

COMMITTEE ON REGIONAL DEVELOPMENT

REPORT OF THE DELEGATION TO BERLIN, GERMANY

17 JUNE - 18 JUNE 2013

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Summary

Subject	Visit to Berlin
Objectives	<p>Main objectives of the delegation:</p> <ul style="list-style-type: none">- to gain insights into the projects and programs implemented in Berlin with the support of the European Cohesion policy;- to get informed about the practical application of urban dimension of cohesion policy;- to exchange views with local stakeholders, local authorities and politicians;- to share concerns and discuss on the objectives regarding the Cohesion Legislative Package;- to learn to know good practices and innovative approaches to tackle the specific local challenges linked to economic, social and territorial cohesion as well as to the EU 2020 strategy.
Date	17 -18 June 2013
Places	Berlin (Adlershof, Neukölln, Wedding, Mitte)
Participants	The delegation consists of 9 Members and substitute Members of the Committee on Regional Development: MEP Seán Kelly, Chair of the delegation (EPP, Ireland), MEP Petru Luhan (EPP, Roumania), MEP Rodi Kratsa-Tsagaropoulou (EPP, Greece), MEP Derek Vaughan (S&D, United Kingdom), MEP Vilja Savisaar-Toomast (ALDE, Estonia), MEP Joachim Zeller (EPP, Germany), Hermann Winkler (EPP, Germany), Jens Geier (S&D, Germany), Elisabeth Schroedter (Greens/EFA, Germany)

Joint Innovation Strategy of the States of Berlin and Brandenburg

The Delegation started with a lecture about the “Joint Innovation Strategy of the States of Berlin and Brandenburg (innoBB)” during the bus ride to the Science and Technology Park Adlershof.

The Joint Innovation Strategy was adopted by the Berlin Senate and the Brandenburg Cabinet on 21 June 2011. Its primary goal is to develop the cutting-edge fields, identified as important to both states in 2007, into the following cross-border clusters: Life Sciences & Healthcare, Energy Technology, Mobility, Transport and Logistics, ICT, Media, Creative Industries, Photonics (including Microsystems Technology).

This cross-border approach between two regions on coordinating innovation policy is unique in Europe so far and has been presented as “best-practice” model for cooperation in functional urban areas by the European Commission on several occasions.

The innoBB strategy takes up the themes of the Europe 2020 strategy and forms the basis for its implementation on the regional level. Germany’s capital region will continue to rely on support from the European Structural Funds. The existence of this strategy is an ex-ante conditionality for the future use of Structural Funds for objective 1 set out in article 9 of the common provisions regulation proposed for the next cohesion policy period (the ex ante conditionalities had not yet been agreed in the interinstitutional negotiations at the date the Delegation took place)

ERDF for Innovation and Research in Berlin: 285 million €,

ERDF for Innovation and Research in Brandenburg: 659 million €, 255 million € for infrastructure

Welcome of the Delegation by Ms Hella Dunger-Löper, Permanent Secretary, State of Berlin Delegate to the Federation, Commissioner for European Affairs, and Commissioner for Active Citizenship at the Berlin Senate Chancellery

The Delegation was welcomed at the Technology Park Adlershof by Permanent Secretary Hella Dunger-Löper. She gave a short overview on the challenges the state and city of Berlin is facing. She pointed to the positive developments like the successful Technology Park Adlershof but also to the immense problems Berlin is facing like the high poverty rate of children and the areas with deprived neighborhoods. She acclaimed that the Delegation would have the opportunity to get an overview all of these aspects of urban development during their visit in Berlin.

Technology Park Adlershof

The Delegation got an introduction to Technology Park Adlershof by Mr Hardy Rudolf Schmitz, the Head Manager of WISTA management GmbH, which is a holding company of the Land Berlin and appears as the main operator of the

Technology Park Adlershof. The company is in charge to promote and to increase the attractiveness of the business location in Adlershof

Berlin Adlershof is one of the most successful high-tech locations in Germany. Embedded in an overall urban development concept, this integrated Science, Business and Media location has been growing on an area of 4.2 km² since 1991. At the core of the concept is a Science and Technology Park with 429 companies, eleven non-university research institutes and six scientific institutes of the Humboldt University in Berlin. The companies and the non-university scientific institutes focus on: Photonics and Optics, Microsystems and Materials, IT- and Media, Bio Technology and Environment, Photovoltaics.

In close proximity to science and technology are shops, hotels, restaurants and a park of 66 hectares. Altogether, Adlershof is the workplace of approx. 15,000 people and 8.438 students.

The Technology Park Adlershof has been financed by ERDF during different structural funds periods since 1991 by different priority axis in different projects.

The Technology Park Adlershof pooled the thematic focus areas in six Technology Centers, of which the Delegation visited after a campus tour by bus three centers:

Center of Microsystems and Materials (ZMM - Zentrum für Mikrosysteme and Materialien):

By the construction of this new central research building in 2011, Berlin underlines his position as the third-largest location for microsystem technology in Germany. The Center of Microsystems and Materials can be used by more than 50 companies. The building offers a total effective area of 6.500 m² to attract more companies in this sector. The Center was cofinance by ERDF by 12.403.000 €

The Members had the opportunity to visit a company in this Center: **DirectPhotonics Industries GmbH** which was co-funded by ERDF through Venture Capital Fonds Technologie. This fund has total volume of 52.000.000 € which are partially backed up by ERDF. DirectPhotonics, established in 2011, develops, manufactures and sells ultra-high brightness diode lasers that are revolutionizing the market currently occupied by fiber and disk lasers.

At this company the Members took the opportunity to ask the manager about his experience and assessment of the administrative requirements for using structural funds.

Innovation and Business Incubation Center (Innovations- und Gründerzentrum IGZ)

The Innovation and Business Incubation Center is operated by the Innovation Center Berlin Management GmbH since 1991. It was funded by ERDF from 1991 to 1999. The IGZ is situated in immediate vicinity to renowned research establishments and natural-scientific faculties of the Humboldt-University. In 2001 and 2007, the IGZ was awarded by the federal association of German Innovation and Technology with the seal quality "Recognized Innovation Center". The Center is helping young entrepreneurs to success with technical development, cooperation, financing, controlling, marketing as well as public and press relations.

The Delegation got an introduction to the work of the Innovation and Business Incubation Center and of the International Business Incubator.

Opened in 1997, the **International Business Incubator**, OWZ, offers support for the set-up and establishment of companies from all over the world, active on the global scene, especially from Central and Eastern Europe. These companies are realizing their potential for economic cooperation. The Center helps in issues of permits and registration, securing markets and the transfer of technology.

Center of Photovoltaics and Renewable Energies in Germany (Zentrum für Photovoltaik)

The sector of Photovoltaic was created in Adlershof in the last three years. Nowadays, more than 40 companies in the sector of Photovoltaics and Renewable Energies have their seat in Adlershof. This Centre was financed with public investment funds of 33.000.000 € with 15.000.000 € (45 %) funded by ERDF. The Delegation was guided through a new building (with a usable effective area of 8.000 m²) recently constructed with the aim to attract more companies.

Wrap up

The visit of Technology Park Adlershof ended with a Wrap up and Working Lunch at the Forum Adlershof. The Members discussed the specific conditions for the success of the Technology Park Adlershof with Mr Hardy Rudolf Schmitz, the Head Manager, and Mr Dr Helge Neumann, Executive Director for Business Development. They were especially interested in the reasons for the very low insolvency rate of the enterprises in Adlershof. They also asked for information about the connections of the Technology Parc Adlershof with universities and scientific institutions of Berlin and how these connections are fostering spin-offs. As an important point of interest the Members discussed the operational and administrative experience with financing by European Structural Funds.

Berlin-Neukölln, Neighbourhood management "Körnerpark and Neighbourhood Centre Neukölln

Socially Integrative City (Soziale Stadt) is a German national program, partially financed from the ERDF, that promotes participatory sustainable urban development at neighbourhood level, using a design that combines a tight spatial focus, local participation, and the integration of policies and human and financial resources. This federal program decentralizes decision-making, by delegating responsibility for small-scale projects to residents living in deprived areas. The city of **Berlin** has refined and extended the original program's ideas. A distinctive para-institutional structure known as Neighbourhood Management is created in each selected neighbourhood, and manages five types of Neighbourhood Funds, each covering a different size and type of project and working with the direct involvement of residents. The Neighbourhood Management won the Regio Stars 2013 awarded by the European Commission. In the funding period 2007 -2013 in the urban axis of the Operational Program the neighbourhood management practice in Berlin is funded with 172.157.000 € by ERDF.(This is the total amount of ERDF Funding reserved for the priority axis after the first modification of the ERDF Program in 2011; in the priority axis, a total of 151.000.000 €ERDF are reserved for the Neighborhood Management Program.)

The Neighbourhood Management teams provide a platform for networking and interaction, enabling groups and actors to debate and identify local needs, values and responses. One of the anticipated effects of the program is the empowerment of citizens, through collaboration and cooperation on projects. The guide tour showed that this was excellently done with meaningful buy-in & ownership from stakeholders.

The delegation got an overview of the situation in the neighbourhood "Körnerpark" in Neukölln, and an introduction to the concept of the Neighbourhood Management. The delegation visited some examples of the projects organized by this neighbourhood while walking towards the Neighbourhood Centre (Nachbarschaftsheim) Neukölln.

The **Neighbourhood Centre Neukölln** was created in 1952 by the architect Max Taut as a meeting and communication centre. For over 60 years it served as an open house for the neighbourhood, and had been well received and frequented by the neighbours; however, after several decades, the building needed to be refurbished and did not match modern technical and environmental standards. With the environmental refurbishment, funded by the Environmental Relief Programme, (556.000 € public contribution, 278.000 € ERDF) the house now meets current technical and environmental standards with high energy efficiency which can meet the needs for many new forms of activities of the visiting neighbours. In addition, with the help of socially integrative city program (270.000 € public contribution, 135.000 € ERDF), the rooms and the exterior area of the house have been refurbished to offer a perfect

functional but inviting frame for many neighbourhood activities which meet security standards and are barrier-free.

The delegation had a discussion on the concept of developing deprived neighbourhoods in Berlin with representatives of the Berlin administration and with members of the team of the Neighbourhood Management as well as the Neighbourhood Centre.

In this Center the Members were informed about the ERDF co-financed Environmental Relief Program II (ERP II) of Berlin. The ERP II is already an integrated urban environmental program, which is used to reduce CO₂ emissions, nature and landscape conservation (incl. NATURA 2000), rainwater management and reducing emissions from traffic. With the program also research and strategies for the urban environment are co-financed. The renovation of the Neighborhood Management Center was presented as a best-practice example (chosen in a competition procedure, high efficiency values and situated in a deprived area). The intermediate body plans to continue the integrated program in the next period. Members of the delegation answered questions about provisions regarding urban development as agreed in the interinstitutional negotiation on the regulations for the future cohesion policy.

17 June 2013 Evening Part

Reception at the Berlin House of Representatives

Mr Andreas Gram, Vice President of the Berlin House of Representatives, welcomed the Delegation with a speech in which he pointed out the need of legitimisation of the European Politics and the requirements regarding the involvement of Parliaments in a system of multilevel governance.

Ms Cornelia Yzer, Berlin Senator for Economics, Technology and Research, focussed her speech on the importance of European Structural Funds for the economic development of Berlin. In the last cohesion policy period Berlin received 1,2 billion € from the European Structural Funds which were used in the framework of the Berlin strategy for increased growth and employment in the main areas of action as economy, knowledge, environment and urban development. She pointed out to the possibility to support large enterprises through ERDF funds which has a large impact for the economic development of Berlin and asked therefore the delegation to support this cause in the discussion with the European Commission regarding the regional aid guidelines. She also underlined that the special conditions of the Berlin-Brandenburg-area require allowing flexibility for beneficiaries of the Structural Funds when taking decisions on the geographical location of their activities.

The Chair of the delegation, MEP Seán Kelly, thanked in his speech Senator Cornelia Yzer and the Senate of Berlin as well as Mr Andreas Gram, Vice President of the House of Representatives, for the hospitality and support for the delegation from REGI committee as well as for the insights in economic and urban development policies they made possible for the delegation.

18 June 2013 Morning Part

Memorial Landscape Berlin Wall, Wedding

Professor Dr. Axel Klausmeier, Director of Berlin Wall Foundation, guided the delegation on the open air exhibition of the Berlin Wall Memorial explaining the memorial and the history of the Berlin Wall as well as the concept of this site to be a place of remembrance of the separation of Europe and of its victims.

The construction of Berlin Wall Memorial was co-financed by ERDF - Culture Investment Program with 2.900.000 € Total public contribution was 5.800.000 €.

The Berlin Wall Memorial was officially dedicated in 1998 and is the only place where the many-layered system of border fortifications is still apparent. The memorial extends 1.4 kilometers along Bernauer Strasse on the former border strip between East and West Berlin. Two hundred and twenty meters of the original border wall that once encircled Berlin along 155 kilometers have been preserved here. The Berlin Wall Memorial tells the history of division for Berlin, Germany and Europe at an historical site.

Project example of Berlin creative industry: ExRotaprint

From the Berlin Wall Memorial the Delegation took a bus ride to "Ex-Rotaprint" in Berlin-Wedding. The non-profit Ex-Rotaprint gGmbH was founded on July 17, 2007 with the objective of taking over the former Rotaprint site, an old printing press factory.

The first objective of the **ExRotaprint gGmbH partnership agreement** is to preserve the historical site. The surplus from rent payments goes into renovating the buildings. The amount invested to purchase the property was far smaller than the amount that will go into the restoration of the buildings which will spread out over many years. The second stated aim is to support art and culture while developing ideas and freeing up means for other issues and goals. Thus ExRotaprint is created to be a place for discussing art, culture, politics, and urban development. Today, there are designers, artists and architects working in joint projects. ExRotaprint was co-financed by ERDF with 75.480, 00 €

The Members were in particular interested in the way how the harmonious coexistence of different cultures of projects and businesses is organized by ExRotaprint.

SOS Childrens' Village SOS Professional Training Center in Berlin-Wedding

The Delegation visited as next point - also in Berlin-Wedding - the SOS Center for Vocational Training of Youth: 250 young adults from 20 countries in the world visit at present the SOS professional training center Berlin. There are young people with bad or missing graduation, often with insufficient German knowledge. Since 1996 they get training for jobs in the field of hotel and restaurant industry, handicraft,

media or administration in the center. Many young people fear school, have problems in their families and only little power to hang on. Therefore they need special promotion.

Mr Burghardt Schäfer, head of the SOS Childrens' village as well as of the SOS Professional Training Center, showed the delegation the different kinds of vocational training young people can get in this center. For example they can learn the job of a hairdresser, a carpenter or cook. They also can make first experiences with different type of jobs through some special preparatory work experience and training before choosing their professional training. In part some programs were funded by ESF through the German Federal State.

The Members were very interested in the experience and achievements of the center in motivating the young people to get a vocational training and how the young people in training are financed. They talked with the young people on their ideas about their professional future. An important point of discussion was the way the young people perceive the European Union and the activities of the center to provide the young people with the experience of visiting a foreign country. In this context the Members were informed about the possibility for the young people to do an internship in the Netherlands.

Members were also highly complementary of the opportunity to allow young people try different job choices before finding their preferred career choice.

18 June 2013 Afternoon Part

The afternoon part on the second day of the delegation gave the opportunity to get information on **EU cohesion policy in Berlin from the point of view of the state level**.

EU Cohesion Policy in Berlin

Analysing the framework, the objectives and the implementation of EU Cohesion policy in Berlin it appears indeed that several best practise features have been put into practise by the regional government, namely the integrated policy approach and the targeted thematic concentration.

In principle, it can be noted that all 5 priorities of the OP "Berlin" can be considered contributing parts of the third priority, entitled "integrated urban development", since they overlap and are all focused on innovation and job creation in the specific urban environment, following at the same time cross cutting horizontal priorities echoing the EU 2020 strategy.

Berlin has one advantage favouring the coherence and effectiveness of Cohesion policy implementation. In Cohesion policy in general there is a difficulty when it comes to the involvement of local and regional decision makers, be it in the programming or the project selection phases. As a consequence, projects at city level are often run solely on their own terms, i.e. without being part of a genuine regional strategy.²⁹ In Berlin, this is different. **As one of the 16 German states, the city government has the competences and the instruments to plan and follow an integrated approach for urban policy at regional state level.** The focus on good coordination and cooperation between all *Senatsverwaltungen* and with other stakeholders is also a positive factor in this context.

In a way, the case of Berlin demonstrates what the newly proposed option of "Integrated Territorial Investment Strategies"(ITIs) - foreseen in the legislation for 2014-2020 - is expected to bring for other cities in terms of better strategic involvement in Cohesion policy implementation.³¹ The key elements of ITIs can be noted in Berlin: a designated territory and an integrated territorial development strategy, a package of actions to be implemented and the necessary governance arrangements.

The urban development's objectives are complemented by both the Joint strategy with the state of Brandenburg and the German national policy objectives. All together, they fit into the EU 2020 strategy so that the common fields of action of all policy frameworks relevant for Berlin turn around the development of the economy, knowledge, environment and sustainable urban development.

Senat Administration for Urban Development and the Environment

Mr Michael Müller, Mayor of Berlin, Senator for Urban Development and the Environment, welcomed the Members at the location of his office where the large city-models of Berlin are presented. The delegation got an introduction to the planning of urban development in the case of Berlin with its special challenges and opportunities for urban planning after the fall of the Berlin wall.

For the next cohesion policy period Berlin will have one operational program for the whole city/region. Several options for having an integrated urban development are still being discussed. The use of ITI has not been envisaged. The question on how an urban priority axis will be built and what will be necessary to meet the 5% criterion (interpretation of article 7, paragraph 2, subparagraph 2) is still under discussion with the European Commission.

Either the investment priority 9b (Article 5) with its inbuilt integrated approach or a priority axis with more one or more thematic objectives should therefore account for the 5% criterion without the necessity to be mixed with other investment priorities.

Berlin City Hall

Ms Hella Dunger-Löper, Berlin Commissioner for European Affairs, welcomed the Delegation in the Berlin City Hall and thanked the Members for visiting Berlin.

She underlined the importance of a good working relationship between the Committee on Regional Development and Berlin. The credit of the success of structural change in Berlin belongs with a large part to the European Structural Funds. But she pointed also to the challenges Berlin is facing regarding its economic and social structure which are still a consequence of the division of Berlin. She pointed out to the fact that Berlin is a growing city with people of different origins which creates a huge challenge for politics.

The Members discussed with Ms Hella Dunger-Löper different approaches to urban development policy as an answer to these challenges. They were in particular interested in the reasons for the high poverty rate among children and in what way Berlin tackles these conditions.

"Stroke Rescue Vehicle" (Stroke-Einsatz-Mobil -STEMO)

Professor Dr. med. Heinrich Audebert, Project Leader in the Centre for Stroke Research of the Medical University Charité Berlin gave the delegation an explanation of the background for the project of developing a rescue vehicle with an emergency ambulance for stroke patients for the Berlin Fire Brigade.

STEMO is an excellent example of the joint research of several project partners, one of them a medical university (the Charité Berlin), one partner is the Fire Brigade of Berlin, who is in charge of the emergency rescuing service in Berlin, and two partners are Small and Medium Enterprises: one of these is the MEYTEC GmbH Informationssysteme, which is an Enterprise located in Brandenburg and has received funding by the Investing Bank of Brandenburg (ILB). The fourth partner, another

SME (BRAHMS AG, now owned by Thermo Fisher Scientific), did not receive any funding.

With a total project volume of 3,4 million Euro, the two project partners located in Berlin have received public funding of around 2,4 million Euro, including 1,46 Mio. Euro ERDF.

The joint research project has been funded by the predecessor program of *Pro FIT*, which is a program to fund Research, Innovation and Technology - in German: Programm zur Förderung von Forschung, Innovationen und Technologien (*Pro FIT*).

With *Pro FIT*, which flanks the Cluster management policy of Berlin, technological Research- and development-Projects can be funded either as individual projects of a SME, or as joint projects of SME and non-SME (Research institutes and/ or Universities). Depending on the stage of the innovation process, the project can be funded as non-repayable grants (at an early stage) or as loans. Research Institutes can only be funded in a joint project with at least one SME located in Berlin or Brandenburg as partner.

The Project STEM0 is an excellent example how *Pro FIT* helps to support and strengthen cooperation between Research Institutes and SME, transferring competence and knowledge of Berlin Scientists into direct applications and products.

The delegation had the opportunity to visit the Stroke Rescue Vehicle which was displayed by the Berlin Fire Brigade in the courtyard of the Berlin City Hall. With this program point the official program of the delegation ended.

Concluding remarks

The Delegation gained a lot of insights into the projects and programs implemented in Berlin with the support of the European cohesion policy. The Members visited many different projects showing the urban, economic and social dimension of cohesion policy in a metropolitan area. So they had an opportunity to get an overview over the challenges for urban development and the implementation of cohesion policy.

While visiting many different projects they got information from the managers of the projects about their main difficulties in the practical implementation as well as regarding the conditions for the successful implementation.

The delegation had the opportunity to get an impression of the possibilities for creating an environment for innovative economic activities and discussed with stakeholders and managers the conditions for economic success of start-up enterprises. In particular regarding the circumstances of the economic crisis the very low rate of bankruptcies in Berlin-Adlershof impressed the delegation and showed the possibilities of supporting economic growth through cohesion policy.

As Berlin - like all metropolitan areas - is facing huge challenges regarding the social cohesion of its population it was very interesting for the delegation to see the project of neighbourhood management in Berlin-Neukölln as an example for reactivation of a deprived neighbourhood. Also the SOS Professional Training Center in Berlin-Wedding can serve as an example of good practice and an innovative approach to solving the challenge of bringing young people with a problematic background into jobs.

Meetings with many members of the government of Berlin, politicians and representatives of the local authorities gave the opportunity to share concerns, but also to discuss the objectives of the future cohesion policy as designed by the Cohesion Legislative Package. The delegation could gain a broader understanding of the specific local challenges linked to the economic, social and territorial cohesion in the European Union as well as to the EU 2020 strategy.

In general, the objectives set by the delegation are considered to be achieved.