

## **ICLEI Conference, 12-14 September 2011, Brussels**

Re: Preparation of the Mayors Forum on Sustainable Growth  
Munich's Contribution to the Europe 2020 Strategy

Cities play an increasingly important role in tackling challenges such as globalization, climate change, and social cohesion. European cities account for 75% of our population, 80% of energy use and 85% of Europe's GDP. Most current developments are particularly apparent in cities which also greatly contribute to the solution of these new challenges.

Munich is well aware of this responsibility. During this era of globalization, the City of Munich's political approaches have been characterized by internationality, sustainability and solidarity. The key topics shaping the challenges and opportunities of the future are roughly the same for all European cities, including Munich:

- Scarcity of resources, climate change and sustainability
- Demographic and social change, education and integration
- Global competition and the development potential of Munich as a business location
- Social polarization posing a threat to social cohesion
- Urban planning, housing issues and sustainable mobility
- Implications of the financial crisis for the municipalities' capacity to act

In order to tackle these issues, the City of Munich engages in a continuous exchange with other European cities and endeavors to find transnational solutions – especially within the framework of EU-funded projects.

The “Perspektive München“ (Munich Perspective) program is an integrated approach to urban development in Munich taking the above-mentioned challenges into account. The objective of this strategy which can be summarized using the catchwords “compact – urban – green“ is to provide for sustainable development and for a well-balanced city beyond 2020. Munich is to continue to be an internationally successful business metropolis with a high quality of life, a city thriving in its social equilibrium, and benefiting from a responsible use of resources.

The Europe 2020 strategy is about many of the same challenges. The City of Munich therefore supports Europe 2020 and the objectives set in this strategy. Being a member of the Europe 2020 monitoring platform of the Committee of the Regions, the City of Munich actively contributes to the Europe 2020 process.

Especially the sustainability and climate protection objectives which are at the heart of the ICLEI conference are mainly implemented at the local level. In these two fields, Munich already fulfills the given criteria or has made the targets part of its self-imposed strategy.

With regard to the specific objectives defined in the Europe 2020 strategy, there are numerous examples of how these are implemented and put into practice in Munich:

### **Climate Change and Energy**

#### **Objective: Reducing Greenhouse Gas Emissions**

In a resolution passed on 17 December 2008, Munich's City Council set a series of very ambitious targets for urban climate protection which go way beyond the Europe 2020 objectives. Munich will, for instance, reduce per capita carbon emissions by 10% every 5 years and, by 2030, will thus have achieved a 50% reduction compared to the base year of 1990. For the implementation of this resolution, the interdepartmental “Integrated Action Program on Climate Protection in Munich“ (Integriertes Handlungsprogramm Klimaschutz in München, IHKM) was initiated with the objective of developing concerted climate protection measures and of assessing their carbon reduction potential.

To maximize efficiency, the IHKM mainly develops measures in fields with a high carbon reduction potential, including:

- Housing construction – energy-efficient construction in existing and new buildings
- Urban development, urban land-use planning, landscape planning
- Mobility and traffic

- Energy efficiency in businesses
- Generation and distribution of energy
- Energy management in municipal properties and infrastructure
- Procurement, official cars, official trips

The measures developed were subcategorized into operative and strategic measures within the 2010 Climate Protection Program. Operative measures are those with a quantifiable reduction effect and those which, although not quantifiable, can be implemented right away and will have a direct effect (e.g. public relations campaigns). Strategic measures have a medium- or long-term effect which is not quantifiable in terms of carbon reduction but forms a necessary basis for developing further operative measures. All measures were assessed regarding their carbon reduction potential as well as the necessary costs for investments, material and staff.

Operative measures include:

- A municipal Energy Conservation Incentive Program (Förderprogramm Energieeinsparung, FES) for building owners in Munich
- Energy-saving measures in city-owned buildings
- Increasing climate protection measures for municipal housing associations for new and existing buildings
- The climate protection strategy of Munich's utility company Stadtwerke München GmbH (SWM), e.g. expanding the district heating grid, using deep geothermal energy, generating heat and power from renewable sources
- Increasing the use of renewables in city-owned buildings
- Developing energy plans for development areas and redevelopment areas
- Procurement of energy-efficient vehicles for the municipal vehicle fleet
- Power-saving street lights and traffic lights
- Power-saving devices, computers, and interior lighting

Starting in 2012, the operative measures will lead to carbon savings amounting to 534,190 t/a. Taking into account the different durations of the respective effects, the total amount of carbon emissions saved is estimated to be 15,529,542 t.

Strategic measures include:

- Introducing binding climate protection targets for urban planning
- Maintaining and developing climate-efficient free spaces and settlement patterns
- Entrenching and implementing climate protection in urban land-use planning

The City of Munich has introduced a carbon monitoring scheme in order to keep track of how well the objectives are being achieved.

### **Objective: Increasing the share of renewables to 20%, increasing energy efficiency by 20%**

- Implementation with respect to climate protection objectives:

The 2010 Climate Protection Program is also an energy action plan for the Covenant of Mayors which the City of Munich has been a member of since 2008.

Participation of civil society in the development of this energy action plan was achieved within the framework of the so-called Munich for Climate Protection Club (München für Klimaschutz-Club, MfK). Within this club, key stakeholders from the fields of business, science, politics, and society worked together to develop action programs and measures for reducing greenhouse gas emissions which they implement together. The measures developed include the drawing up of a rough carbon balance with specific reduction targets as well as participation in carbon reduction projects. So far, more than 60 members decided to join the MfK, including BAH Bosch and Siemens Hausgeräte GmbH, Städtisches Klinikum München GmbH and HypoVereinsbank AG.

The MfK members are currently working on four comprehensive projects:

1. Photovoltaics (PV) projects: In cooperation with the Solar Initiative München (SIM) GmbH, members of the MfK can contribute to these projects by providing free spaces suitable for PV installations or by bringing in their own PV arrays.

2. E-mobility: Within the framework of the model region for electromobility, members of the MfK can experience a whole range of e-mobility solutions and test the respective vehicles.
3. Model house: MfK members can contribute their solutions in the fields of energy-saving, energy efficiency, and renewable energies to the process of designing new buildings.
4. Climate-friendly Oktoberfest: In 2011, the potential for optimization is to be assessed and in 2012, the findings are to be implemented. This will include all aspects of the Oktoberfest from tents to carns and stands to mobility.

- Contribution of local energy suppliers:

In the course of its Campaign for Promoting Renewable Energies, Munich's utility company (SWM) wants to increase the share of renewables in their power generation to a level that allows for providing all private customers with renewable energy by 2020. With an initial electricity consumption of 7.4 TWh in Munich in 2005, this equals a reduction of at least 1.5 TWh by 2015 or 20% of the total electricity consumed in Munich. By 2025, SWM wants to be able to cover 100% of all electricity consumed from renewable sources. Even though this electricity will, for the most part, not be generated in Munich but in other parts of Europe, Munich will make an important contribution to achieving the objectives set by the Europe 2020 strategy that way. This does not include third party feed-in (e.g. private PV or biogas installations) of renewable energy into the SWM grid. Even though SWM will generate a significant amount of heat through geothermal energy and to a smaller amount also through biomass and then feed it into the district heating grid, the management decided not to include this heat in the objective of 20%. This in turn increases the overall amount of renewable energies used by a further couple of percent.

However, sustainability should not only be reduced to an environmental dimension. A comprehensive approach to ecology should also include social and economic objectives. Being a city of knowledge, a European center of innovation, a city of sustainable and environmentally friendly development and a "social city", Munich also makes a contribution to these aspects of the Europe 2020 strategy and puts many standards into practice within the framework of the Munich Perspective.

## **Employment**

The employment rate set as an objective for the City of Munich has already been reached. This is illustrated considering the following facts:

In 2009, the Bavarian employment rate was 74.6%. For Munich, the latest figure available is the employment rate of 2008 which was at 74.3%. In general, significant increases in labor participation could be observed in recent years. In 2005, the employment rates for Bavaria and Munich were 70.0% and 70.4%, respectively. Three years later, these figures increased by roughly 4 percentage points in both cases.

Indeed, there are several other factors also indicating Munich's high employment level. Compared to the rest of Germany, Munich has had by far the lowest unemployment rate for years.

In addition, the Munich City Council provides approximately 21 million Euros for the Munich Employment and Qualification Program in order to tackle long-term unemployment. A further 8 million Euros are used for qualification measures for young people (special program for adolescents and work-related youth assistance) and for measures to cope with structural change.

## **R&D and Innovation**

Also in this field, Munich is on the right track: in 2003, the share of GDP spent on R&D was 4.1%. In order to remain successful in international competition, innovation is a key factor for Munich as a location to do business and research. In terms of R&D, Munich-based businesses are very well-placed:

The 2010 EU Industrial Research and Development Investment Scoreboard lists 15 Munich-based companies with outstanding investments in research and development (Siemens, BMW, Infineon, MAN, BAH, Wacker Chemie, Knorr-Bremse, MTU Aero Engines, Linde, Epcos, Süd-Chemie, Morphosys, Nemetschek, Munich Re, and Medigene).

Munich has roughly 1,500 patents per 1 million inhabitants (2006) which is Germany's second highest ratio behind Stuttgart.

The share of employees working in R&D was 3.3% in 2003 (2<sup>nd</sup> after Stuttgart).

In 2008, German companies invested a total of 62 billion Euros in R&D. With 34.9% equating 21.7 billion Euros, the automobile industry contributed the largest share. In this context, it is important to know that the automobile industry is a particularly crucial branch in Munich.

Pursuing the objective of increasing research, development, and innovation in Munich even further, the City's Committee on Labor and Economic Development decided in 2011 to find out in what way the City of Munich and its affiliated companies contribute to Munich's innovation potential and to publish an overview of the results in the City's Annual Economic Report.

## **Education**

### **Objective: Reducing the school drop out rate to less than 10%**

In Munich, there are numerous initiatives aiming at tackling the problem of early school leavers. According to a study conducted by the Bertelsmann Foundation, the drop out rate at Munich's schools was about 8.6% in 2008.

Based on the Munich Education Report, the City's educational management scheme tries to reduce the number of school drop outs for instance by providing more assistance already at an early age. Excellent early-childhood education and care are indispensable. Among other things, appropriate measures can include special language promotion programs, increased communication with the parents, or individual assistance to underprivileged schools. An improvement of the social, ethnic, and cultural mix at a school can also make an important contribution to achieving the objective.

A targeted monitoring process for the Munich city districts helps to find out where there are difficulties when switching from elementary school to a secondary school which can then be remedied with the appropriate measures. The "Lernen vor Ort" project and the creation of "BildungsLokale" are two examples of this approach. The increasingly high quality and the good reputation of vocational training schemes as well as educational mobility (allowing for second-chance education) also help to tackle the problem of school drop outs.

### **Objective: Increasing the share of the population aged 30-34 having completed tertiary education to at least 40%**

Tertiary education is not a municipal responsibility. Nevertheless, this objective is also pursued by trying to promote and facilitate university entry during professional qualification and further training measures.

## **Poverty and Social Exclusion**

Munich has developed a comprehensive review system on poverty and social trends, to serve as a basis for political and subject-specific decisions, which will be further expanded.

The City was actively involved in the implementation of the European Year for Combating Poverty and Social Exclusion and, together with numerous partners and the citizens of Munich, organized a total of more than 100 events, exhibitions, theater productions and further activities raising awareness for the topics of poverty and social exclusion.

With specific programs and targeted measures, the City of Munich contributes to avoiding and combating economic poverty and social exclusion.

As indicated in the report of the Committee of the Regions published in May 2010, it is of utmost importance to convey the Europe 2020 Strategy to the local citizens. In Munich, the citizens receive information on the Europe 2020 objectives particularly through the Europe Information Division in the City's Department of Labor and Economic Development (European Affairs) and the affiliated Europe Direct information Center for Munich and Upper Bavaria.

**Conclusion:**

The Europe 2020 Strategy contains concrete objectives and guidelines to be implemented at the local level which are therefore relatively easy to communicate to the citizens of Europe. However, if the Strategy is to live up to its promises, the municipalities are key stakeholders which need to be involved in the development, the drafting and the implementation of the Europe 2020 Strategy. Especially the cooperation between local authorities, the national, and the EU levels on a partnership basis is very important in order to set common objectives – also for the local and regional levels – and to develop and implement model initiatives and national reform programs.