

Ladies and Gentlemen,

It is a great pleasure for me to follow your invitation into one of our great twin cities that is hosting the World Cities Leadership Climate Summit with participants from all over the globe. As one of them I am honoured to deliver my remarks on Berlin´s overall climate plan for such a distinguished audience of experts.

After the official entry into force of the Kyoto Protocol on the 16th of February this year, we are now drawing nearer to achieve our goals. There is scientific evidence for the global climate change caused by the anthropogenic influence, and there is hardly any doubt about it any longer. Immediate action, therefore, is needed.

Energy price increases are threatening the economic development and are requiring a political solution. What we need is an ecologically and economically sound energy policy. And what is more, climate protection is becoming a global concern. We are faced with the challenge to cope with limited resources of fossil energy, and thus the issue of energy efficiency becomes ever more urgent. We aim to reduce greenhouse gases by fostering the use of renewable energies.

Climate protection is the very nucleus of a sustainable environmental policy. It is the cities which are most affected by it for they predominantly account for the emission of polluting gases. At the same time, cities are pacemakers. We are making efforts to bring opinion leaders together with a view to raising the profile of our common goal - the climate protection.

In the national climate protection programme, the federal government set its objectives for the climate protection policy. In the new energy programme for Berlin, we specify how the city can contribute to achieve these goals.

Climate protection through rational use of energy and solar energy is a paramount consideration of the Berlin Energy Action Plan for 2005 – 2008. The plan provides for a reduction in carbon dioxide emissions by at least 25 % per capita by the year 2010 compared to 1990. With the Energy Action Plan for the years 2000 to 2003 we managed to realise a reduction of about 14 % until now.

Let me now focus on four topics relating to our environmental policy:

(1) It falls to public authorities to lead the way in climate protection. Berlin is well aware of its responsibility. As the greatest potential for energy savings and related actions is to be found in the building stock, the Berlin government has initiated exemplary actions in public buildings – the so-called Energy Saving Partnership (ESP). Energy saving partnerships with private investors are our first choice when it comes to increasing energy efficiency in public buildings. In the city of Berlin, annual energy costs amount to approximately 180 million euros in more than 5,000 public buildings. Limitations in public funds led to the idea of establishing an Energy Saving Partnership in which all tasks of energy services for a certain pool of public buildings are taken over by private companies (**“contracting”**). The basic feature of this model is that resultant energy savings contractually guaranteed by an external investor are reimbursed on a pro rata basis to said investor for his investment. These energy service companies (ESCOs) are required to be specialized in Performance Contracting (PFC), which means not only refinancing measures of energy conservation from the share in the saving of energy costs, but also guaranteeing a set percentage of savings in favour of the customer. That is what makes this model so attractive for both the ESCOs and the city of Berlin – in fact, it is a win-win strategy.

At present, more than 500 developed real estates with 1,300 buildings are being managed by private contractors of energy services in 18 building pools to ensure a rational use of heat and electricity in these buildings. Those contractors have already invested 40 million euros in energy-saving measures. Thus, Berlin as yet has saved thereby 20 million euros as regards energy and maintenance cost.

At present, we are developing a large contracting project under the title "Energy Saving Partnership plus Reorganisation". In this regard, we shall ask the energy services companies to ensure the use of renewable energies within those energy saving partnerships.

In our view, the principle of the energy saving partnership is a convincing one and will be successful, but, of course, there is a need for us to gather far more experience to guarantee a smooth realisation of the project.

The Berlin Energy Agency has succeeded in implementing many such projects in Berlin by taking over the preparation, steering and controlling as a project manager.

(2) Another important field of our activity is **solar energy**.

We are closely following the upward trend towards installing solar power plants in Berlin and seek to encourage this development. The number and efficiency of this technology have in-

creased strongly: in 2004, we had a total of 3,000 solar thermal equipments with 47,000 square metres of collector area.

The capacity of photovoltaic power plants amounts to 5.7 MW. According to our Berlin Energy Action Plan, we have succeeded in even doubling the solar energy use what encouraged us to press ahead with our objective in the new Berlin Energy Action Plan valid until 2008. Firm action by public authorities in close cooperation with citizens' solar initiatives will be the right track for persisting in our declared objective. One of our initiatives is to promote the installation of photovoltaic systems on the roofs of public buildings. Private operators invest in this technique and reinvest through revenues under the Renewable Energy Act (EEG). Since the beginning in 2003, the solar roof offer has met with wide acceptance - until now, 9 contracts for 11 public buildings (mostly schools) have been signed.

(3) Everyone will be in broad agreement with us that road **traffic** as well is an overriding issue for climate protection. Berlin is faced with the problem of a continuous increase in the number of inhabitants moving to the surrounding countryside and, as a result, of commuters to and from Berlin.

The breakdown of passenger traffic by means of transportation shows that between 1992 and 1998, the portion in private passenger car traffic and bicycle traffic rose whereas the portion in the urban public transport and pedestrian traffic decreased.

Any success of climate protection policy is primarily grounded in a change in traffic-related polluting emissions: Between 1990 and 2000, traffic-related gas emissions rose by 15 % and partly compensated the decrease in energy consumption in other sectors in Berlin during the same period.

The urban development plan for "traffic" was decided upon by the Berlin Senate in July 2003. Under that plan, there will be no further increase in traffic-related energy consumption in the region of Berlin until 2015 (in contrast to 1998).

One part of this strategy consists of a shift in the use of the means of transportation, i. e. in favour of urban public transport, bicycle and pedestrian. It involves an expansion of parking place management, a differentiation of parking fees, a scheme for parking bays at private buildings, the acceleration of the urban public transport and further measures to increase the quality of public transport. In particular, bicycle traffic is to be promoted. (Development of bicycle paths, better parking possibilities), especially to combine the bicycle with public transport, also signposts, better service and communication.)

An impact analysis revealed that it will not be feasible to lower traffic-related polluting emissions during the period of conversion of all medium-term measures. Instead, the rise will only be slower.

Berlin's scope of action regarding a further deceleration or lowering of carbon dioxide emissions is strongly limited. The carbon dioxide emission could be lowered effectively, in case citizens' trend towards a move to the surrounding countryside is halted or adequate measures for a social urban development are taken to induce more citizens to stay in the city centre. In Germany and the European Union, the Senate of Berlin is pressing for a dismantling of competitive distortions between the eco-friendly rail transport and the road and air traffic. A change in the policy of granting subsidies could create a level playing field for an energy-efficient transport.

(4) In 2008, restrictions for diesel engine vehicles will be put into effect within an environmental zone situated inside the rapid transit railway ring in Berlin. By this means emissions will be reduced in the city centre and the automobile industry will be encouraged to offer vehicles with lower emissions (because only those will be allowed to enter the environmental zone).

However, it is incumbent on the city to take the lead and reequip its local vehicle fleet accordingly. Significant progress has been made through the use of **natural gas technology** – not only because I myself use a natural gas vehicle as official car now. At present, as much as 25 % of the garbage collection vehicles of the city cleaning company drive with natural gas.

A few weeks ago the urban transport company has put into service the first 9 natural gas buses for the regular services of urban bus transport. Natural gas buses have lower pollution, i.e. particle emissions are reduced to a minimum, the generation of noise is significantly less than compared with Diesel engine buses, and low nitrogen oxide emissions correspond to stricter air limit values for nitrogen dioxide that will take effect in Europe with the beginning of 2010.

As we can see, private enterprises have finally come to show a greater interest in natural gas technology as well. Recently, Telekom has put its 100th natural gas vehicle into service, and further logistics companies are switching their vehicle fleet to natural gas.

This interim result is evidence of the success achieved by our policy of promoting and using low-emission technology. Thanks to the promotion of financial incentives and demands of

conceiving an eco-friendly environment, the Berlin vehicle fleet will be one of the cleanest in Germany by the end of the decade.

We have to keep the situation in perspective: climate protection continues to be a long-term field of action in our environmental policy. The impacts of climate change caused by human hand will be long-lasting and will only be realised with a considerable delay. Therefore, it is imperative to act now. Let us all try to give momentum to our action and to make every endeavour to cooperate in an international alliance for climate protection!

I wish you the very best of success in finding many vocal supporters of a firm climate protection policy.

Thank you.