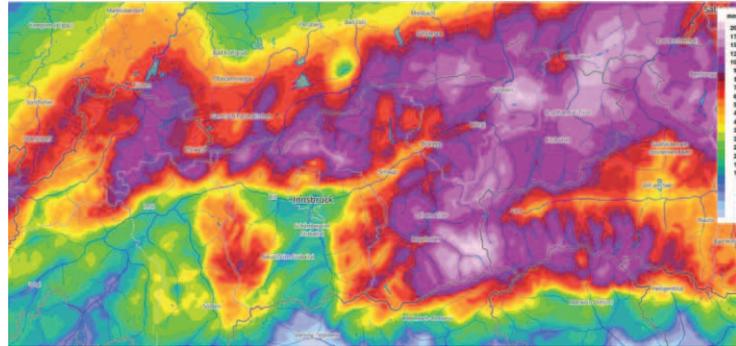




5

Hydrograph at gauge Mariathal at the Brandenberger Ache river

(source: Hydrologische Übersicht, July 2021; Federal state of Tyrol)



6

Rainfall analysis of July 19th, 2021, INCA Data ZAMG

(source: Hydrologische Übersicht, July 2021; Federal state of Tyrol)

Event registrations in the federal flood database for 2021

(source: BMLRT)

	frequent (0 – 30 years)	middle (30 – 100 years)	rare (> 100 years)	Sum
Burgenland	1			1
Carinthia	3			3
Lower Austria	3	7	10	20
Upper Austria	5	3		8
Salzburg			1	1
Styria	5	5	1	11
Tyrol	16	6	1	23
Total	33	21	13	67

On the evening of July 17th, the occlusion of a low-pressure zone from Italy caused heavy and abundant rainfalls in the northern part of the Alps. Extreme rainfalls lead to massive damages and floodings in Kufstein along the three city streams Kienbach, Kreuzbach, and Kudlbach. Due to the threatening situation, the civil protection alarm was triggered in the night from July 17th to 18th. Heavily affected big valley rivers Brixentaler Ache, Kelchsauer Ache, Kitzbüheler Ache, and Tauernbach in East Tyrol made an impact on road infrastructure for the main part. 30-year floods can be assumed here.

For the year 2021, an estimated total damage sum of about 4.9 million Euro could be documented in the field of the Federal Water Engineering Administration so far. In this context, event registrations in areas where retention and protection measures were able to prevent further damages due to their effectiveness should also be mentioned. For particular event registrations, the estimated damage prevented amounted to a total of 8.7 million Euro.

Massive bank crack of several meters in height with a temporary protection of the energy supply at Kelchsauer Ache river



Disastrous damages of the infrastructure at Kelchsauer Ache river, Tyrol



Areal shot from July 19th, 2021, of the flood caused by the Salzach river in Oberpinzgau between Mittersill and Hollersbach; filled flood retention basin Mittersill can be seen in the background



PROJECT EXAMPLE Water management

Integrated flood protection
Liesingbach



The right bank of the Liesingbach stream
downstream of Pfarrgasse

The Liesingbach stream with a length of 18.4 kilometers runs through the City of Vienna. The project "Integrated flood protection Liesingbach" intends to not only considerably improve flood protection but also the water quality of the Liesingbach stream in the section that has not been rewilded yet. This is the total gap closing because the first section was already rewilded in the years 1997 to 2016, and now this is about the second section between Kaiser-Franz-Josef Straße and Großmarktstraße in the 23rd district of Vienna that is 9.2 kilometers long. The construction works along the 9.2km long stream section are carried out step by step in small sections. Over the next years, these measures at the Liesingbach stream will meet the requirements of the EU Water Framework Directive which aims at the good ecological and chemical condition of all European water bodies.

Basically, there are plans to break up the existing bottom paving laid in the concrete bed and to rewild the water bottom. The stones incurring in the course of the breakup of the solid lining are fractured by a recycling plant and reused as bedding material. Due to climate protection reasons and in order to preserve the environment, the travel ways during the construction period are kept short. Recyclable materials produced on site are reused for the most part. The residents of the Liesingbach stream benefit from this. For the protection of the bottom and the bank, bioengineering construction methods which improve the structures in the water body are used. In addition to that, an extension of the Liesing streambed between Neilreichgasse and Laxenburger Straße is planned.

Downstream view from Neilreichbrücke to
the paved bottom of the Liesingbach stream



Upstream view from Drdlasteg to the massively
obstructed bank of the Liesingbach stream





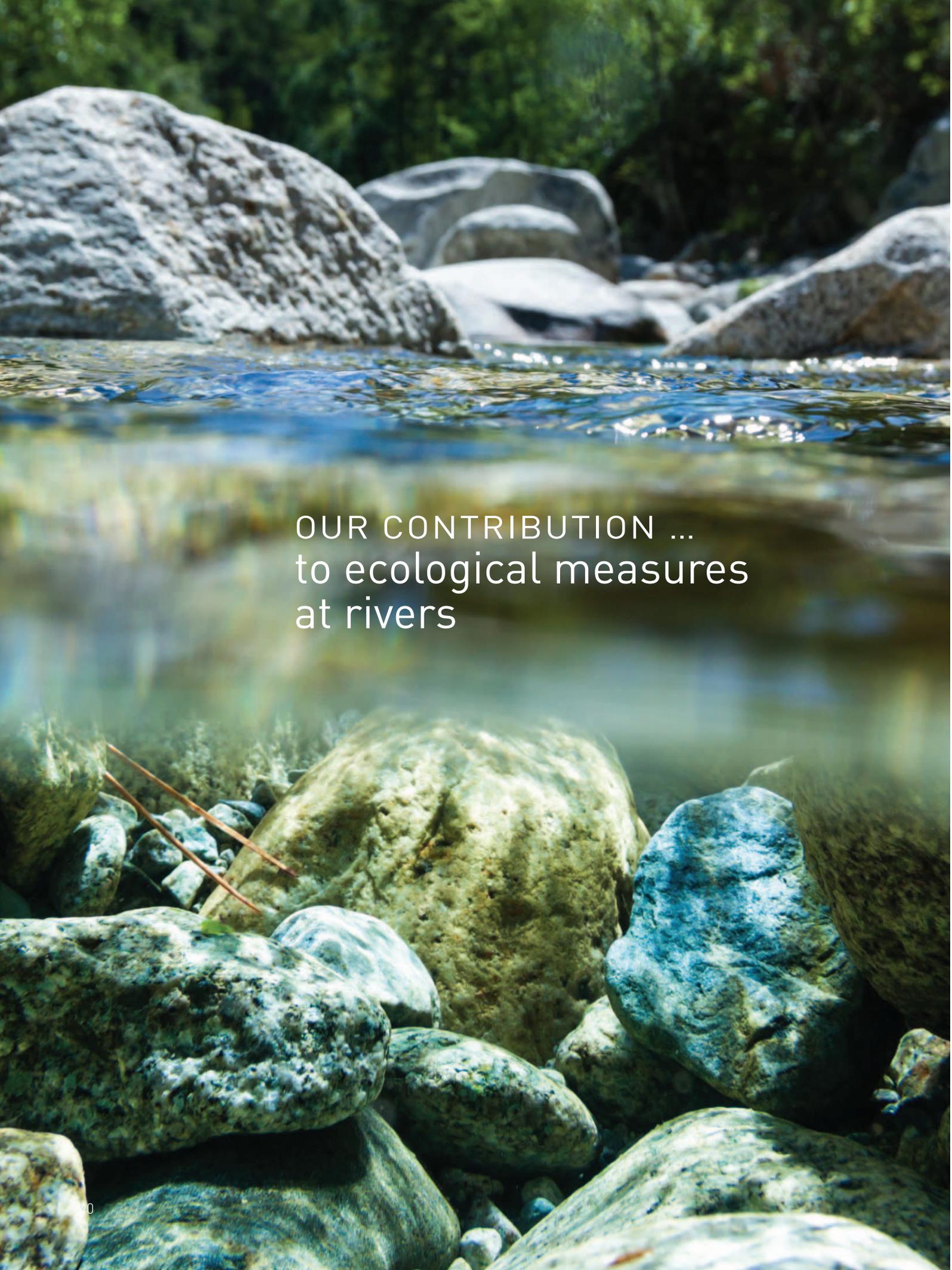
Visualization of the rewilded Liesing stream

After a construction period of six months, the first small section between Karl-Sarg-Gasse at Liesinger Platz and Rudolf-Waisenhorn-Gasse in the 23rd district of Vienna was completed in April 2021. It is about 300 meters long and the first completed section of the large-scale project which will enable flood protection, improved water quality, and more green areas. With construction part 1, the remodeling of the Liesingbach stream in spring 2022 enters its second construction period. Construction part 1 lies between Großmarktstraße and Gutheil-Schoder Straße and is about 2.9 kilometers long. Until the end of 2027, the project is implemented in a total of six construction parts. The construction works are carried out as environmentally and climate friendly as possible.

For the residents of the Liesingbach stream, this project means a gain of green areas at the waterfront. New trees will provide shade, animals and plants will settle, and the bank areas will get remodeled and thus provide more quality of life for walkers, runners, and cyclists.

In order to improve the water quality, Wien Kanal will build an additional pipe drain in the streambed. That way, contaminants from the existing rainwater system can be kept away from the stream. The construction works of Wien Kanal for the storage basin Gelbe Haide in Inzersdorf were completed in 2020.

The total costs of the large-scale project (including the construction of the storage basin Gelbe Haide) amount to about 85 million Euro. The share of Department Wiener Gewässer (MA 45) for water engineering works totals about 27 million Euro, and the share of Wien Kanal for canal construction works totals 58 million Euro. The project is funded with about 16 million Euro by the Federal Ministry for Agriculture, Regions and Tourism.



OUR CONTRIBUTION ...
to ecological measures
at rivers

MAJOR INITIATIVE FOR THE FUNDING OF ECOLOGICAL MEASURES AT RIVERS

The new funding guidelines concerning ecological measures at rivers for municipal funding applicants entered into form as from February 2021. At the end of 2020, the Federal Ministry for Agriculture, Regions and Tourism (BMLRT) issued an order to the Federal Water Engineering Administration in regard to the promotion of ecological measures at rivers, where the federal government acts as the carrier of consensus.

Until 2027, means of funding by the BMLRT with a total sum of 200 million Euro are available for ecological measures at rivers. Flowing waters have been massively changed in an anthropogenic way over the last decades and centuries respectively; due to flood protection reasons, they were regulated as well as ponded and diverted for energy production. These interventions, so-called hydromorphological loads, have heavily impacted the biocenosis of water bodies in Austria. Measures to reduce these loads and the rewilding of water bodies respectively are funded in the course of the funding emphasis on ecological measures at rivers.

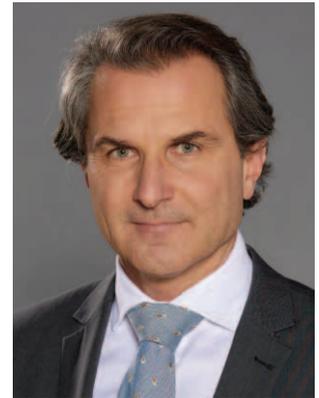
The funding takes place on the basis of two guidelines: for municipal funding applicants on the one hand and contestants, primarily water power plant operators, on the other hand. Among the municipal applicants are municipalities, organizations, and cooperatives. Applicants receive fundings from the Federal Ministry of Agriculture, Regions and Tourism (BMLRT) in the amount of 60 percent of their investment costs for measures to improve the water bodies. Contestants will receive funding in the amount of 15 and 25% respectively if they are a small or medium-sized business. In addition to that, also the federal states provide means of funding. Besides these typical funding measures, the BMLRT finances ecological measures at rivers where the federal government acts as the carrier of consensus and at plants on public water goods where the assignment of a third water party is not possible respectively. For the implementation of these measures, the federal government assigns the Federal Water Engineering Administrations of the respective federal states.

The funded and financed measures rely on the expertise of the Austrian National Water Management Plan (NGP) which, based on the European Water Framework Directive, determines through which measures and requirements the goal of a good condition of water bodies can be reached. The NGP spans three planning horizons until 2027: after 2009 and 2015, the third Austrian National Water Management Plan was to be published until the end of 2021. It contained the management goals and action program for the planning horizon 2021 to 2027.

Measures for the creation and linking of intact water habitats, for instance the implementation of a fish ladder, are a central part of the NGP. Now more than ever, the focus is on the recreation of water-specific habitat conditions in the course of nature-orientated water engineering and flood protection respectively, which further makes for a valuable recreational environment for humans. 200 million Euro are provided by the federal government for the implementation until the end of 2027.

Kommunalkredit Public Consulting GmbH (KPC) supported the BMLRT in the development of the new funding guidelines, manages the single funding applications, and, for instance, inspects and approves projects of contestants on site. The funding processing is carried out in a simplified and digital form: projects can be submitted via the online platform www.meine-foerderung.at, which has been developed by KPC in order to ensure efficient and paperless processing. The further funding processing is carried out in close collaboration between KPC and the administrative offices of the federal governments.

As an outlook to 2022, the BMLRT has promised an amendment of the funding guidelines for contestants, which intends the adjustment of funding requirements to the Renewable Energy Expansion Act (EAG). ●



DI Dr. Johannes Laber,
Head of Department Water
& Contaminated Sites; KPC

Facts and figures regarding water management can be found in **Facts & Figures 2021** further back in this report. (page 67)

PROJECT EXAMPLE

Ecological measures at rivers

Broadening of the Ill river in Feldkirch (Vorarlberg)



Broadened Ill river in Feldkirch

Due to disastrous flood events in the 1920s, the Ill river in the municipal area of Feldkirch was predominantly built in a straight line until the entry into the Alpenrhein river. As a result of minor accumulation of sediment, the straight line construction, little breadth, as well as the strong erosion of the Rhein river, the bottom of the Ill river has partly lowered by more than 1.5m.

The situation before kick off was the following: the Ill river is characterized by an elongated course in the project area. The bottom of the Ill river and the fortified banks on both sides are monotonous and only show very slight variability in terms of their habitat structure. In addition to that, fish cannot pass an existing chute in this area. In order to restore the stability of the bottom as well as induce the improvement of patency, the water board Ill-Walgau has embarked upon a large-scale project in 2016 and realized several measures between 2016 and 2019. The project comprises different packages of measures in order to gain the desired bottom stability and bank variability as well as the improvement of patency. That way, the bottom of the Ill river was raised again to the level of 1974. Generous broadenings (on the orographical left side) reduced the pressure on the bottom of the Ill river, which was caused by erosion. The material dug off is partly embedded in the bottom of the Ill river and left to it for self-perpetuate rearrangement processes respectively. In order to optimize diversity within this habitat, structural improvements in the bank areas were conducted through groins, fish bays, rock baffles, and the creation of room for self-perpetuate rearrangement processes. In the future, also bigger trees are able to grow on the left bank side. With about 200 meters apart, rough groundsills were built for bottom stability.

In order to improve fish patency, the existing chute was reconstructed. It now shows six fish passages, and due to the arrangement of the sills and basins, the passing for fish is also possible with a higher stream flow of the Ill river.



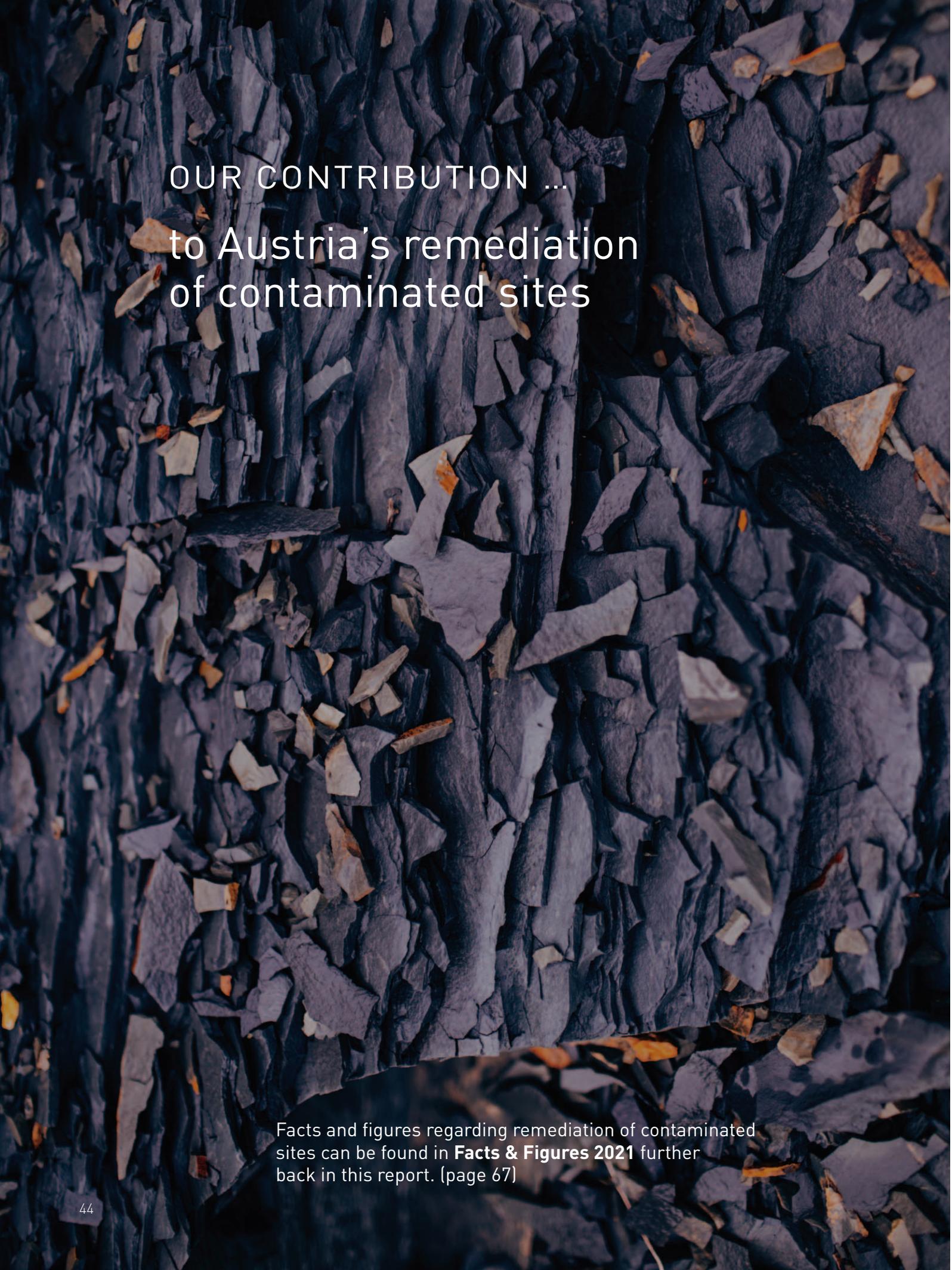
Monotonous, straight-line condition of the Ill river before the realization of ecological improvements



Visualization of the same river section after completion of the broadening

“Cities along rivers always have been and will be influenced, affected, and sometimes even threatened by nature and its forces. Therefore, the protection of people from the forces of nature is one of the main priorities of a municipality. The successive improvement of the ecological situation regarding the Ill river caused by the gradual expansion of flood protection is not a byproduct but further proof that the ecological aspect plays a central role with all planning measures in Feldkirch.”

Wolfgang Matt, Mayor of Feldkirch



OUR CONTRIBUTION ...
to Austria's remediation
of contaminated sites

Facts and figures regarding remediation of contaminated sites can be found in **Facts & Figures 2021** further back in this report. (page 67)

LAND RECYCLING

New funding framework as a contribution to the reduction of land consumption

The gradual demand for land for operational plants, residential building, traffic, or intense use for leisure and tourism causes a rapid loss of "natural" – and therefore biologically productive – land. The effects of land consumption are severe: loss of the biological functions of soil like the filtering and storage function in the water balance as the basis of the drinking water supply, loss of agricultural production area for the supply of high quality food, loss of biological diversity, increased flood risk due to sealing, loss of dust collection as well as heat effects due to the loss of evaporation. Land consumption thereby is currently among the biggest environmental challenges.

In 2020, the demand for land in Austria was 42 square kilometers; this equals the area of the city of Eisenstadt. The daily land consumption therefore is 11.5 hectare or the size of 23 football pitches. Overall, 18% of the available permanent settlement areas are already "consumed". Regional differences are substantial; the development particularly in inner alpine metropolitan areas is a problematic one. The federal government therefore aims to reduce land consumption to 2.5 hectare per day until 2030. This goal requires an extensive spectrum of measures on a legislative, economic, and operational level especially in the course of area planning.

"Land recycling" is one of the numerous possible instruments to reduce land consumption: what happens is that previously used areas and built ones respectively, which are currently not used – known as "industrial wasteland" or "vacancy" – are returned to use. That way, the new consumption of natural area – of "greenfield" – is prevented or reduced. Together with the experts of Kommunkredit Public Consulting (KPC), the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) has set up a new funding framework called "land recycling".



Industrial wasteland in the business zone

The funding goal is the support of projects for the development and use of areas and objects or object parts in town centers that are currently no longer used or not used according to the site potential in order to reduce further land consumption at the outskirts of towns.

Development concepts for re-use as well as inspections of the underground – for instance in regard to potential contamination – and the existing building fabric are being funded. These inspections shall make for a solid technical basis of a realistic conception of the future use. In addition to that, plannings in regard to potential obstacles which could arise due to the position in the town center are being funded as well.

Municipalities as well as private individuals and businesses which intend the re-use of fallow areas or vacancies in town centers are the target group of this funding framework. The new funding framework is endowed with a funding budget of 8 million Euro for the years 2022 to 2025. The budget is fully financed by EU means in the course of the "Recovery and Resilience Facility" – also known as "Corona Reconstruction Fund".

On an operational level, land recycling is processed as an additional funding framework in the course of the field of remediation of contaminated sites, which has been existing for 30 years. This guarantees effective funding processing due to proven structures and experienced experts. A connection with a contamination of the underground is not required for the funding purpose.

PROJECT EXAMPLE
Remediation of
contaminated sites

"Teerteiche Trieben"



Teerteiche Trieben

In 1910, the former "Veitscher Magnesitwerke Aktien-Gesellschaft" started to produce refractories at the site in Trieben in the Styrian Paltenal. Raw magnesite from the Hohentauern mining and further raw materials have undergone the process of sintering; the refractories incurred were in demand in the steel, nonferrous, glass, and cement industry. Until 1961, the temperatures needed for the process of sintering were produced by generator gas. Due to its bad quality, the tar incurred was unfit for further use and disposed of at the foot of a neighboring waste dump in two pits: two "tar ponds" with an area of about 1,000m² and a volume of about 5,000m³ each emerged. They exist to this day.

Inspections of the underground and the groundwater in the area of the tar ponds showed a considerable contamination with polycyclic aromatic hydrocarbons and phenoles as significant harmful substances. However, due to the hydro-geological surrounding conditions, the contamination is limited to the close-by groundwater down gradient. According to this, "Teerteiche Trieben" were declared a contaminated site of priority class 3 on October 15th, 2021.

While, at the northern pond, a mixing with construction waste happened and, over time, a solid, vegetated surface emerged, the southern pond shows pure tar which is visible as a black surface to this day.

The contaminated site is being remediated through the clearing of the two tar ponds. According to the degree of contamination, the treatment of a total of about 20,000t contaminated material is carried out through high temperature combustion, a ground purification plant, and a residue and ground waste landfill. It shall be emphasized that the material is transported to the respective treatment via train on a siding track on site. Inspections of the groundwater are carried out during and after the remediation for the contaminated site. On the one hand, this preservation of evidence shall ensure that the clearing does not cause a mobilization of harmful substances, and on the other hand, the effectiveness of the measures shall be proven. The successful completion of the remediation of the contaminated site "Teerteiche Trieben" is thereby intended until 2025. For the estimated total costs of the remediation which amount to 7.7 million Euro, a funding of 5.2 million Euro was granted.





CONSULTING

As a company providing consulting, we are successfully working for notable national and international organizations and financial institutions. Besides a technical and economic consulting service and the conduct of (market) studies, our business activities also comprise capacity development and policy advice. Our expertise in regard to content particularly lies in the fields of energy and energy efficiency, water management, as well as climate protection, and green and sustainable financing solutions. Concerning international consulting, we have particularly specialized in consulting services in the course of development cooperation and for international financial institutions in the South East European candidate countries, in Eastern Europe, in the Caucasus region, as well as in the Mediterranean neighboring countries.

On top of that, Kommunalkredit Public Consulting (KPC) offers its expertise in the field of international climate policy and climate finance to the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK): as a member of the Austrian delegation in the COP negotiations or as counselor of the Austrian board member in the Green Climate Fund. The business area consulting was again affected by the Corona pandemic in 2021. The noticeable effects in the field of calls for tender and granting procedures as well as the restrictions in regard to project works on site were compensated with increased and extended participation in the calls for tender of the clients and with an adapted project management of the running projects. Furthermore, we have continued to pursue new consulting approaches in the field of sustainable finance in 2021. Based on the increasing demand for sustainable financial products in the financial sector and on the regulatory developments in regard to taxonomy in the EU, KPC's consulting offer now also addresses financial institutions which want to be active in the field of climate protection. In particular, we have extended our activities in the field of ESG (Environment, Social, Governance) and, concerning green loans, got accredited as a verification agent according to the standard of the Climate Bond Initiative (CBI).

Our references concerning national consulting comprise the conduct of (market) studies, the implementation of evaluation projects, or the strategic planning in the field of environment.

PROJECT EXAMPLE 1

Pilot Auction Facility (PAF) of the World Bank
PAF is an innovative climate finance mechanism which enables private investments in climate protection measures. An auction mechanism makes it possible to finance climate protection projects with a guaranteed price for future carbon credits. Kommunalkredit Public Consulting (KPC) acts as the independent verification agent which verifies the project credits from the climate protection projects in regard to the tender requirements of the World Bank in a two-step procedure.

PROJECT EXAMPLE 2

Small loans for energy-efficient buildings in the Balkans

KPC is assigned the implementation of the program in six countries. The core duties are the project implementation on site with local banks, the realization of trainings, the marketing of the program, and the determining of the amount of funding for the single renovation projects. KPC manages about 25 local experts in six different countries.

PROJECT EXAMPLE 3

Green Cities Framework – Green City Action Plan (GCAP)

The European Bank for Reconstruction and Development (EBRD) has launched its Green Cities Programme with the goal to support cities with their green, climate neutral, and resilient transition. In the course of the program, the participating cities are supported in the identification and prioritization of their primary environment problems and further in the definition of adequate investment and political measures. For this, so-called Green City Action Plans (GCAP) are established. They contain the political and economic feasibility plannings which are necessary in order to reach the transition towards a sustainable and green development in cities.

Facts and figures regarding consulting can be found in **Facts & Figures 2021** further back in this report. (page 69)

For further details concerning consulting and our list of references, please go to www.kpc-consulting.at

An aerial photograph of a dense pine forest. The trees are lush green, and sunlight filters through the canopy, creating a dappled light effect. The perspective is from directly above, looking down on the forest floor.

Innovative finance mechanisms for climate protection measures

PAF STIMULATES CARBON TRADING

KPC has been supervising for seven years

The Pilot Auction Facility for Methane and Climate Change (PAF) is an innovative climate finance mechanism which has stimulated private investments in climate protection measures over the last seven years. In the course of this, climate finance means in the amount of nearly 55 million US Dollar have been provided at a total of four auctions, which further led to the reduction of several million metric tons of CO₂ emissions. The auctions enabled the financing of climate protection projects and provided a guaranteed price for future carbon credits. Both project developers and financiers were bidding at the auctions in order to deliver the biggest amount of emission certificates for the lowest price.

PAF is an attempt to revive carbon trading. While future market-based mechanisms have to be defined yet, the Clean Development Mechanism (CDM) – one of the mechanisms under the Kyoto protocol – gradually loses significance. The absence of international demand for greenhouse gas certificates and the simultaneous (excessive) supply of emission credits have caused a decline of the price for project credits from JI/CDM projects to almost zero. The missing financial incentive still leads to climate relevant projects being stopped or not launched in the first place. The market therefore urgently needs support.

PAF is a pilot project of the World Bank which wants to gain experience with an online auction tool for reduced emissions. The project was initiated as a result of the report of an international group of experts on inquiry of the G8. The facility shows how a pay-for-performance mechanism could work that, with the help of existing tools and expertise, shall finance projects fighting climate change. There is a price guarantee in the form of put options. The competition character of an auction reveals the minimum price for private investments in climate protection projects. This act intends two goals: the maximization of the effect of public means and the achievement of the highest volume of climate protection advantages per Dollar. The pilot project tested how auctions and price guarantees are able to stimulate the reduction of greenhouse gas emissions.

After a time span of seven years, the World Bank, as planned, successfully ends the pilot test. The experience and the knowledge incurred will now be summarized and analyzed in the course of an evaluation process. Based on this, the World Bank and the donor community will deduce the realization of further steps and new actions for the fight against climate change. ●

KPC verifies PAF

There was a total of four different auctions. The number of projects taking part in an auction depended on the respective budget. In the end, only at the auction it could be decided how many emission reductions could be sold per Dollar. At the auctions, it was mainly dealt in project credits from landfill sites, wastewater treatment plants, and projects from the fertilizer industry in developing and emerging countries. The investors came from industrialized countries.

The World Bank constitutes the administration and secretariat of the PAF. Two institutions supported the World Bank in the processing of the PAF: Citi Bank acted as the "global agent". The PAF Emission Reduction Notes (PAFERN) were yielded to Citi Bank which in turn processed the payments to the companies. KPC acted as the independent "verification agent" which verified the project credits from the climate protection projects in regard to the tender requirements of the World Bank in a two-step procedure.

There are established rules for that. Projects which credits have been submitted needed to

- use a specific, accredited method and
- come from an accredited country.
- The credits needed to have a certain date of issue and belong to a certain monitoring period.
- In addition to that, an "Environmental, Health & Safety and Social, and Integrity Report" had to be existent for the projects.

After a first verification, the owners of the certificates yielded the emission reductions to one of KPC's registry accounts. In a second step, KPC now verified if what was yielded matches what was reported. Then, according to the order by the World Bank, the certificates were either closed down or forwarded to third parties. The project duration is seven years and will end in 2022.

GREEN ECONOMY FINANCE FACILITY – WESTERN BALKANS

Small loans for energy-efficient buildings in the Balkans

The building sector in the European Union is responsible for about 40% of the total energy demand; about 85% of it are allotted to space heating and hot water supply. Even though the Balkans lack resilient statistical data, one can assume that this also applies to the Balkan states Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, North Macedonia, and Albania.

The majority part of the approximately six million households in the region uses wood fuels for the fulfillment of the space heating demand – except Albania: here, electricity is used predominantly for heating and hot water supply. Only a small part (about 10%) of the existing buildings have undergone thermal renovation over the last years. Most private buildings are in a very poor condition in terms of energy efficiency. The use of wood fuels often happens in inefficient single furnaces with bad combustion properties. Inefficient single furnaces in combination with uninsulated buildings lead to a high degree of environmental pollution (e.g. particulate matter) and a waste of local wood resources. Modern energy-efficient technologies like pellet boilers, heat pump systems, solar panels for hot water supply, and more are still hard to find in private households.

As a partner of the European Union, the European Bank for Reconstruction and Development (EBRD) aims at increasing energy efficiency in private households. For this cause, a program called "Green Economic Financing Facility – Western Balkans" was started in 2017. In June 2017, Kommunal-kredit Public Consulting (KPC) was assigned with the implementation of a 4 year program in the course of an international tender. Due to the successful implementation of the first phase of the project, KPC has been assigned with the continuation for four more years.

EBRD provides the local banks participating in the program with a credit line in the amount of up to 135 million Euro. The European Union places means of funding to the extent of 27 million Euro at disposal.

The participating banks grant these means in the form of a renovation loan to their private customers for the implementation of energy saving measures. After the successful implementation of the latter, the customers are granted a funding of up to 20% of the eligible costs. At present, about 15 renovation measures like insulating measures, replacement of windows and boilers, photovoltaic systems etc. are eligible. The eligible measures and products are selected from a predefined online list, the so-called "technology selector". This way, it is guaranteed that only products which meet the minimum performance standards of the program are getting funded.

Apart from single households, also homeowner associations which carry out common renovation measures receive funding in the amount of up to 35% of the eligible costs. Despite the difficult financial conditions in the region (home associations are often not deemed to be creditable due to the vague legislative framework), it was possible to implement several projects in this field. KPC supports banks with the implementation of the financing in this sector and the valorization of the immense renovation potential of story residential building. The task of KPC is the implementation of the program in the six aforementioned countries. Main tasks comprise the local implementation of the projects with the local banks, the processing of trainings, the marketing of the program, and the determination of the degree of funding for single renovation projects. KPC manages about 25 local experts in six different countries. ●

Facts & Figures (as at December 2021)

Region: Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, North Macedonia, Albania

Participating local banks: 20

Number of verified projects: about 10,200

Paid funding: about 9 million Euro

Energy saving: about 40,000 MWh per year

Saving of CO₂: about 14,000 metric tons per year



DI Norbert Peherstorfer has been Senior Project Consultant in the department Energy, Environment & Climate Change at KPC since 2008. He has more than 20 years of professional experience in the energy sector. His expertise lies in the counseling of international institutions in the fields of transformation of the energy sector, energy efficiency, and renewable energies. He has extensive experience in the management of projects for international clients. On top of that, he is specialized in energy audits in buildings and the industry.





Program for
green investments
in cities

GREEN CITIES FRAMEWORK – GREEN CITY ACTION PLAN (GCAP)

About half of the world's population currently lives in urban areas. Cities generate about 80% of the global gross national product. But, in equal measure, they are also responsible for considerable environmental impacts because they cause about 75% of the worldwide greenhouse gas emissions as well as 70% of the global energy consumption.

Against this background, the European Bank for Reconstruction and Development (EBRD) has launched its Green Cities Programme with the goal to support cities with their green, climate neutral, and resilient transition. In the course of the program, the participating cities are supported in the identification and prioritization of their primary environment problems and further in the definition of adequate investment and political measures. For this, so-called Green City Action Plans (GCAP) are established. They contain the political and economic feasibility plannings which are necessary in order to reach the transition towards a sustainable and green development in cities. These measure programs are especially important for cities in the EBRD target countries (Western Balkans, the Caucasus region, Eastern Europe...) because the challenges there are particularly high and urgent due to inefficient plannings in the past, demographic change, high pollution, and high carbon and energy intensities. Besides the already noticeable effects of climate change caused by extreme weather events, also waste collection and disposal are significant problems. Compared to European standards, for instance the share in recycling regarding waste collection and disposal is neglectable.

The Green City Action Plans therefore are an essential planning instrument for the cities to prepare sustainable investment plans which centralize the different requirements for cities regarding their sustainable development.

The program aims at the following:

- preservation of the existing environmental resources deserving protection (air quality, water, biodiversity) and their sustainable use;
- reduction of and adaption to the effects of climate change;
- improvement of the socio-economic conditions for townspeople through sustainable environmental policy.

This is achieved via three central measures:

- assessment, evaluation, and prioritization of the primary environment stress factors and development of necessary political measures and infrastructure investment plans as a Green City Action Plan;
- development of sustainable investment plans as an incentive for public and private investors particularly in the fields of water/wastewater, transport, local energy supply and energy efficiency in buildings, as well as waste, preservation of biodiversity, climate change resilience, and innovations;
- support and building of know-how and capacities with public authorities in local administrations in order to guarantee an efficient and effective implementation of the infrastructure investments.

These implementation steps are financed as technical assistance by the EBRD and carried out by specialized service providers like KPC. Up until now, EBRD has implemented Green City Action Plans for the cities Ankara, Belgrade, Izmir, Istanbul, Kiev, Minsk, Podgorica, Sarajevo, Sofia, Tbilisi, Tirana, and Warsaw. ●





Climate Austria

The Austrian provider for the voluntary compensation of CO₂ emissions

The initiative Climate Austria was launched in 2008 as a collaboration of the former Federal Ministry of Agriculture, Forestry, Environment and Water Management (now BMK), Austrian Airlines, Vienna International Airport AG, and Kommunalkredit Public Consulting (KPC) in order to support climate protection in Austria.

KPC is responsible for the management of Climate Austria and resorts to long-term experience in climate protection projects in Austria. Climate Austria calculates and evaluates climate relevant corporate activities and offers the possibility to actively contribute to climate protection for those CO₂ emissions which cannot be avoided by saving and efficiency measures.

Since the launch, about 374 national and international climate protection projects were supported with contributions in the amount of nearly 2.6 million Euro. More and more companies decide on a holistic strategy in regard to sustainability and choose Climate Austria as a compensation partner for those CO₂ emissions that can't be avoided.

Climate protection gradually becomes more important to the general public. Companies are increasingly judged by the measures they take to actively support climate protection. The calculation of the so-called carbon footprint is an essential component of corporate climate protection. The energy consumption for production processes, flights, mobility, electricity, and heating energy are fundamental sources of CO₂ emissions.



Facts and figures regarding Climate Austria can be found in **Facts & Figures 2021** further back in this report. (page 70)

COLLABORATION PARTNERS

Besides private individuals, Climate Austria supports a number of small and medium-sized businesses as well as big businesses on their way to climate neutrality. Among them are the Austrian Post AG with their initiative concerning carbon neutral delivery and A1 with their initiative "Carbon Neutral Network".

In 2021, Climate Austria and consequently climate protection were able to win over a number of notable clients:



"Many of our reusable glass bottles have been circulating for 30 to 40 years. Since the beginning, we have believed in the sustainable container of reusable glass. We are aware of the responsibility to keep our environment worth living for future generations."

Thomas Heribert Klein,
Owner

Almdudler

As an Austrian family company rich in tradition, the Almdudler heart not only beats for alpine herbs and the local mountains but also for sustainability and the protection of the environment on all levels. Almdudler makes sure that resources are conserved with the production of their products, and they also cultivate a collaboration with the Austrian Alpine Association in regard to the protection of the Austrian Alps. Also, the iconic Almdudler reusable glass bottle has constituted the environmentally friendly core of the brand since 1957. The collaboration with Climate Austria in regard to the support of climate protection measures is an intrinsic concern of Almdudler so that everyone may enjoy convivial moments in the local mountains and forests also in the future.



"For Almdudler, as an Austrian family company, sustainability has always been a major concern. Therefore, we are firmly committed to an energy-efficient production that conserves resources. The full Almdudler line is produced in a climate-neutral way, and the remaining emission of CO₂ is compensated via Climate Austria."

Gerhard Schilling,
Managing Director, Almdudler



"For many years, sustainable economic activity and climate protection have been major concerns of SalzburgMilch. Besides many awarded measures regarding the increase of energy efficiency and the conservation of resources, we operate Salzburg's largest roof photovoltaic plant on top of our cheese dairy. The CO₂ emissions that cannot be avoided at this site yet are compensated with national and international climate protection projects. Here, Climate Austria is a very competent partner."

Andreas Gasteiger,
Managing Director, SalzburgMilch GmbH

SalzburgMilch

SalzburgMilch exemplifies how modern dairying squares with ambitious ideals. The focus of all corporate decisions is on animal welfare and sustainability. A sustainability program ensures that the company's carbon footprint is kept as low as possible. Where emissions can't be avoided, the premium dairy makers rely on the collaboration with Climate Austria. For further details on SalzburgMilch's sustainability program, please see www.milch.com/nachhaltigkeit.



“Through the implementation of the EU Eco-Management and Audit Scheme (EMAS) as well as building renovations, the Parliamentary Administration seeks to minimize its CO₂ emissions according to the klimaaktiv Golden Standard. A major part of these CO₂ emissions is caused by air business trips. Climate Austria offers the possibility to compensate these emissions with Austrian climate protection projects in a quality assured way. That way, the Parliamentary Administration complies with its goal to reach a climate-neutral form of administration until 2040.”

Dr. Harald Dossi,
Secretary General



“The capital market can make a significant contribution on the way to a CO₂ neutral future. With the support of climate protection projects and the collaboration with Climate Austria, also Vienna Stock Exchange as a central infrastructure of the Austrian capital market contributes to the green transformation.”

Andrea Herrmann,
CFO Vienna Stock Exchange AG

The Parliamentary Administration

The Austrian Federal Constitutional Law Article 30 Paragraph 3 B-VG assigns the support of the legislative organs of the federal government as well as the Austrian members of the European Parliament to the Parliamentary Administration under the direction of the president of the National Council. About 470 employees guarantee a smooth processing of parliamentary affairs and provide services for those interested in parliamentary affairs. The particularities of parliamentary operation require a flexible deployment of staff. This is why employees who are working in several organizational units are listed multiple times. The Parliamentary Administration compensates CO₂ emissions caused by air business trips with Austrian climate protection projects. On top of that, it implements several measures in regard to environment protection throughout the house.

Fini's Feinstes

GoodMills Austria is the Austrian subsidiary of the GoodMills group. Originally founded in 1879 at Handelskai in Vienna, the company soon became a showpiece for high-quality flour production in Austria. The headquarters of the group is now located in Schwechat, Lower Austria – in one of Europe's best producing areas. The Fini's Feinstes mill in Schwechat is one of Austria's most modern mills and offers high-quality cereal products for bakeries as well as industry customers and retail. The company puts an emphasis on the topic of sustainability: the use of green electricity, energy efficiency measures, the zero waste principle for food, and the compensation of CO₂ emissions are important components of the corporate culture.

Vienna Stock Exchange

By using state-of-the-art technology and customer-oriented services, Vienna Stock Exchange significantly contributes to an internationally competitive capital market. Since 2005, the VÖNIX (Austrian Sustainability Index) has been reckoned as one of the first national sustainability indices worldwide. 2009 marked the launch of the CECE SRI as the first CEE sustainability index. In 2020, Vienna Stock Exchange joined the United Nations' Sustainable Stock Exchange initiative and voluntarily admitted to support long-term and sustainable investments as well as the disclosure of ESG key performance indicators in exchange with investors, companies, and regulatory authorities. Concurrent with the efforts to reduce the company's CO₂ emissions, those which cannot be avoided are compensated via the collaboration with Climate Austria.



“Climate protection is a major concern for us as Austria's biggest mill. The supply with local corn requires healthy soil, biodiversity, and a balanced climate here in Austria. With our measures, we would like to raise awareness in regard to sustainability in food production and initiate step-by-step changes towards a 100% climate friendly economic management.”

Peter Stallberger,
Managing Director GoodMills Austria



KOMMUNAL
KREDIT
PUBLIC CONSULTING

Lebens + facts 2021

Business development 2021

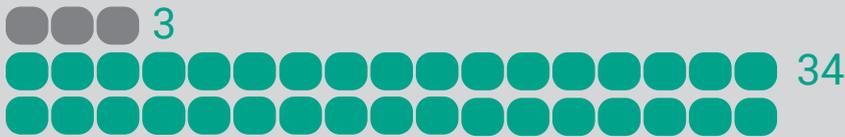
Clients



Routes for approval, meetings, circular resolutions



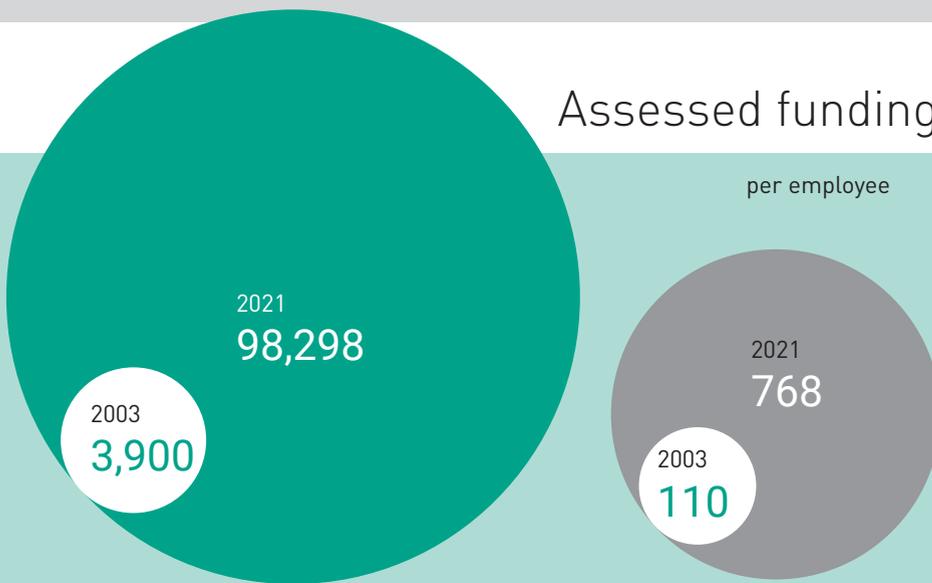
Ongoing consulting projects



2003
2021

Assessed funding projects

per employee



Turnover in million Euro





Best of ...

online talks

February 25th, 2021

Biomass Jour fixe 2021

Strallegg

+

March 4th, 2021

National Resources Forum 2021

+

April 13th, 2021

VKÖ/VÖWG webinar:

National Environmental Funding (UFI)

+

May 31st, 2021

**Transformation of conventional heating networks
towards low-exergy networks**

Closing event for the project T2LowEx

+

December 16th, 2021

Webinar Forum Paper & Industry

live talks

September 16th, 2021

Heating Plant Operators Day Klagenfurt

+

September 23rd to 24th, 2021

District Heating Days 2021, Pamhagen

+

October 4th, 2021

**Information event for
biomass cooperatives**

+

October 13th, 2021

QB Feedback Day

+

June 14th to 15th, 2021

European Development Days (EDD), Brussels

Presentation of our EU project »Convenant
of Mayors – Demonstration Projects (CoM-DeP)«

+

June 15th, 2021

Interview Brussels

»Sustainable energy for green cities«





Processing numbers 2021

* Due to the depiction in million Euro, rounding differences may occur.

NUMBER OF PROJECTS/AMOUNTS IN MILLION EURO*	ASSESSMENTS	INVESTMENTS*	FUNDING*	FINAL ACCOUNTS	PAYMENTS*
Environmental Funding	36,368	2,607.3	486.2	36,280	666.5
Water management	1,426	495.6	100.4	1,377	310.4
National environmental funding	10,056	863.6	127.3	9,701	123.4
Renovation offensive	23,701	786.1	123.1	24,099	114.9
Decontamination	18	25.3	20.6	15	18.8
Flood protection	629	183.6	95.5	815	97.1
klimaaktiv mobil	13	2.8	0.2	3	0.1
International climate finance	11	6.2	6.2	3	1.8
EU co-financing UFG	514	244.2	12.8	267	0.0
Climate and Energy Fund	58,347	1,645.3	244.7	54,592	144.5
Photovoltaics	24,386	325.8	54.8	23,169	48.6
Wood + solar thermal systems	1,674	15.1	1.1	1,671	1.1
Mobility management	28,696	1,024.5	110.9	28,421	79.2
Work programs	933	162.3	57.9	247	15.7
EU co-financing	2,658	117.7	20.0	1,084	0.0
Other fundings	3,583	306	43	2,201	8
Green energy – Hydroelectric power plants	479	15.8	0.5	480	0.5
Lower Austria	1,450	69.0	8.6	1,348	7.0
Salzburg	2	0.1	0.0	0	0.0
Styria	1,232	56.8	1.9	8	0.0
Tyrol	129	6.4	0.2	122	0.2
Vorarlberg	264	13.6	2.7	229	0.0
Vienna	27	144.3	28.6	14	0.0
Sum	98,298	4,558.7	773.4	93,073	818.7

Economical effects

4.6 billion Euro
investment volume

△

57,000 jobs

EU regional funding

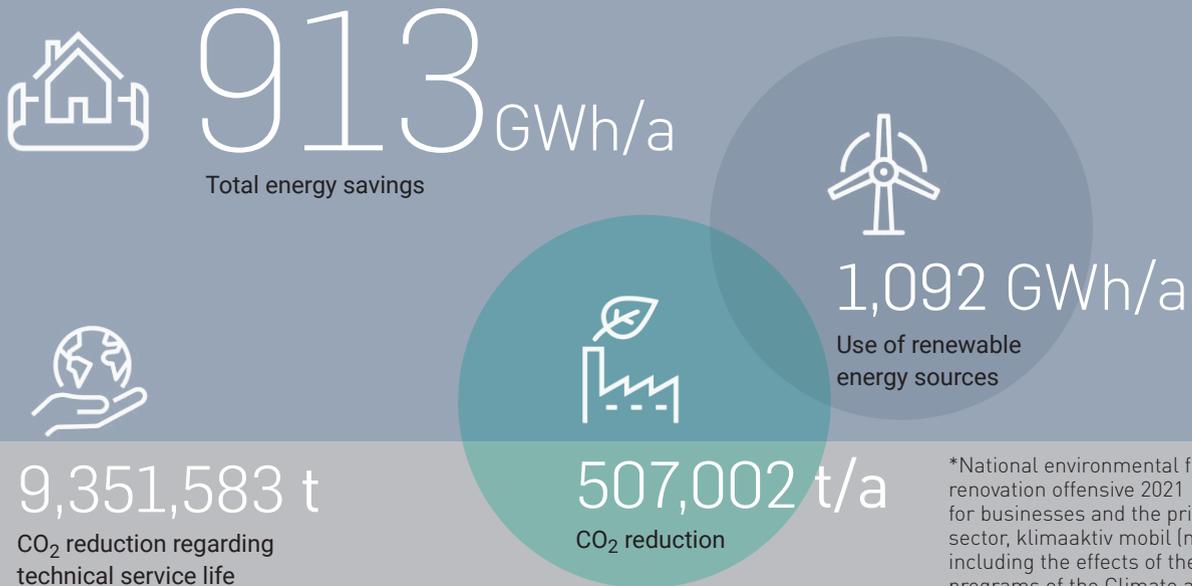
period 2014 to 2021

overall 212.6 million Euro EU funding

European Regional Development Fund (ERDF) and European Agricultural Fund for Rural Development (EAFRD)

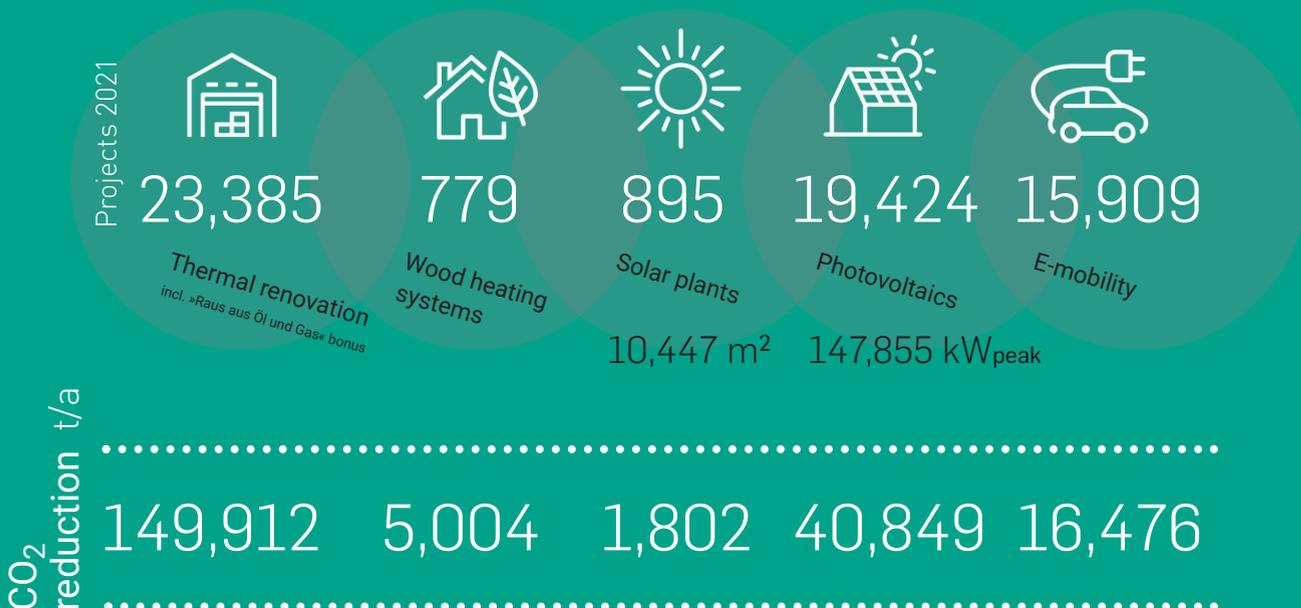
Ecological effects

Environmental funding for businesses and municipalities*



*National environmental funding, renovation offensive 2021 for businesses and the private sector, klimaaktiv mobil (not including the effects of the programs of the Climate and Energy Fund)

Environmental funding for private households



Water management

Residential water management

6,000

properties

≈ approx. 36,400 inhabitants and their households could be connected to the public sewage system



approx. 30,100 inhabitants are being newly supplied

421 km

water pipes have been funded

Ecological measures at rivers

44 transverse structures have been made passable.

102 meters difference in altitude have thereby been overcome.

In total, 16 kilometers of river have been improved hydromorphologically and restored to their original state.

Contaminated sites

Decontamination of about

2.7 million m²

7.5 million m³

of contaminated areas or contaminated underground or landfill bodies through

Clearing and handling of 10,000 m³ of highly contaminated underground or landfill bodies

Extraction and purification of 6.7 million m³/a of contaminated ground or seepage water

Extraction and handling of 4.6 million m³/a of contaminated soil air and contaminated landfill gas

117 additional green jobs were provided and secured respectively.

KPC's contribution to sustainable development SDGs

With its activities, Kommunalkredit Public Consulting GmbH contributes to the following Sustainable Development Goals (SDGs):



GERMANY
SENEGAL »KfW*«

* Foundation
Carbon Market

Where are our projects located?

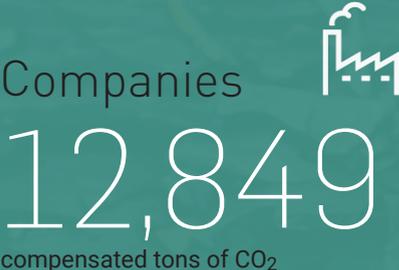
More information concerning ongoing and recently completed projects can be found here:
www.kpc-consulting.at/projektreferenzen-kunden/



Climate Austria

Compensations

Period from January 1st, 2021 to December 31st, 2021



Allocation based on contribution

Austrian projects
82%

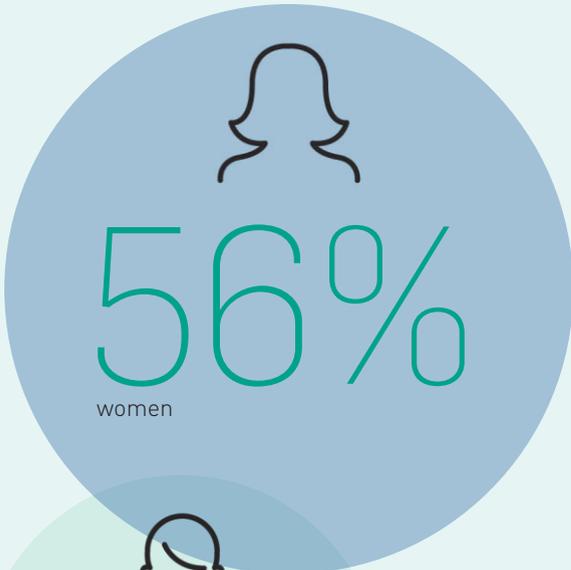


International projects
18%

KPC Team

2

training days
per year are used
by employees



41%
of employees
work part-time

69%

of employees have
a university degree



43 years
average age



11
persons were on leave
during the year:

2
were on
educational leave

9
on parental leave

8
moms

1
dad



10.5 years

average company affiliation

Proprietors and bodies

Supervisory board

Karl-Bernd Fislage
Chairman of the supervisory board

Mag. Alois Steinbichler
Vice chairman of the
supervisory board
up to July 6th, 2021

Claudia Wieser
Member of the supervisory board
from June 2nd, 2021

Mag. Alfred Ganglbauer
Member of the supervisory board

DI Mag. Alexander Somer
Nominated by the works council

Christian Kempf
Nominated by the works council

Advisory board

Head of section DI DDr. Reinhard Mang
Vice chairman of the advisory board, Federal Ministry
of Agriculture, Regions and Tourism (BMLRT)

Head of section DI Günter Liebel
Federal Ministry of Agriculture, Regions and
Tourism (BMLRT)

Head of section DIⁱⁿ Maria Patek, MBA
Federal Ministry of Agriculture, Regions and
Tourism (BMLRT)

Head of section Mag. Dr. Jürgen Schneider
Federal Ministry for Climate Action, Environment,
Energy, Mobility, Innovation and Technology (BMK)

Head of section DI Christian Holzer
Federal Ministry for Climate Action, Environment,
Energy, Mobility, Innovation and Technology (BMK)

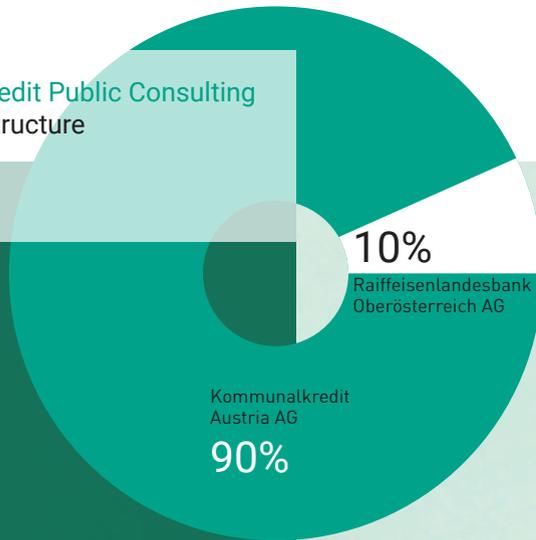
New from June 30th, 2021

Mag. Alois Steinbichler
former chairman of the supervisory board
Kommunalkredit Austria AG

New from December 1st, 2021

Mag.^a Isabella Plimon
Federal Ministry for Climate Action, Environment,
Energy, Mobility, Innovation and Technology (BMK)

Kommunalkredit Public Consulting
Ownership structure





EPILOGUE

KPC is an expert and competent partner for climate and environmental protection projects in the fields of renewable energy, energy efficiency, mobility management, residential water management, water management, and remediation of contaminated sites, as well as an established counseling service provider for national and international organizations.

DEPARTMENT

Central Services

»From the ›office‹ to a modern administrative department: since 2009, we as a central service department with experts in the fields of law, controlling, IT, communication, and corporate administration have been capably and professionally performing all trans-sectoral tasks of our internal and external customers – and sometimes even more ...«

Mag.^a Petra Fleischmann



DEPARTMENT

Energy, Environment & Climate Change

»KPC's expertise is known today across Austria's borders. What started with only a few counseling projects for selected institutions, has now evolved into one of KPC's most important line of business. Based on our know-how and strengthened in our position as a subsidiary of a successful bank for infrastructure, we have extended our counseling service in the field of ›green and sustainable finance‹ in 2021 and extended our know-how in regard to the topics of taxonomy, climate risks, and non financial reporting. By doing so, we now offer our customers a much sought-after range of services on the pulse of the times, with which KPC can prove its know-how on a daily basis.«

DI Wolfgang Diernhofer, MBA,

DI Christoph Prandtstetten



DEPARTMENT

Water & Contaminated sites

»Water is essential for both humankind and nature. It is our most valuable resource. Therefore, investments in water infrastructure are made a top priority. The prescient funding of water projects has particularly proved its worth in times of the Corona pandemic. In our department we are processing projects that comprise the entire water cycle – from groundwater protection through the remediation and protection of contaminated sites, to drinking water supply and sewage treatment, to ecological measures at rivers and flood protection. Working in such an essential field of infrastructure is what motivates the whole team in our department!«

DI Dr. Johannes Laber



DEPARTMENT

Living & Energy

»2021 has been another record year for us. Public interest in the climate goals, especially those in regard to electric mobility and climate friendly heating, was especially high. Attractive funding flat rates and simplified submission procedures triggered a proper boom in the fields of ›Raus aus Öl und Gas‹ and electric mobility and caused another massive increase of applications. With over 80,000 applications efficiently assessed by the experts of our department, the total number has more than doubled compared to the previous year.«

DIⁱⁿ Doris Pühringer,

Mag. Dr. Andreas Vidic



DEPARTMENT

Climate & Environment

»Providing effective incentives for Austrian companies and municipalities to invest in the protection of the climate and the environment has been our mission since 2003. We are serving as an interface between the funding donors who provide the financial means and the applicants. By doing so, we supervise the whole process of a project. Our customers and partners count on our service, knowledge, and experience.«

DIⁱⁿ Dr.ⁱⁿ Katharina Hopfner-Sixt,

DI Dr. Klaus Frühmann

