

# Results

WEC Roundtable, hosted by Bayer AG  
April 2<sup>nd</sup> and 3<sup>rd</sup> 2009 in Berlin, Germany:



“CREATING SOLUTIONS FOR GREENHOUSE GAS REDUCTIONS WITH BUSINESS AND GOVERNMENT”

## WHAT:

As the environmental and economic consequences of climate change become more evident business, government and their stakeholders are rethinking the development and application of new products, investments in green infrastructure and new partnerships for achieving success. Many cities around the world have already announced very ambitious targets to reduce their Greenhouse Gas (GHG) emissions, so there is ample opportunity for business to collaborate. Business opportunities develop from providing technological solutions that help creating energy-efficient infrastructures and buildings as well as from installing renewable energy at a faster pace. The roundtable was structured into four parts:

- (a) Pathways to a low-carbon economy and the cost of GHG abatement
- (b) Strategies for adopting currently available technological solutions to reduce GHG-emissions
- (c) Local initiatives of cities and business to reduce GHG-emissions
- (d) Breaking down barriers that have prevented implementing GHG-reduction in cities

## WHO:

The Roundtable was structured to provide a highly interactive process of discussion amongst 31 sustainability experts from eight countries. 55% of participants came from WEC member companies, 13% from non-member companies, and 32% from government, scientific bodies, and consultancies.

### HOST

**Bayer:** Mrs. Ursula Mathar and Dr. Dieter Hübl

### MODERATORS

**Bristol Meyers Squibb:** Mr. Ludwig Metz  
**Institute 4 Sustainability:** Mr. Thomas Loew  
**Sanofi-Aventis:** Mr. Pierre Jomier  
**WEC:** Dr. Terry F. Yosie

### SPEAKERS

**Bayer:** Dr. Achim Ilzhöfer  
**Berlin Energy Agency:** Dr. A. Weiland-Wascher  
**City of Berlin:** Mr. Ruppert Stüwe  
**City of Stockholm:** Mr. Gustaf Landahl  
**European Investment Bank:** Mr. Ralf Goldmann  
**Forum for the Future:** Mr. Peter Madden  
**Johnson Controls:** Mr. Agostino Renna  
**Max Planck Institute:** Dr. Thomas Hamacher  
**McKinsey:** Dr. Jens Dinkel  
**Philips:** Dr. Wolfgang Richter  
**Siemens:** Mr. Stefan Denig

## MAJOR POINTS OF DISCUSSION:

- (1) Keeping global temperature rise below 2 °C can be realized in a major effort, according to a McKinsey study<sup>1</sup> presented at the roundtable. However, the key to significantly reduce greenhouse gases in the next years will not be new innovations in energy efficiency, infrastructure or other technologies. Roundtable discussions demonstrated that the key **areas of concern are implementation of available technologies as well as behavioural change: both of them depend on clear leadership.** Leadership has to come from clear government rules and from long-term business strategies. Government and business must work together, as there is no time for delays.
- (2) Several company presentations showed that the main barriers for reducing GHG-emissions are not technologies and not even lack of money. It is well understood, that most energy efficiency investments will pay back within a few years. However, **as real business is based on rather short pay-back mechanisms (often just 18 months) a great barrier to investments is pay-back during that period.** Amongst other modes of structuring investments, new contracting methods offer a way of modelling the optimum blend of costs and savings over time.
- (3) Several participants commented that **private companies are unlikely to fully address climate change until the issue is viewed as a matter of their own survival.** It means that in reality many business opportunities from investments in energy efficiency are not even considered as a result of today's companies' decision making tools.
- (4) Roundtable participants expressed their doubts as to whether climate change has already become a top priority in all societal groups: e.g. with city planners, architects and civil engineers who seldom take the (indirect) effects of climate change into account (e.g. reduced energy demand), or consumers, whose opinion and behaviour show a contrast, or some businesses that are not interested in change. In a broad **discussion about whether more regulation is needed as a driving force**, several roundtable participants clearly stated this opinion, while others positioned themselves against such an idea. Those in favour of sharper rules stated that people tend to be conservative and are subject to many trade-offs that prevent them from going ahead of their neighbour.
- (5) Roundtable participants expressed some skepticism as to whether campaigns aimed at increasing public awareness of climate change would have a major impact over time because of the number of competing issues challenging the public's attention. **Factors that will shape future greenhouse gas reduction**, however, include the demographic evolution in cities, energy prices, as well as business's ability to make use of investment opportunities. As the city of Stockholm demonstrated, it also includes government's ability to provide incentives that change individual consumers' purchasing and lifestyle decisions. The Roundtable focused on the interplay between these and other factors.

<sup>1</sup> McKinsey & Company: „Pathways to a Low Carbon Economy – Version 2 of the Global GHG Abatement Cost Curve“; <http://globalghgcostcurve.bymckinsey.com/>