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**Study on the contribution of local
development in delivering interventions
co-financed by the European Regional
Development Fund (ERDF) in the
periods 2000-06 and 2007-13.**

Third Interim Report

Regional Case Study: Berlin

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Acronyms

AIRs	Annual Implementation Reports
ERDF	European Regional Development Fund
ESF	European Social Fund
GDP	Gross Domestic Product
LDA	Local Development Approach
NC	Neighbourhood Council
NF	Neighbourhood Funds
NM	Neighbourhood Management
NUTS2	Nomenclature of Territorial Units for Statistics 2
OP	Operational Programme
SenStadt	Senate Administration for Urban Development
SMEs	Small and Medium Enterprises
ZIS	Future Initiative for Urban Boroughs

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Foreword

The European Commission, Directorate-General for Regional Policy, is undertaking an analysis of the role of local development approaches in ERDF co-financed interventions. One aspect of the exercise is a series of five case-study analyses of NUTS2 regions covering interventions co-financed by ERDF across the 2000-06 and 2007-13 programming periods.

The case-studies are intended to outline the way in which local development approaches are implemented on the ground, detailing the interface between socio-economic context and the design of intervention strategies and illustrating relative performance of the particular LDA models adopted. In so doing, the studies seek to address the primary research issues of the study, namely:

- What are the effects of local development interventions in terms of socio-economic development, better living conditions and territorial balance within regions?
- To what extent can the local development approach contribute to the effective delivery of Cohesion Policy? What are the limits of the approach?

This report provides the case study review of ERDF local development approaches (LDA) pursued in Berlin across the 2000-06 Objective 1 and Objective 2, and the 2007-13 Regional Competitiveness and Employment Objective, programming periods.

The case study has been drawn-up by a process that includes:

- desk-based analysis of relevant statistical and socio-economic data sourced from Eurostat and the Office for Statistics of Berlin-Brandenburg region (Amt für Statistik Berlin-Brandenburg);
- desk-based analysis of documents relating to each period and covering items such as Operational Programme (OP) materials, evaluation reports, Annual Implementation Reports (AIRs), Neighbourhood Management (NM) communication materials;
- semi-structured (face-to-face) interviews with fifteen actors including the managing authority, borough, NM teams, local actors and external experts; and
- a stakeholder workshop to outline, validate and discuss emerging findings from the case-study exercise.

Defining a local development approach is not straightforward. The study operates on the basis that such an approach requires the existence of a clear territorial focus, an element of policy integration and the fact that partnership is expected to play a role - whether as a tool within the process or as a goal in its own right. Drawing on the

combination of the above features, the study identifies three models that seem to conform, at least at a theoretical level¹.

The Berlin case study can be considered a good example of a *pure LDA* model, characterised by a small territorial focus; a (mostly) integrated thematic approach with partnership as a goal and inclusive in nature.

In terms of territorial focus, both the Objective 1 and Objective 2 Programmes during the 2000-2006 programming period, and the Competitiveness Program during 2007-2013, regarding to the Sub-Program “Socially Integrative City” start by identifying areas of Special Development Needs across the whole of Berlin where LDA activities might be implemented. The areas are relatively small (neighbourhoods) and are clearly identified via a specific monitoring system.

As far as policy integration is concerned, LDA activities are identified in relation to local needs at a neighbourhood level and cover a wide range of different policies ranging from urban and labour policies to social inclusion policies.

As for the final element, LDA calls for ongoing, area-specific, and integrated local development action in the sense of a holistic improvement strategy where local residents, business and industry, clubs, associations and other local players, are to take on responsibility in developing and implementing local projects. In this way partnerships are particularly inclusive and their activation is a primary goal.

More details on each of these elements, the nature of their origins, the rationale for their construction and stakeholder perspectives on their role and value, is contained in the following sections of the case study.

¹ The following are the three models: 1) “Pure” LDA: small territorial focus, (mostly) integrated thematic approach, partnership as a goal, inclusive partnership. 2) LDA as a corrective in sectoral policies: wide or small territorial focus depending on the policy, single thematic focus, partnership both as a tool and as a goal, selective partnership. 3) LDA in regional policy: wide(r) territorial focus, integrated thematic approach, partnership as a tool, selective/strategic partnership (including multi-level governance). See First Interim report for further details.

1 Executive summary

Regional policy in Germany is inevitably linked to the post world war II division between Western and Eastern Germany and their differences in terms of socio-economic development and political assets. Unsurprisingly, reunification in 1990 raised regional disparities as an important issue on the federal agenda in terms of not only growth but also social cohesion.

In 1999, the “Urban Neighbourhood with special development needs – The Socially Integrative City” programme - was launched at national level by the Federal Government with the Federal States (Länder). The programme aimed to support the most disadvantaged (defined both in terms of unfavourable social and economic status) neighbourhood in different German cities. The underlying idea of the Socially Integrative City programme was that neighbourhoods would themselves become the main actors in their own development and to improve the living conditions of people living there. When the programme was launched, the question emerged as to how to take into account calls for more inclusive civic participation and it was decided to implement a Neighbourhood Management (NM) body in each area. The main task of the NMs is to activate local residents, especially groups that have so far been difficult or impossible to reach.

Berlin joined the Socially Integrative City Programme in 1999 when it was decided to use different financial channels for co-financing. From the outset, financial resources came from the federal Republic of Germany, the Federal State of Berlin and from the European Union, through ERDF. Berlin's approach strongly emphasised the significance of Neighbourhood Management structures and encouraged the involvement of citizens and local actors in addressing disparities via a local development approach, taking into account small-scale disparities at local level.

The entire process was bottom-up in nature, based in Neighbourhoods where there existed a prevalence of problems and unmet needs. Since 1999, local residents and local actors from across the entire community have played a strong role both in programming and implementation phases starting with identification of the development potential of a neighbourhood (a partnership between local stakeholders and the municipal authorities) and reflecting socio-economic characteristics and disparities.

The involvement of local residents and actors grew, over time, and the participatory approach at the heart of LDA activities strengthened in moving from the previous programming period (2000-2006) to the current one. In particular, since 2005, the participation of local residents within Neighbourhood Councils has been extended through their role in the decision making process. NCs strengthen the participation of residents by giving them the responsibility to decide on the financing of projects. Together with local residents, three other main type of actors are involved in both phases: the SenStadt (the Intermediary Body in charge of LDA priorities/measures both

in the 2000-2006 and 2007-2013 programming periods); the Boroughs and Neighbourhood Management Teams. Alongside the NCs, the involvement of boroughs in the LDA decision-making process has also strengthened over time. At the outset, their responsibilities were related to administrative aspects only. Since 2007, however, Boroughs have been sub-delegated (by the SenStadt) for the management of the LDA Priority at municipal level.

Activities are developed combining a potential-oriented approach for economic, environmental and urban development as well as instruments for tackling social problems. Both aspects are implemented in a locally balanced relationship.

The conceptual framework for enhancement activities within these small-scale areas is the "integrated action concept" which analyses initial social and economic conditions, defines priorities for future development according to local conditions and describes the activities that are suitable in the context of available funding. Ultimately, the aim is to stimulate stable and sustainable social and economic development of the neighbourhood within the urban system. A focus of intervention is also the stimulation of civil society participation and inclusion of target groups, addressing social problems and reducing social disparities.

This framework underlies all three programmes (Ob.1 and Ob.2 2000-2006; ERDF Convergence 2007-2013) analysed in the case study through integrated urban and local development measures/priorities, aiming to stimulate the economic and social development of disadvantaged neighbourhoods/boroughs by individualising local needs.

In general, LDA measures/priorities have demonstrated positive performance in terms of financial capacity and physical achievements. Interventions using LDA were effective from the outset and from the point of view of financial integration among different financial resources (federal Republic of Germany, the Federal State of Berlin and from the European Union through ERDF) as well as policy integration (social needs within an urban development perspective). Both of these aspects constitute a solid basis for sustainability of the approach and access to different financial resources from Structural Funds allows continued implementation of specific activities even after the end of the funding period, generating potential for a stable system. The creation and consolidation of NM offices represents an additional, sustainable, result of the Berlin local development approach: NMs are a stable reality within neighbourhoods with an internal know-how that goes beyond specific activities.

Therefore, the case study is an example of a pure LDA model, characterised by a small territorial focus; a (mostly) integrated thematic approach with partnership as a goal and inclusive in nature. The philosophy of community working, which is at the basis of the entire Berlin LDA model has, over time, enabled the approach to:

- Immediately (without any filter) identify and understand local needs;
- Strongly connect social issues within an urban and infrastructural intervention framework;

- Strongly increase empowerment and networking among residents and between residents and more structured and formalised local actors (such as schools, NGOs, local institutions, etc.).

2 Context related features

The federal capital of Germany, Berlin is classified as a NUTS 2 area and is located in the North-East of the country, within the Federal State of Brandenburg. It is not just a municipality, but one of the 16 Federal States (*Bundesland*), is a city-state (*Stadtstaat*) and thus has its own government. It is the largest German city in terms of inhabitants (3.46 million in 2010), area (892 sq/km) and density (3,880 inh./km).²

For over 40 years the development of the “two” Berlin's were characterised by subsidies and political interests which influenced the city's economic development, still considered poor compared to other western German regions. Also, the city/Land is experiencing a very high public deficit, equivalent to €88.6 bn by the end of the 2010.³

In the 2000-2006 programme period, Berlin received € 766 million of funding from Objective 1 for the former eastern part of the city and Objective 2 for some western city boroughs, as well as from other European Funds (ESF) and Community Initiatives (such as URBAN).⁴

In the 2007-2013 period the entire city-state of Berlin operated under the 'Regional Competitiveness and Employment' Programme with a total budget of some EUR 1 751 million and an ERDF component of EUR 876 million.

2.1 Socio Economic development

The core problem in Germany is ongoing structural socio-economic disparity between old and new Länder, despite some positive developments in recent years that have reduced the gap in the major urban areas of the east. The new Länder not only continue to lag behind the rest of the country on key indicators such as GDP per capita and unemployment, but have also experienced significant demographic decline in recent years, partially due to the out-migration of younger, educated people. Some areas in the old Länder also face specific structural problems due to long-term industrial or agricultural restructuring.

This is particularly true for Berlin. Significant economic and social changes have taken place since reunification of the city in 1989 but Berlin can still be considered a city in the process of transformation. Moreover, these changes affect the city areas differently, with considerable variation between the Eastern and Western city territory. The table below shows the main socio-economic features of Berlin.

² Statistik Berlin Brandenburg. <http://www.statistik-berlin-brandenburg.de>.

³ The Guardian – Germany enjoys strongest economic growth since reunification. (12. Jan. 2011) <http://www.guardian.co.uk/world/2011/jan/12/germany-enjoys-economic-growth-spurt>.

⁴ City of Berlin, European Structural Funds 2000-2006 and Perspectives for 2007-2013. http://ec.europa.eu/regional_policy/country/commu/2000-2006/docoutils/berlinstrukturfonds_en.pdf.

Table 2.1: Socio- economic features of the Region

	Berlin			Germany			EU		
	2000	2006	2010	2000	2006	2010	2000	2006	2010
Total Population (m)	3,388 (2001)	3.404	3,461	82,163	82,438	81,802	482.77	493.21	501.11
<i>Male (m)</i>				40.091	40.340	40.104			
<i>Female (m)</i>	51.4%	51.1 %	0,51	42.073	42.098	41.699			
Population >65 (%)	15 (2001)	17.2 (2005)	19.1	16.2	19.3	-	15.6	16.8	17.4
<i>Male (%)</i>				12.7	16.3	-			
<i>Female (%)</i>				19.7	22.1	-			
Education Level (Level 5-6)				-	19.6	22.3	-	19.6	21.7
<i>Male (%)</i>				-	23.3	25.9	-	19.8	21.4
<i>Female (%)</i>	55.8	57.9	55.2	-	15.8	18.7	-	19	22.1
GDP per Capita (€PPS)	20,800	23,600	24,700	22,400	27,300	28,700	19.000	23.600	24.400
Activity rate: 16-64 (%)	74.4	73.9	75.7	71	75.3	76.6	68.5	70.3	71
<i>Male (%)</i>	77.5	77.2	79.4	78.8	81.3	82.3	77,1	77,6	77,7
<i>Female (%)</i>	71.2	70.5	72	63	69.3	70.8	60,1	63	64,5
Employment Rate: 16-64 (%)	64.3	60.0	65.6	65.3	67.5	71.1	62,1	64,5	64,2
<i>Male (%)</i>	63.2	61.6	67.6	72.7	72.8	76	70,7	71,6	70,1
<i>Female (%)</i>	62.1	58.7	69.9	57.8	62.2	66.1	53,6	57,3	58,2
Unemployment Rate (15+) (%)	13.6	18.7	13.2	8	10.3	7.2	9,4	8,3	9,7
<i>Male (%)</i>	14.3	20.4	14.6	7.7	10.5	7.6	8,3	7,6	9,7
<i>Female (%)</i>	12.8	16.7	11.5	8.3	10.2	6.6	10,7	9	9,7
Net Migration (000)	10,467 (2001)	10,201 (2005)	10,517 (2009)				1,858 m	1,604 m	0.854 m

Source: Eurostat data, and Amt für Statistik Berlin-Brandenburg (2010), Die kleine Berlin Statistik

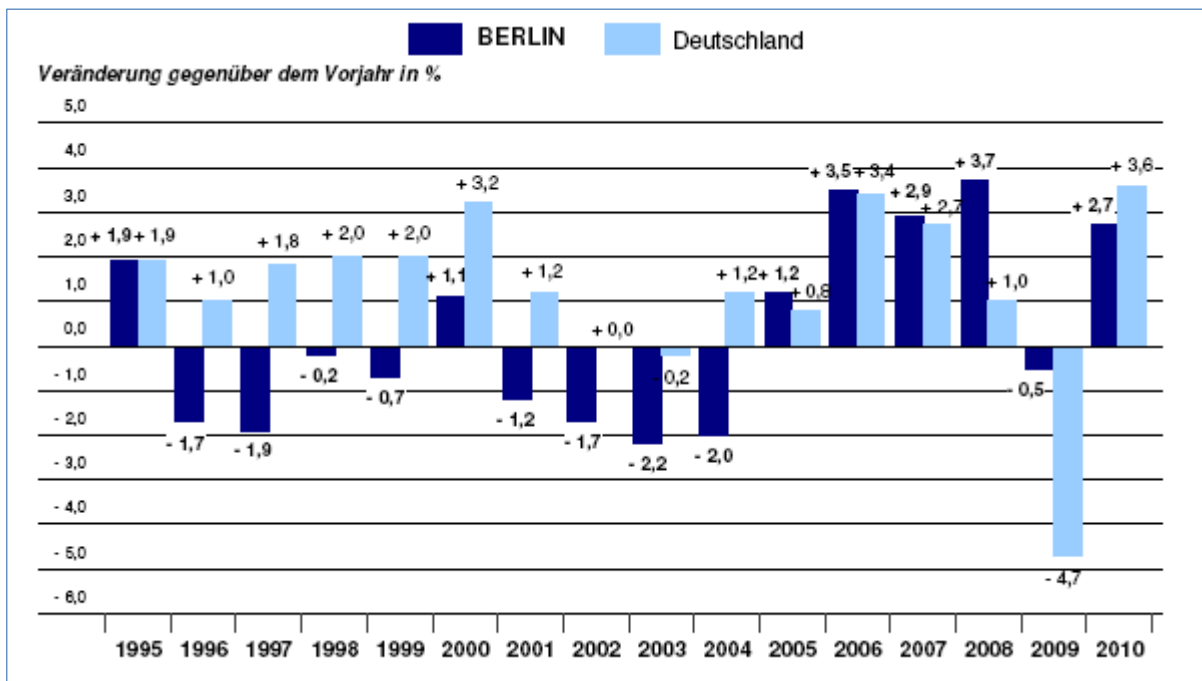
The population of Berlin has generally remained stable, with only a slight increase in recent years. Berlin's 3.4 million inhabitants represent about one fifth of the Eastern German population, corresponding to 22% of the working population. While it is the largest German city, and also the densest, it cannot be compared to other European Metropolitan areas, such as Paris, which are much more populated and have a higher density. The reason for the difference lies in the historic geographical isolation of the city for many years, a feature that influenced both population growth and economic development.

Migrants constitute approximately 13% of the population but are unequally distributed over the territory. The central areas, such as Mitte (44.5%) or Friedrichshain-Kreuzberg (36.6%), with mostly Turkish nationals, have a much higher ethnic element than the Eastern city areas, such as Lichtenberg, with 15.9 %. Around a quarter (25.7%) of Berlin inhabitants have a foreign background, a figure that rises to 40% among children.⁵

⁵ <http://www.berlin.de/lb/intmig/presse/archiv/20080702.1000.104149.html>.

Economic development remains weak, is not comparable to other cities and investment is still needed to modernise the ageing infrastructure, stimulate the economy and reduce unemployment. There has been, over recent years, evidence of some improvement in economic productivity but GDP remains below the German average. In 2010, GDP increased by 2.7%, compared to 3.6% in Germany as a whole, corresponding to €94.7 bn. (3.8% of the German nominal GDP).⁶ GDP per capita increased from €54,600 in 2006 to €56,200 in 2010 but remained below the German average between the two dates (€59,500 and €61,700 respectively).⁷

Figure 2.1: Development of Berlin GDP compared to Germany (% of change compared to previous year)



Source: SenWiTechFrau. http://www.berlin.de/imperia/md/content/sen-wirtschaft/konjunkturdaten/a_01.pdf?start&ts=1302079885&file=a_01.pdf

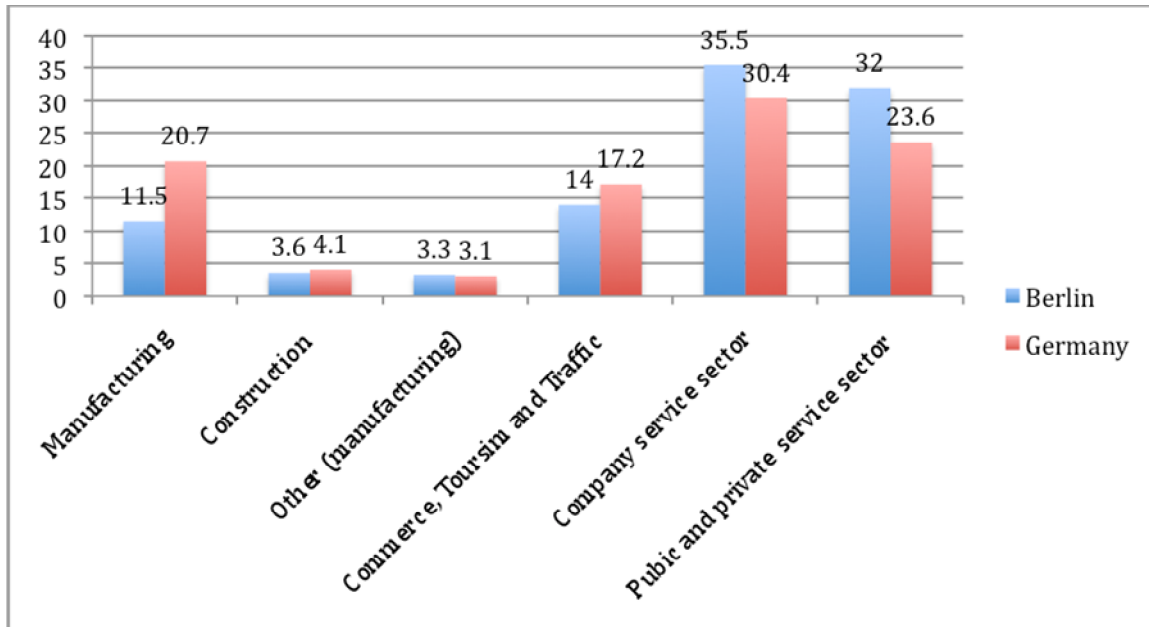
The Berlin economy is mainly concentrated in services where 87% of the workforce were employed in 2010 (81.4% in 2000). The company service sector contributes 35.5% to GDP and the public and private service sector 32%. The industrial sector, which suffered from lower subsidies during reunification, employs 12.7%. In recent times, investment in communications infrastructure (like internet cables) and investments via important media and music companies (like Warner Brothers) have made the culture and tourism sector an important economic driver (culture, telecommunication, media, film and TV, architecture and cultural heritage). As early as 2002 there were more than 18,000 SMEs in the cultural sector, producing 11% of GDP and employing 8% of

⁶ http://www.berlin.de/imperia/md/content/sen-wirtschaft/konjunkturdaten/a_03.pdf?start&ts=1302079888&file=a_03.pdf.

⁷ Sen WiTechFrau, http://www.berlin.de/imperia/md/content/sen-wirtschaft/konjunkturdaten/a_08.pdf?start&ts=1302079898&file=a_08.pdf, further statistical data available on: <http://www.berlin.de/sen/wirtschaft/daten/berichte.html>.

employees making a social insurance contribution.⁸ Other growing industries include the IT sector and the R&D sector (biotechnology, pharmaceutical sector), the latter due to the presence of four universities, 14 colleges for higher education and 70 non-university research institutes, such as the Science and Business park *Adlershof*, which includes 15 technology parks, and the *Buch Campus* (Biotechnology), both financed by ERDF.⁹

Figure 2.2: Economic Sector distribution according to gross value added, of Berlin and Germany (nominal, in %), 2010



Source: Amt für Statistik Berlin-Brandenburg, March 2008, <http://www.berlin.de/sen/wirtschaft/daten/berichte.html>

However, the largest part of Gross Domestic Product is generated by SMEs in the private sector, despite a high incidence of opening and closure of smaller enterprises which are often subsidised by the State (in 2009 44,951 newly registered against 33,848 closing down). The self-employment rate has also increased in recent years, reaching 14.2% (DE: 10.9%) in 2010 against 10.7% in 2000, the highest level in Germany; many of whom work in the cultural sector.

The employment rate is 65.5%, is higher for women (69.9%) than for men (67.6%) and there is evidence of an increase in the size of the labour force since 2006. In 2010 this was equivalent to 1% (17,300 people) compared to 2009, bringing the total to 1,68 million people.

Nonetheless, a high unemployment rate remains a problem in the capital and, at 13.6% in 2010 (about 231,000 people), is the highest rate of the 16 *Länder*, significantly above

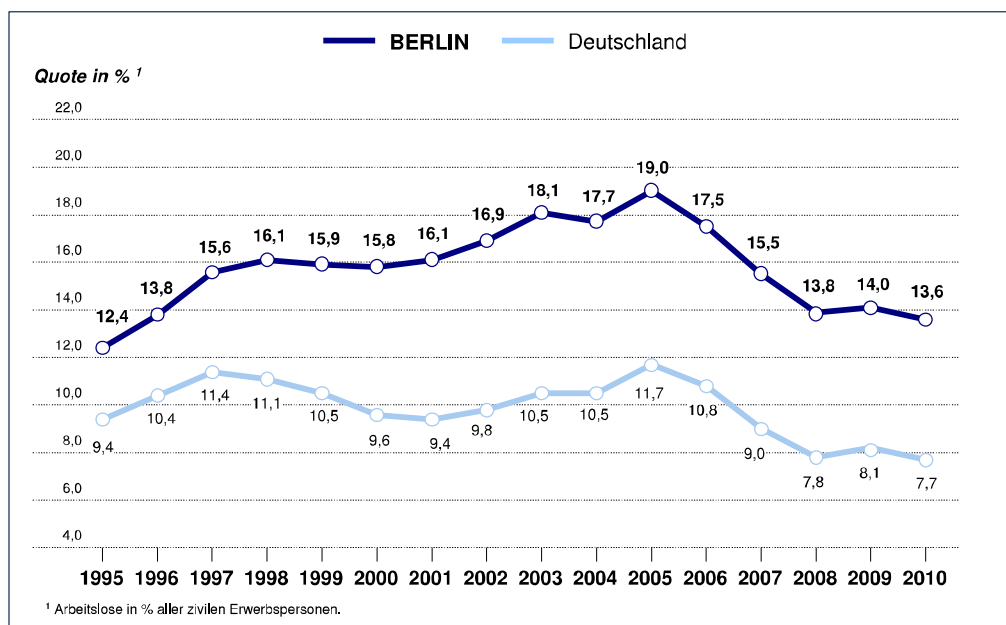
⁸ Senatsverwaltung für Wirtschaft, Arbeit und Frauen (2007), Operationelles Programm des Landes Berlin für den Europäischen Fonds für regionale Entwicklung in der Förderperiode 2007-2013 (Operational Programme Objective 1 for the East Part of Berlin (OP)). Genehmigt am 9.11.2007.

⁹ Senatsverwaltung für Wirtschaft, Arbeit und Frauen, European Structural Funds 2000-2006 and Perspectives for 2007-2013.

the national average (7.7%) and even lies above the structurally weak Eastern Länder.¹⁰ Incidence of unemployment is higher among men (14.6%) than women (11.5%) and long-term unemployment remains at a high level, 38.7% in 2008 compared to 36.2% in 2000.¹¹

After many years of increase there has been a decline in unemployment rates since 2005 when unemployment peaked at 19%. Nevertheless, there remain borough level variations with the highest rates in Friedrichshain-Kreuzberg, Neukölln, Mitte und Marzahn-Hellersdorf, areas covered by ERDF interventions.

Figure 2.3: Unemployment rates from 1995 – 2010 in Berlin and Germany



Source: Regionaldirektion Berlin-Brandenburg der Bundesagentur für Arbeit, Bundesagentur für Arbeit, <http://www.berlin.de/sen/wirtschaft/daten/berichte.html>

In addition, the risk of being poor is above national average, with overall incomes in Berlin of € 15,000 per annum against € 18,000 at national level (in 2007) and a high level of social transfer payments (about 20% of the Berlin population).¹² There is a high incidence of precarious employment, part-time employment and social transfers due to low income and unemployment. While about 105,000 people were marginally employed in 2000, the figure was 143,146 in 2008 (+35.8%), again above the national average. Likewise, the number of employed people with a second job (the so-called Mini-jobs) increased from 33,000 to nearly 60,000 in 2008, indicating an increase of poverty, the need for a second job and illustrating the rise of the so called working-

¹⁰ Bundesagentur für Arbeit. Table C_08. http://www.berlin.de/imperia/md/content/sen-wirtschaft/konjunkturdaten/c_08.pdf?start&ts=1302079718&file=c_08.pdf.

¹¹ Senatsverwaltung für Wirtschaft, Technologie und Frauen (2010), Schlussbericht (einschließlich Jahresbericht für den Zeitraum 01.01.2008 bis 30.06.2009) über den Einsatz des Europäischen Fonds für regionale Entwicklung (EFRE) und des Europäischen Sozialfonds (ESF) im Zeitraum 2000 bis 2006 (2008) im Rahmen des Einheitlichen Programmplanungsdokuments für die Interventionen der Europäischen Strukturfonds in Berlin (Ziel 2).

¹² http://www.coe.int/t/dg4/cultureheritage/culture/cities/NeukollnProfile_en.pdf.

poor.¹³ In practice, around 109,000 people get additional social transfers due to low income (51.1% men and 48.9% women).

Berlin city is characterised by large socio-economic differences within its 12 Boroughs and the Berlin Senate regularly monitors developments on a small-area scale to detect change at the earliest opportunity.

Social problems are concentrated in some inner city areas (*Kreuzberg, Wedding, Tiergarten, Neukölln*) (approximately 13% of the population)¹⁴ where higher rates of migrants, unemployed, and people receiving social transfers are resident, indicating both problems of integration and unemployment. Social problems are also related to high youth unemployment and problems related to the integration of young people of second and third generation migrants.

As an example, the western city (including *Kreuzberg* and *Neukölln*) is characterised by an high number of people receiving social benefits (the so-called “Hartz IV beneficiaries”) and this concerns also children (approximately 50% of the children are dependent on state support). Every fifth inhabitant of working age is drawing additional welfare benefits even though they are actively employed. Also, 70% of the young have a migration background¹⁵. Likewise, the *Marzahn-Hellersdorf* area has a high incidence of unemployment and low incomes, but has a lower share of migrant population. This city area was urbanised in the 60s and 70s and is dominated by large-scale settlements (“Plattenbau”) providing social housing.

2.2 Institutional and political characteristics

Berlin is both Germany’s capital and one of the country’s 16 federal states known as Länder. On the day of German reunification, October 3, 1990, Berlin became an independent city-state like Hamburg and Bremen. The city is subdivided into 12 administrative boroughs, amalgamated from the earlier 23 administrative units with effect from January 1, 2001.

The state government, the Berlin Senate, consists of the Governing Mayor and no more than eight Senators. The House of Representatives elects the Governing Mayor who appoints the other members of the Senate, determines the general guidelines of government policy - which must be approved by the House of Representatives - and monitors their observance by the members of the Senate.

¹³ Senatsverwaltung für Wirtschaft, Technologie und Frauen (2010), Schlussbericht (einschließlich Jahresbericht für den Zeitraum 01.01.2008 bis 30.06.2009) über den Einsatz des Europäischen Fonds für regionale Entwicklung (EFRE) und des Europäischen Sozialfonds (ESF) im Zeitraum 2000 bis 2006 (2008) im Rahmen des Einheitlichen Programmplanungsdokuments für die Interventionen der Europäischen Strukturfonds in Berlin (Ziel 2).

¹⁴ Senatsverwaltung für Wirtschaft, Arbeit und Frauen (2007), Operationelles Programm des Landes Berlin für den Europäischen Fonds für regionale Entwicklung in der Förderperiode 2007-2013 (Operational Programme Objective 1 for the East Part of Berlin (OP)). Genehmigt am 9.11.2007.

¹⁵ Senate Department for Urban Development (2010), Urban Development Monitoring 2010 updated for the period 2008-2009. Unit I A.

The ERDF managing authority during both the 2000-2006 and 2007-2013 programming periods was/is the Senate Administration for Economy, Labour and Women's Affairs, one of the eight Senate administrations of the city. Other Senate administrations were/are considered as intermediary bodies and have responsibility for different Priorities defined according to the responsibilities of their respective departments.

The Senate Administrations responsible for the different 2000-2006 and 2007-2013 programme phases are presented in the following table.

Table 2.2: Senate authorities involved in managing ERDF funded activities 2000-2006 and 2006-2013

Planning Period: 2000-2006 (ERDF)	Planning Period: 2006-2013 (ERDF)
Senate Administration for Economy, Labour and Women's Affairs (Senatsverwaltung für Wirtschaft, Arbeit und Frauen - SenWiArbFrau)	Senate Administration for Economy, Technology and Women's Affairs (Senatsverwaltung für Wirtschaft, Technologie und Frauen - SenWiTechFrau)
Senate Administration for Science, Research and Culture (Senatsverwaltung für Wissenschaft, Forschung und Kultur)	Senate Administration for Education, Science and Research (Senatsverwaltung für Bildung, Wissenschaft und Forschung - SenBWF)
Senate Administration for Education, Youth and Sport (Senatsverwaltung für Bildung, Jugend und Sport - SenBJS)	Senate Administration for Health, Environment and Consumer Protection (Senatsverwaltung für Gesundheit, Umwelt und Verbraucherschutz - SenGesSozV)
Senate Administration for Urban Development (Senatsverwaltung für Stadtentwicklung) (SenStadt)	Senate Administration for Urban Development (Senatsverwaltung für Stadtentwicklung) (SenStadt)

Source: Senatsverwaltung für Stadtentwicklung¹⁶ and Organigram of the Berlin Senat

The Senate Administration for Urban Development (SenStadt) has, since 1999, been the unit responsible for implementing the Socially Integrative City Federal Program, the framework in which ERDF Measures follow an LDA approach. At Senate level, the SenStadt collaborates with other Senate Departments to develop overall strategies for Berlin city (the State Secretary Steering-committee)¹⁷ as well as with the Boroughs and smaller (neighbourhood) organisation.

As detailed in the next chapter, LDA interventions in Berlin are programmed and implemented at neighbourhood level through a system called **Neighbourhood Management (NM)**. SenStadt is responsible for selecting the Neighbourhood areas to be financially supported during the programme period, collects city level data through regular monitoring and provides funding to the Neighbourhood Management (NM) and Boroughs for project implementation.

At the SenStadt level, there are 8 coordinators for activities with the Neighbourhood Management (each coordinator is in charge of 1 to 3 NMs depending on their size), mostly grouped according the municipality where they are located. Senate coordinators

¹⁶ Senatsverwaltung für Stadtentwicklung, Evaluation des Berliner Quartiersmanagements in der Pilotphase 1999-2002.

¹⁷ Empirica, Evaluation 1999/2000, Bd. 1.

are in regular contact with their NM Teams and responsible Borough Coordinators through Steering meetings at local level.

At borough level, **Borough Coordinators** (*Bezirkliche Gebietskoordinatoren*) are in charge of cooperating with the NMs as well as the SenStadt and are also an important contact point for Neighbourhood inhabitants. There are several borough coordinators in each Borough, usually responsible for one or two NMs.

In **inter-departmental working groups** (*ämterübergreifende Arbeitsgruppen*), which have been operating since 2000, borough coordinators report regularly to other borough authorities with a view to improving integration of activities at borough level.

In order to guarantee regular exchange, **Borough Steering-rounds** (*Bezirkliche Lenkungsrunde*) are held every two months. These involve the NM-teams and other relevant borough authorities (such as the public construction authority, youth authority, regulatory authority, educational authority etc.) and are intended to coordinate the activities of the Quartiesmanagements within the borough. In addition, the Borough Coordination points (*Bezirks-Koordinationsstellen*) meet with the Senate and other colleagues from other municipalities to exchange experience and to develop concepts.¹⁸

¹⁸ OECD (2003, Urban Renaissance Studien: Berlin. http://www.ibb.de/portaldata/1/resources/content/download/ibb_service/publikationen/OECD-Studie.pdf.

3 The use of LDA in the region: Telling the story

Regional policy in Germany is inevitably linked to the post world war II division between Western and Eastern Germany and their differences in terms of socio-economic development and political assets. Unsurprisingly, reunification in 1990 raised regional disparities as an important issue on the federal agenda in terms of both growth and social cohesion.

At the same time, local development reasoning went hand-in-hand with spatial planning which started after world war II and where entire cities had to be rebuilt. Urban development programs were first introduced in 1969 in some model cities, and in 1971 at national level. They were the main basis for the reconstruction and the renewal of German city centres and actively considered the participation of local populations within planning activities. Since reunification in the 1990s, urban borough renewal programmes have been implemented in the Eastern part of Germany. In 1999, the “Urban Boroughs with special development needs – The Socially Integrative City” programme - was launched at national level by the Federal Government with the Federal States (Länder). The programme aimed to support the most disadvantaged (defined both in terms of unfavourable social and economic status) boroughs in different German cities. It attempted to prevent a “downward spiral” in those areas and to offset the risk of further impairment for residents. The programme also sought to counteract discrimination against certain population groups and/or social segregation.

The underlying idea of the Socially Integrative City programme was that neighbourhoods would themselves become the main actors in their own development and to improve the living conditions of people living there. This was a new approach in developing and promoting integrated problem-solving strategies. Not only was “classical” investment project funding envisaged but attention was also paid to self-help, private initiative, and collaboration, stimulating and supporting essential local development resources.

Over a number of years, the programme has learned from experience in various Länder and through preparatory conceptual work by the Working Group of the Ministers and Senators of the Länder Responsible for Building, Housing and Settlement (ARGEBAU). It has also drawn on experience in other European countries and on the results of the European Union URBAN initiative. As such, the core elements can be sketched as follows¹⁹:

- the programme is to complement traditional urban development assistance and allow it to dovetail with other policy areas relevant to urban development in a new, integrated approach;
- the aim is to concentrate investment and non-investment measures from various programmes of the EU, the Federal and Länder governments;

¹⁹ Franke/Löhr/Sander 2000.

- the concept calls for ongoing, area-specific, and integrated local development action in the sense of a holistic improvement strategy; and
- residents, business and industry, clubs and associations, and other local players are to take on responsibility in developing and implementing local projects.

Berlin joined the Socially Integrative City Programme in 1999 when it was decided to use different financial channels to co-finance it. From the outset, financial resources came from the federal Republic of Germany, the Federal State of Berlin and from the European Union through ERDF.

The starting point of the Programme was the identification of 15 neighbourhoods²⁰, extended to 30 in 2005 (extended to 34 in 2009), where introducing an intervention strategy to support social and urban development was viewed as necessary to address social and infrastructural deficits. These areas were usually characterized by high fluctuation of residents, heavy dependency on subsidy income and/or had a migration background.

Table 3.1: Facts and Figures – Areas under NM and Berlin

Facts and figures	Areas under Neighbourhood Management	Berlin
Area	2,210 ha	89,175 ha
Population (31.12.2008)	391,968	3,362,843
Non German population	112,665 (28.74%)	470,051 (13.98%)
State aid recipients	36,33%	19,83%
Unemployment rate	9,97%	6,49%
Purchasing power per capita and year	14,624 EUR	16,908 EUR
Debt rate	23,59%	13,96%

Source: The Neighbourhood Councils within the Neighbourhood Management Process, Berlin Senate for Urban Development, March 2010

Based on socio-demographic indicators, the neighbourhood areas are classified as either 1.) prevention areas or 2.) areas with intervention procedure or 3.) areas with strong intervention procedure and provided with technical and financial support at different levels. Neighbourhood area monitoring is continuously updated, with two-year phases up to 2004, and annually since 2006, through Social Urban Development Monitoring²¹.

²⁰ A study on the social development within the boroughs of Berlin after the reunification of the city compiled on behalf of the Berlin senate in 1996 revealed social segregation and serious social issues prevailing particularly in certain areas of Berlin. Starting from this, a set of indicators were defined in order to cluster neighbourhoods.

²¹ Starting with 17 indicators, the monitoring system has been the subject of continuous development. The most significant development is the new focus on optimised geographical referencing. In August 2006 the Senate decided in agreement with the boroughs to re-focus the existing Geographical Reference System on Living Environment Areas (Lebensweltlich orientierte Räume, or LORs). In this way it has been possible since 2007 to carry out continuous monitoring of quarters and neighbourhoods ("Planning Areas" with an average of 7,500 inhabitants) instead of the previously used Traffic Zones (with an average of 10,000 inhabitants). This allows Social Urban Development Monitoring to be implemented more precisely, that is with a "socio-spatial orientation". Senatsverwaltung für Stadtentwicklung Monitoring

At the moment, monitoring is based on 12 indicators, of which six describe social status and six reference social dynamics.

Table 3.2: Social Urban Development Monitoring indicators 2010²²

Status	Dynamics
Unemployed (German Social code SGB II and III) in % of 15-65-year-olds	Immigration volumes in % of inhabitants
Unemployed under 25 (SGB II and III) in % of 15-25-year-olds	Balance of migration in % of inhabitants
Unemployed with a reference period of over a year (long-term unemployed) (SGB II and III) in % of 15-65-year-olds	Balance of migration of children under 6 years in % of inhabitants under 6
Non-unemployed recipients of basic welfare benefits in % of inhabitants (those not registered unemployed receiving basic welfare benefits in accordance with SGB II and fit for work, recipients of basic welfare benefits in accordance with SGB II and not fit for work, and recipients of benefit under SGB XII)	Change in proportion of German recipients of basic welfare benefits in accordance with SGB II, III and XII compare with the previous year in % points (change in the total of status 1 and 4 without status 5, Germans only)
Recipients of basic welfare benefits and not fit for work in % of inhabitants under 15 years (recipients of basic welfare benefits in accordance with SGB II and not fit for work)	Change in the proportion of non-German recipients of basic welfare benefits in accordance with SGB II, III and XII compared with the previous year in % points (change in the total of status 1 and 4 without status 5, non German only)
Children and young people under 18 years with a migration background in % of inhabitants under 18	Change in the proportion of recipients of basic welfare benefits in accordance with SGB II under 15 years not fit for work compared with the previous year in % points (change in status 5)

Source:

http://www.stadtentwicklung.berlin.de/planen/basisdaten_stadtentwicklung/monitoring/download/2010/MonitoringSozialeStadtentwicklung2010_Kurzfassung_en.pdf

A status index is derived from the status indicators and a dynamic index from the social dynamic indicators.²³ The development index is of particular significance in making decisions regarding the creation of new areas (or their removal from the scheme) and has become an essential parameter in the allocation of funds.

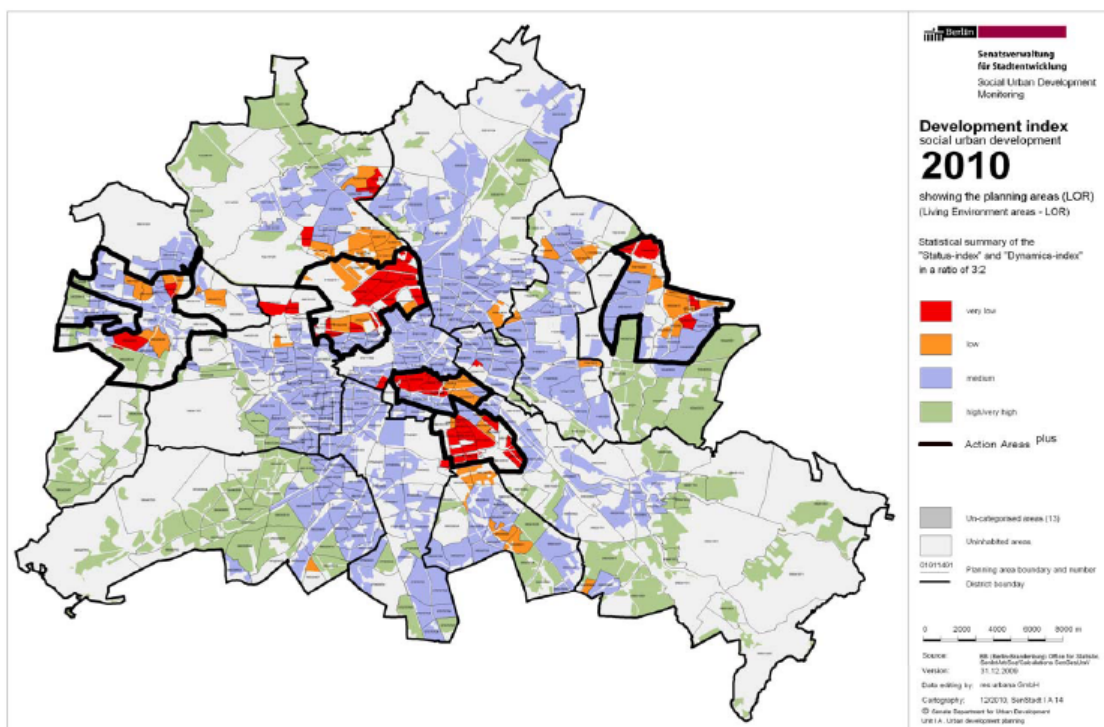
Soziale Stadtentwicklung.

http://www.stadtentwicklung.berlin.de/planen/basisdaten_stadtentwicklung/monitoring.

²² SGB is a classification of benefit claimants used in Germany.

²³ Since 2007 there has been a differentiation in data selection between indicators which describe the social situation in a quarter ("status") and indicators which characterize the changes in the population of the area in the previous year ("dynamics"). Status indicators include data on unemployment and receipt of transfer payments as well as the migration background and dynamics indicators include data on mobility (movements) and changes in individual status indicators.

Figure 3.1: Development index 2010



Source: Senate Department for Urban Development (2010), Social Urban Development, Monitoring 2010, Updated for the period 2008 – 2009, Unit I A²⁴

When the programme Socially Integrative City was launched, the question rises on how to take into account the calls for more inclusive civic participation. In order to achieve it together with a lasting improvement of the situation in those areas and to contribute to their stabilization, it was decided to implement a Neighbourhood Management (NM) in each area. The main task of NM is to activate local residents, especially groups that have so far been difficult or impossible to reach. Neighbourhood managers should therefore be reachable at a local contact address (“community bureau”) and, for example, offer advice, promote personal commitment and responsibility by a variety of campaigns, and encourage residents to contribute their own ideas and talents to integrative urban renewal. The “direct line” to residents helps in identifying problems, needs and ideas to be addressed in projects and measures developed jointly with the local population.

The Länder have paid differing degrees of attention to these features in information referencing the “Socially Integrative City” programme. Berlin's approach strongly emphasizes the significance of Neighbourhood Management structures: "neighbourhood management which initiates and coordinates the local development process helps at grassroots level to meet the programme objectives"²⁵. It is responsible for intra-borough

²⁴http://www.stadtentwicklung.berlin.de/planen/basisdaten_stadtentwicklung/monitoring/download/2010/MonitoringSozialeStadtentwicklung2010_Kurzfassung_en.pdf.

²⁵ Bericht über die Entwicklung einer gesamtstädtischen Strategie zur Entschärfung sozialer Konflikte besonders belasteter Stadtquartier – Aktionsprogramm "Urbane Integration", 1. Stufe – und zur Sozialorientierten Stadtentwicklung: Einrichtung von integrierten Stadtteilverfahren –

coordination, resident activation and for assisting with performance monitoring. Neighbourhood-level organisational structures include a forum for local people, a coordinating committee for building consensus among organisers, resident initiatives, representatives from borough offices and, where necessary, individual city government departments.

The nature of the NM has changed over the years. In 2001 the Berlin Senate for Urban development initiated a pilot project “One Million for the Kiez” in order to directly involve residents as well as local actors and fifteen NM areas were allocated a budget of one million DM. An independent citizen jury was asked to decide which projects should be approved. The first “neighbourhood fund” was planned to last for one year and, after that, an evaluation was conducted. The evaluation findings indicated that the LDA project was a success, specifically with reference to resident mobilisation and the active involvement of several local actors.

The positive experiences from the project laid the groundwork for the introduction of the current Neighbourhood Councils (NCs) that, since 2005, have become an integral part of all NM areas with a strong role in the LDA decision-making process. The main goal of the NCs is to give boroughs a “voice”, to provide a platform for discussion and consultation as well to enable them to participate in the decision-making process as to the allocation of available program funds to respective areas. Total funding for the program was divided into five different neighbourhood funds (NFs) in early 2007²⁶:

- Neighbourhood Fund 1 (NF1): a maximum of € 15.000 yearly is provided to each Neighbourhood area for funding short-term projects with a budget up to € 1,000. Projects are proposed by residents and selected by the Action Fund Jury. Funding is approved as a block grant to NM teams which are responsible for awarding them to selected partners contracted to implement projects. All reporting and other obligations regarding the grant are the responsibility of the NM teams, including the request for disbursement of tranches, budget management and financial reporting. The implementing partners are thus able to concentrate on project implementation. They are, of course, obliged to provide documentary evidence for their expenses and to present a final report to NM teams.
- Neighbourhood Fund 2 (NF2): a maximum of € 35.000 yearly for each Neighbourhood area for local projects with a budget of min. €1,000 up to max. €10,000. Primarily intended to strengthen local initiatives, project selection is made in the Neighbourhood council. The same procedures used for NF1 are applied.

Quartiersmanagement – in Gebieten mit besonderem Entwicklungsbedarf, Drucksache 13/4001 des Abgeordnetenhauses von Berlin, Berlin 1999, p. 32.

²⁶ Senatsverwaltung für Stadtentwicklung, Förderverfahren Zukunftsinitiative Stadtteil (Programmjahr 2008) – Verfahrensgrundsätze QF I, Programm Soziale Stadt. www.pss-berlin.eu/content/e3937/e3972/e5051/Verfahrensgrundsaeetze.pdf.

- Neighbourhood Fund 3 (NF3): supports the implementation of larger projects with a longer project period and a budget ranging from Euro 10,000 up to € 50.000 that contribute to the Neighbourhood focus area of action with project selection made in the Neighbourhood council. This fund is for socio-cultural activities and infrastructure development. In this case, the implementing partner is the implementer and the grantee at the same time. It is responsible for the funding proposal, the request for payments and accounting for the grant.
- Neighbourhood Fund 4 (NF4): provides funding for construction projects with a budget exceeding € 50,000. The main procedure is slightly different here. Neighbourhood Management teams submit proposals identified within the Neighbourhood councils to Boroughs which compile a list of priorities from all the proposals submitted by NMs across the borough. The list is then submitted to the SenStadt which decides the projects to be undertaken.
- Neighbourhood Fund 5 (NF5): is dedicated to supporting innovative model projects with a cross-sectoral approach. It is implemented in different Neighbourhood areas of Berlin and coordinated by both the Senate and the borough.

Ever since, the Neighbourhood Councils have been involved in decision making for the two most important funds – NF 2 and 3 – on an ongoing basis, and the underlying process has become an integral part of civic participation in programme areas.

Alongside the NC, the involvement of boroughs in the LDA decision-making process has also been extended over time. At the outset, their responsibilities were related to administrative aspects only. Since 2007, the Boroughs have been sub-delegated by the SenStadt for the management of the LDA Priority at municipal level. To this end, Cooperation agreements (*Kooperationsvereinbarung*) between the SenStadt and the Boroughs, and between the Boroughs and NMs, are in force²⁷.

²⁷ See chapter 7 on process and procedures for more details.

4 Main interventions using LDA

4.1 Regional strategy: analyzing objectives

As detailed in chapter 2, the city of Berlin contains extensive disparities in the status of local economies, a feature reflected in the different funding frameworks for East and West Berlin. During the 2000-2006 programming period, the city benefited from two different Programmes as the two parts of Berlin had different development levels. East Berlin was considered to be an Objective 1 phasing-out area, while West Berlin was considered at an Objective 2 phasing out area.

Within the 2007-2013 Programming Period, Berlin has received Community support under the 'Regional Competitiveness and Employment' objective. The programme's total budget is around EUR 1 751 million and Community assistance through ERDF amounts to some EUR 876 million (approximately 3.4% of the total EU structural funds available for Germany in 2007-2013 under the cohesion policy).

As noted in the previous chapter, since 1999 Berlin has decided to address its disparities via a local development approach, taking into account small-scale disparities at local level. This approach underlies all three programmes which are analysed in this case study through integrated urban and local development priorities, aiming to stimulate economic and social development of disadvantaged neighbourhoods/boroughs by individualising local needs. The identification of specific development potential of a neighbourhood is developed in partnership between local stakeholders and the municipal managing authorities, allowing for socio-economic characteristics and disparities.

Activities are developed combining a potential-oriented approach for economic development as well as instruments for tackling social problems. Both aspects are implemented in a locally balanced relationship.

The conceptual framework for enhancement activities within these small-scale areas is the "integrated action concept" which analyses initial social and economic conditions, defines priorities for future development according to the local conditions and describes the activities that are suitable in the context of available funding. Ultimately, the aim is to stimulate stable and sustainable social and economic development of the neighbourhood, within the urban system. Another focus of intervention is the stimulation of civil society participation, inclusion of target groups addressing local social problems and reduction of social disparities.

Looking at the details of the 2000-2006 initiatives, even with differences related to the specific features of Objective 1 and Objective 2, both programmes focussed on support for regional development. Due to the special situation of Berlin, investments were necessary in virtually all areas, and were required to overcome the economic downturn after cuts in subsidies, changes in the economic structure (such as the decline of the

industrial sector after reunification) and to address the challenges of becoming a capital city once more.

The Ob. 1 programme revolved around five priority areas and technical assistance measures.

Priority 1: Support for competitiveness

Investments in the local economy were focussed on the modernisation of industrial, service and technology structures to guarantee sustainable employment. Support for research encouraged the development of private research and business-to-business cooperation to strengthen the technology pole - Berlin hosted the highest concentration of research institutes in Germany. The priority included measures to support new technologies and to encourage the relocation of media companies to the area.

Priority 2: Improvement of infrastructure

Here, effort was focussed on making the economy more dynamic and competitive through measures to improve the road network and energy distribution, make more training available and encourage wider use of the new technologies. The measures, which also included architectural restoration, were designed to improve the area's appeal and image for business.

Priority 3: Environmental protection and improvement

Berlin (East) had environmental problems inherited from the Communist era but adapted strategies to improve waste collection and processing. The goal was to improve the quality of urban life and to make living and working in this part of Berlin more appealing. Problem boroughs also benefited from measures combining environmental, social, economic and job-promoting actions.

Priority 4: Action to create jobs and guarantee equality of opportunity

Measures were planned to reduce unemployment among young people and long-term unemployment. A large proportion of young migrants had no vocational training. Ongoing learning and training was supported, along with cooperation between schools and business. The development of entrepreneurship was also encouraged, together with flexibility and the ability to adapt to changing market demand.

Priority 5: Rural development

This priority concentrated on improving the quality of life by developing green recreation areas on the outskirts of the city to create a counterweight to high population density. Some 3 948 hectares of the rural area available (4 300 hectares) were not exploited or used for other purposes because of legal problems related to ownership.

Table 4.1: 2000-2006 Obj. 1 Berlin programme - Breakdown of Finances by priority area

Priority Area	Total Cost	EU Contribution
1 Promoting the competitiveness of economic activities, particularly of SMEs	323.292.000	200.968.000
2 Measures for promoting infrastructure	425.958.000	259.341.000
3 Protection and improvement of the environment	72.068.000	54.050.000
4 Promotion of the labour force and equal opportunities	263.247.000	183.628.000
5 Rural development and fishery	9.559.000	7.169.000
6 Technical Assistance	15.782.000	11.835.000
Total	1.109.906.000	716.991.000

Source: DG Regio Database

The main aim of the 2000-06 Objective 2 programme for West Berlin (as a complement to the Objective 1 programme for the Eastern sector of the city²⁸) was to tackle specific economic features of the city such as weak investment, comparatively low productivity, slow economic growth, insufficient development of innovative, production-linked services and a lagging qualifications structure.

Berlin had high technological potential and a diversified R&D element in its high-schools and universities, but more modest R&D activity in businesses. The situation in the labour market was also worrying. One main problem identified related to out-migration into surrounding boroughs and another was the situation of underprivileged groups such as immigrants, long term unemployed, and unemployed youths and women. This was particularly the case in certain densely populated parts of the city exhibiting high unemployment, high proportions of immigrants and recipients of social aid and where the population was threatened by social exclusion. In addition, concentration of industry, population and traffic generated pressure on the environment. Reorganisation of this situation was considered urgent not only for public health, but in order to render the city more attractive to tourists. On the basis of these analysis, the Programme identified three priorities:

Priority 1: Promoting the competitiveness of the industrial economy, especially SMEs

This entailed promotion of private investment and investment in maintaining and strengthening entrepreneurial potential, with special reference to SMEs, through counselling and financial assistance. Particular attention was given to the promotion of research, technical development and technological counselling to SMEs. Further training and promotion of job creation in businesses, particularly for women, was considered to be a means to conduct an active and preventive labour market policy with the objective of creating and sustaining over 15,000 jobs, to promote equal opportunities for women and men and to facilitate their entry into the IT society.

²⁸ West Berlin was the only city in the European Union to be covered by Objective 1 (transitional support) and Objective 2 at the same time. Of the overall population of West Berlin at that time, around 2.1 million inhabitants, 1.1 million people lived in the Objective 2 area, and 0.5 million in the transitional area.

Priority 2: Measures for the infrastructure

In order to promote Berlin as a university town, infrastructures in the fields of science, innovation and research, bio-technology and IT were to be developed. Here, the main aim was to strengthen the link between academic research and businesses. Vocational training and lifelong learning was intended to improve the social and vocational integration of underprivileged target groups as well as the long term unemployed and to promote urban boroughs in particular need of development.

Priority 3: Protection and enhancement of the environment

In order to do justice to the desire for an attractive, environmentally conscious city, an environmental relief programme was conceived. Further plans existed for environmental information, counselling and qualification programmes.

Table 4.2: 2000-2006 Obj. 2 Berlin programme - Breakdown of Finances by priority area

Priority Area	Total Cost	EU Contribution
1 Promoting the competitiveness of the industrial economy, especially SMEs	381.625.000	190.784.000
2 Measures for the infrastructure	319.898.000	159.897.000
3 Protection and enhancement of the environment	84.074.000	42.037.000
4 Technical assistance	17.142.000	8.571.000
Total	802.739.000	401.289.000

Source: DG Regio Database

Both 2000-06 Operational Programmes envisaged a measure related to local development in connection with the implementation of the Socially Integrative City Programme, with special emphasis on the activation of local residents, strengthening capacity, building and fostering local development and social cohesion. At the base of both measures there was an innovative integrated local development concept based on neighbourhoods in need. The main aims of the Programme were to:

- stabilise conditions for local enterprises;
- improve the social, cultural, living environment and security context;
- increase the exchange of practice and information between actors in neighbourhood areas and support an open dialogue of active neighbourhood actors;
- support social and cultural integration of marginalised and less represented population groups; and
- improve the area's attractiveness and commit low income groups to the neighbourhood.

Both measures were programmed and implemented according to the procedures governing the neighbourhood management system involving inhabitants, local stakeholders, Neighbourhood Management Teams, boroughs and the SenStadt. Intervention areas were those identified by the neighbourhood management process, characterised by:

- increasing social segregation and exclusion;
- higher unemployment rates;
- deficient infrastructure, public spaces, and social, cultural and sporting provisions;
- scarce housing conditions;
- lower living standards, services and cultural infrastructures compared to other areas;
- higher criminality rates combined with a greater resident insecurity.

As for the 2007-2013 programming period, the main objective of the ERDF programme has been to improve the international competitiveness of the city and its enterprises. The aid awarded under the ERDF programme is intended to reinforce the capacity for innovation, adaptability and productivity of private industry, and thus job creation. In addition, knowledge and creativity will be used as the engine for economic and social development. To ensure this happens, ERDF resource will focus on promoting the capacity for innovation and the knowledge-base economy. A further aim is to tap new potential through social integration and improvements to the environment.

The development strategy of the Land of Berlin, with regard to the use of ERDF funds, reflects Lisbon and Göteborg goals. The ERDF programme also aims to promote equal opportunities, guarantee non-discrimination and to support sustainable development. In order to achieve synergies with ESF, a 'Berlin General Strategy for More Growth and Employment' was drawn up and adopted by the Berlin Senate in 2006. It forms the strategic basis for organisation of the ERDF and ESF operational programmes and focuses on shaping future developments in the face of a difficult economic situation, many structural weaknesses and poor trends, by exploiting strengths in the fields of science and culture

The 2007-13 Berlin (ERDF) Operational Programme has been divided into the following priorities:

Priority 1: Promotion of business competitiveness and start-ups

The aim of this priority is to improve the economic situation of the Land. It will also make a further contribution through its connection with innovation, since business investments and start-ups are linked to new products, processes and solutions to problems. ERDF aid will concentrate on the following areas: support for business investment, particularly through repayable loans and subsidies; the promotion of business start-ups through subsidies; advice and events; support for SMEs entering new markets; and funding for infrastructural projects with particular economic significance.

Priority 2: Innovation and knowledge-based economy

The second priority addresses capacity for innovation and regional innovation processes. It is to provide funding for research and development in enterprises, knowledge-intensive services, the use of IT and communications technology,

technology transfer and research infrastructure. It will also experiment with new tools to increase the efficiency and effectiveness of the funding provided.

Priority 3: Integrated urban development

In an integrated approach, the specific potential of individual areas of the city will be singled out for development and strengthening. Depending on each specific situation, various combinations of potential-oriented approaches focusing on economic development and instruments concentrating on tackling social problems will be applied. Both of these are important strategic factors that can be applied in a locally balanced relationship.

Priority 4: The environment

This priority focuses mainly on climate change to be addressed by measures to increase energy efficiency and R&D in the area of environmental technologies, the protection of waters to be achieved through measures to improve water quality, nature and landscape protection to be implemented through measures to maintain and expand existing nature reserves, areas of protected landscape and to safeguard biodiversity.

The local development approach for territorial interventions is applied in Priority 3, Integrated urban development aiming to support the local economy and reduce social disparities through urban development activities, taking into account small-scale specific differences.

Table 4.3: 2007-2013 ERDF Berlin programme - Breakdown of Finances by priority area

Priority Axis	Total Cost	EU Contribution
Promotion of business competitiveness and start-ups	568 439 400	293 010 000
Innovation and knowledge-based economy	551 970 370	284 520 810
Integrated urban development	354 354 580	182 657 000
The environment	155 979 880	80 402 000
Technical assistance	70 000 000	35 000 000
Total	1 700 744 230	875 589 810

Source: DG Regio Database

Table 4.4 summarises the level of Community resource invested in both the 2000-06 and 2007-13 Programmes, alongside the resource invested/to be invested in LDA. LDA activities are assessed as representing some 16% of the ERDF quantum in 2000-06 and 19% in 2007-13.

Table 4.4: Total Berlin Resource and LDA/Territorial Resource Component for the 2000-06 (OB.1 AND Ob.2) and 2007-13 Programmes (euro)

	OB.1 2000/2006	OB. 2 2000/2006	TOTAL 2000/2006	2007/2013
ERDF (total)	517,48	246,43	763,91	875,59
ERDF for LDA (total)	79,93	42,76	122,69	164,39
ERDF for LDA %	15,4	17,4	16,1	18,8
ESF (total)	190,14	154,86	345,00	-
EAGGF (total)	7,32	-	7,32	-
FIFG (total)	-	-	-	-
TOTAL FUNDS	714,94	401,29	1.116,22	875,59

Source: Senatsverwaltung für Wirtschaft, Arbeit und Frauen, European Structural Funds 2000-2006 and Perspectives for 2007-2013 and OP Ob.1 and Ob.2 2000-2006 and Competitiveness 2007-2013

4.2 Mapping ERDF interventions using LDA

All the three Programmes analysed in this study internalise LDA within specific Measures/Priorities.

Within the Obj.1 Programme²⁹, measure 2.4.1 Urban and local infrastructures in neighbourhoods with special development needs focused on the long-term stabilisation of urban areas where the overlap of economic, social, urban and infrastructural deficits had a strong impact on the living and working conditions of residents, competitiveness, opportunities for participation in economic and social life and participation in democratic institutions.

In a similar way, the Obj. 2 Programme³⁰, measure 2.3 Urban and local Infrastructures aimed to regenerate deprived urban areas, by reflecting economic, social, cultural, environmental and security aspects in measure level activities.

The main interventions in both Programmes were related to:

- investments for implementing the facilities of borough management;
- "capacity building", i.e. the development and use of existing potential for the independent management of problems in the affected areas;
- strengthening local economic development and local competition;
- safeguarding and creating jobs and training places;
- construction of small infrastructure for the use and development of endogenous potential;

²⁹ Senatsverwaltung für Wirtschaft, Arbeit und Frauen (2007), Ergänzendes Programmplanungsdokument zum Operationellen Programm für die Interventionen der Europäischen Strukturfonds in Berlin (Ziel 1). Zuletzt geändert am 15.08.2007.

³⁰ Senatsverwaltung für Wirtschaft, Arbeit und Frauen (2007), Einheitliches Programmplanungsdokument für die Interventionen der Europäischen Strukturfonds in Berlin (Ziel 2) [Uniform Programme Planning Document Objective 2 for the West part of Berlin (UPPD)].

- improvements of the living environment and improving location factors for local commercial and residential buyers with high positive environmental effects;
- establishment of social and security-relevant infrastructures to support development and the ability to stabilise a neighbourhood;
- strengthening and developing social cohesion, social integration and ethnic and gender equality;
- provision of space and facilities for recreation, leisure and culture; and
- security programmes for public space.

A similar strategy is included in the 2007-2013 Priority Axis 3: Integrated urban development. As part of integrated schemes, the specific potential of individual areas is intentionally developed and strengthened - urban economic development with local and small specific differences, social urban development in concentrated problem locations. There are to be visible reductions in social disparities, youth unemployment and unemployment among foreign nationals, all with a view to improving social integration.

Around 90% of ERDF funding within Priority 3 is used to support the comprehensive local development strategies earmarked in Measure 3.1 (the so called ZIS) which is the Berlin Programme Future Initiative for Urban Boroughs and comprises the Social City, Urban Renewal (redevelopment), Urban Regeneration West/East, Neighbourhood Education and Community centre sub-programmes, supplemented by activities at local level (alliances for employment, measures to improve performance of schools). The other 10% is earmarked towards Measures 3.2. (borough cooperations) 3.3 (Libraries in the borough – BIST) and 3.4 (eEducation Masterplan)³¹ none of which are implemented via a local development approach.

The main LDA activities within this priority are:

- support for the local economy and employment with special attention given to the activation of local development potential;
- support for active citizenship through the improvement of social and economic development activities and via support for mobilisation and local networking; and
- improvement of the urban environment by providing infrastructure supporting local development, restructuring urban infrastructures and development of fallow land.

³¹ http://www.berlin.de/sen/strukturfonds/ab2007/efre/prioritaetsachse_3_efre.html.

5 Effectiveness of the interventions co-financed by ERDF

5.1 Outputs and results

The Objective 1 Programme was broad in nature with six Priorities and over thirty Measures.

Table 5.1 shows (for those Axes financed by ERDF only) total financing allocations, ERDF allocations, expenditures and ERDF absorption rates.

In general, absorption rates are positive and approach 100% in Axis 3 and 6. Only in the case of only Axis 1 - related to the promotion of economic activities for SMEs – does the figure drop below 80%. The Axis devoted to the implementation of infrastructure has an absorption rate that exceeds 100% (107%) with the LDA specific measure even higher, at 112%.

Table 5.1: Berlin Objective 1 Programme 2000-06, absorption profile (in MEURO)

Axis	Total allocation	ERDF allocation	ERDF Spend	ERDF absorption rate (%)
1 Promoting the competitiveness of economic activities, particularly of SMEs	296,67	185,15	139,80	75,51
2 Measures for promoting infrastructures	442,49	268,65	286,89	106,79
<i>LDA Measure:</i>				
2.4.1 Urban and local infrastructures in neighbourhoods with special development needs	118,05	79,83	89,61	112,25
3 Protection and improvement of the environment	72,07	54,05	53,48	98,95
4 Promotion of the labour force and equal opportunities	263,25	-	-	-
5 Rural development and fishery	9,56	-	-	-
6 Technical Assistance	21,76	9,64	8,95	92,82
Total	1.105,79	517,48	489,12	94,52

Source: Ending Implementation Report for Ob.1 (data at 31.12.2008)

The positive LDA measure achievement, in terms of financial capacity, is also reflected in output and results performance. Table 5.2 details end-Programme performance for LDA activities (measure 2.4.1: Urban and local infrastructures in neighbourhoods with special development needs). It shows the original OP targets and reported achievements.

In terms of project numbers, achievements comfortably exceeded OP targets. Virtually all outputs and results, in terms of new infrastructure and area reconstructed, were achieved - including that for gross jobs created (470 on 447) demonstrating the potential for LDA frameworks to guide interventions towards job creation.

Less positive performance is recorded in terms of the number of gross jobs created during project implementation (temporary jobs) where only the 53% of the OP target was achieved and 57% of the OP target reached in terms of gross jobs created for

women. Safeguarded jobs reached 87% of the OP target though, in this case, the number of jobs created for women matched the target.

The appropriate emphasis placed on job creation within assessment of LDA structures is, of course, a matter of debate and the intrinsic difficulty in making projections in this area may be responsible for much of any disparity between targets/forecasts and outcomes. More generally, it might be argued that existing monitoring frameworks and indicators struggle to reflect the ‘essence’ of LDA strategies and that further refinement is required before they are suited to the task.

Performance within the 2000-06 Objective 2 Programme was quite similar. Table 5.3 again shows ERDF allocations and financial capacity in terms of absorption rates. As previously, infrastructure measures performed well, reaching 102%. Within this context, the LDA Measure - Urban and local Infrastructures – was slightly below 100% (96,45%) but performed better than many other axes. Axis 1, Promoting SME competitiveness, (consistent with the Ob.1 Programme) seems to have been the axis with most difficulty.

Table 5.2: Berlin Objective 1 Programme 2000-06, LDA activities physical performance profile

	OP Target	Achieved
Outputs		
Number of projects	670	1017 (=126%)
New Infrastructure (sqm)		198,648.7 sqm
...of which for the commercial sector	2,625.80	2625.80 sqm
...of which for education	76,268.90	76,168.90 sqm
...of which for the social sector	84.172,90	84,223.9 sqm
...of which for the cultural sector	27.848,09	27,168.09 sqm
Area restructured (for business, traffic and leisure activities)		534,596.20 sqm
Results		
Gross jobs created	447	470
...of which for women	241	209
Gross jobs created (related only to the duration of the projects)	895	474
...of which for women	279	159
Gross Safeguarded Jobs	1239	1083
...of which for women	536	541

Source: Ending Implementation Report for Ob.1 (data at 31.12.2008)

Table 5.3: Berlin Objective 2 Programme 2000-06, absorption profile (in MEURO)

Axis	Total allocation	ERDF allocation	ERDF Spend	ERDF absorption rate (%)
1 Promoting the competitiveness of the industrial economy, especially SMEs	371,23	102,06	81,45	79,80
2 Measures for the infrastructure	328,65	113,11	115,11	101,77
<i>LDA Measure</i>				
2.3.1 Urban and local Infrastructures	85,51	42,76	41,24	96,45
3 Protection and enhancement of the environment	80,91	26,01	25,67	98,70
4 Technical assistance	21,95	5,25	4,97	-
Total	802,74	246,43	227,20	92,20

Source: Ending Implementation Report for Ob.2 (data at 31.12.2009)

Once more, the physical performance achieved by the LDA measure is substantive - project numbers (in terms of infrastructural investments) were more than the double the OP target. In terms of results, no OP target were set. However the number of gross jobs created was also quite significant.

Table 5.4: Berlin Objective 2 Programme 2000-06, LDA activities physical performance profile

	OP Target	Achieved
Outputs		
Infrastructural investments (number of projects)	850	2036 (=240%)
Infrastructural investments in education (sqm)		65,456
Infrastructural investments in the social area (sqm)		10,482
Support of transport and leisure areas		311.249 m2
Results		
Gross number of jobs created		3359
...of which for women		1,709

Source: Ending Implementation Report for Ob.2 (data at 31.12.2009)

As for the 2007-2013 ERDF Program, Table 5.5 shows the relevant ERDF allocations and absorption rates. Most of the Axes follow similar trends apart from Axis 2 - related to interventions for innovation and the knowledge-based economy, which displays an above average absorption rate (some ten points over the average). This is probably due to high front-end financial investments for broadband that started at an early point in the programme. Priority 3 Integrated urban development and LDA measure 3.1 (ZIS) are in line with all other Axes and measures.

Table 5.5: Berlin ERDF Program 2007-2013, absorption profile (in MEURO)

Axis	Total allocation	ERDF allocation	ERDF spend	ERDF absorption rate
1 Promotion of business competitiveness and start-ups	568,44	293,01	70,39	24,02
2 Innovation and knowledge-based economy	551,97	284,52	121,79	42,81
3 Integrated urban development	354,35	182,66	46,19	25,29
<i>LDA Measure</i>				
3.1 ZIS	318,92	164,39	41,57	25,29
4 The environment	155,98	80,40	19,04	23,68
5 Technical assistance	70,00	35,00	7,90	22,57
Total	1,700,74	875,59	265,31	30,30

Source: Berlin ERDF Programme 2006-2013, Annual Implementation Report 2010

As for physical implementation, 520 projects for integrated urban development³² had been finalised in the ZIS framework by the end of 2010, while 1,730 projects were still ongoing or had been approved. Among the 520, 32 projects were financed through cross financing as they also fall in the scope of ESF. All projects were, with one exception, to be undertaken in the context of integrated urban development.³³

As Table 5.6 shows, the majority of projects to receive funding relate to the civic engagement of residents or access to public services.

Table 5.6: ZIS - Projects according to field of activity

Field of Activity	Approved Projects (up to 2010)	Total number of concluded projects (up to 2010)	Funding committed (MEuro)
Local economy and employment	70	27	1,6
Civic engagement	715	204	13,7
Access to public service	689	178	47,4
Quality of the urban environment	256	111	23,8
Total	1,730	520	

Source: Managing Authority Monitoring Internal Data

Disaggregation of projects, not only by field of activity but also the financing channel, shows that the majority of projects are being funded through NF3, followed by NF1 and NF2. Activities funded through NF1-NF3 (as detailed in chapter 7) are such that residents and local actors play a major role in both programming and implementation phases.

Table 5.7 shows the physical performance (outputs and results) for the 520 projects finalised by the end of 2010. As is evident, the number of socio-cultural facilities and socio-economic initiatives supported is particularly high, exceeding not only the target envisaged for 2010, but also the OP target. This can be interpreted as a sign of great vitality from NMs.

³² It is worth noting that projects financed through NF1 and NF2 are counted as 1 for each NM.

³³ Yearly Report of the Operational Programme Berlin, 2010.

Table 5.7: Berlin Programme 2007-13, Measure 3.1 physical performance profile for finalized project at 31.12. 2010 (520)

P3: Integrated urban development	Target	Target until 2010	Progress achieved till 2010
Outputs			
Number of Supported socio-cultural facilities and socio-economic initiatives	1,650	943	2413
...of which number of supporting activities for enterprises			12
...of which number of supporting activities in the area of gender equality and integration			178
Service hours offered	1,200,00	685,714	269,300
Improvement or provision of social Infrastructure in sqm	180,000	102,857	41,700
Improvement, restructuring and revitalisation of areas in sqm	818,000	467,249	245,300
Results			
Gross created jobs (FTE) first jobmarket	1000	571	138
...of which for women			70
Training places created	500	286	4
...of which for women			4
Supported SME and Microenterprises	4,400	2,514	1140

Source: Managing Authority Monitoring Internal Data

While other indicators indicate lag, not reaching the target envisaged for 2010, the picture is quite different when looking to the totality of projects approved and ongoing by 2010.

Table 5.8: Berlin Programme 2007-13, physical performance profile for approved and ongoing projects (1730)

P3: Integrated urban development	OP Target	Target until 2010	Progress achieved till 2010
Outputs			
Number of Supported socio-cultural facilities and socio-economic initiatives	1,650	943	4.260
...of which number of SME and micro enterprises supported			2012
...of which number of supporting activities for enterprises			31
...of which number of supporting activities in the area of gender equality and integration			689
Service hours offered	1,200,00	685,714	1,312,796
Improvement or provision of social Infrastructure in sqm	180,000	102,857	212,643
Improvement, restructuring and revitalisation of areas in sqm	818,000	467,249	1,056,105
Results			
Gross created jobs (FTE) first jobmarket	1000	571	208
...of which for women			37
Training places created	500	286	67
...of which for women			8
Supported SME and Microenterprises	4,400	2,514	2,012

Source: Annual Implementation Report and PSS data

All the outputs are extremely positive and exceed not only the target envisaged for 2010, but also the OP target. The same cannot be said for results which, for all indicators, are below both the target fixed for 2010 and the OP target.

The discrepancies between the planned and achieved numbers of created jobs and training places (also noted with regard to the finalised projects) have to be explained in terms of the particular situation of the neighbourhoods covered by Measure 3.1, ZIS. As identified in the previous chapters, ZIS covers areas where the city monitoring data indicates a low social and economic index. A disproportionately high number of people are affected by unemployment in these areas and are thus dependant on transfer of social benefits. At the same time, the residents display low educational levels and most of the neighbourhood are highly socially and ethnically segregated with many residents affected by social disadvantage. This means that before getting a job/apprenticeship, young people have to be trained – hence the first priority in the boroughs and neighbourhoods is to secure existing jobs and create training support to facilitate access to first employment.

As such, many projects are related to vocational preparation of the young or adults. These include, inter alia, projects for language development, learning aids and support for young people to find a job. These projects, included under the “promotion of civic engagement” and “improving access to public services” activities fields help the development of the local economy in the medium and long term and assist the path to employment, even if results are not always visible in the current funding period. The “Gross jobs created” indicator includes only new non-temporary jobs in the labour market, as temporary jobs and the safeguarding of jobs is, unlike the previous funding period, no longer monitored. The same applies to training courses as all pre-vocational activities (most of the activities undertaken) are no longer captured by a specific indicator.

Temporary jobs, safeguarding jobs and pre-vocational activities are, instead, covered by the “service hours” indicator which is thus particularly high and exceeds both the 2010 target and the overall OP target.

5.2 Sustainability of ERDF interventions using LDA

As explained in previous chapters, interventions using LDA were effective from the outset and from the point of view both of financial integration among different financial resources (federal Republic of Germany, the Federal State of Berlin and from the European Union through the ERDF) and policy integration (social needs within an urban development perspective). Both of these aspects constitute a solid basis for sustainability of the approach: access to different financial resources from Structural Funds allows continued implementation of specific activities even after the end of the funding period, generating potential to create a stable system.

The creation and consolidation of NM offices represents an additional, sustainable, result of the Berlin local development approach: NMs are a stable reality within

neighborhoods with an internal know-how that goes beyond specific activities. NMs, per se, represent added value to the entire system, a richness upon which Berlin can count. The participative process activated by LDA has helped networking between residents and local actors and created partnerships that can contribute to the value of local resources. The aim is to strengthen the Neighbourhood and its networks in order to make them self-sustainable in a medium-term,

6 Analysis of the actors involved and process design features of the main LDA interventions

6.1 Analysis of the actors involved

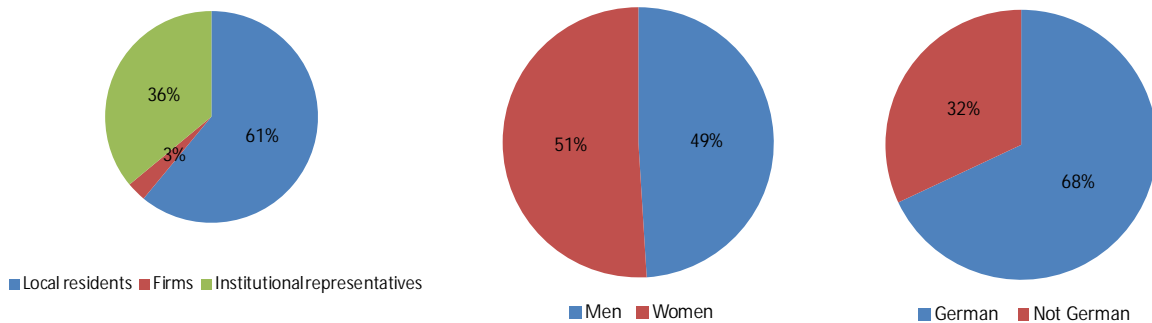
From the outset, the Berlin LDA environment has encouraged the involvement of citizens and local actors.

The entire process is a bottom-up approach, based in the Neighbourhood itself, where there exists a prevalence of problems and unmet need. Since 1999, local residents and local actors from across the entire community have played a strong role both in programming and implementation phases. This was explicitly recognised in the 2003 evaluation of the Socially Integrative Program which draws attention to the increasing importance of local actors and residents participation as a catalyst to more effective local development.

However, as noted in chapter 3, their involvement grew over time and the participatory approach at the heart of LDA activities strengthened in moving from the previous programming period (2000-2006) to the current one. In particular, since 2005, the participation of local residents within Neighbourhood Councils has extended their role in the decision making process. NCs strengthen the participation of neighbourhood residents by giving them the responsibility to decide on the financing of projects. During the process, residents and actors are participating in the elaboration of development concepts, integrating their experiences and strengthening their responsibilities.

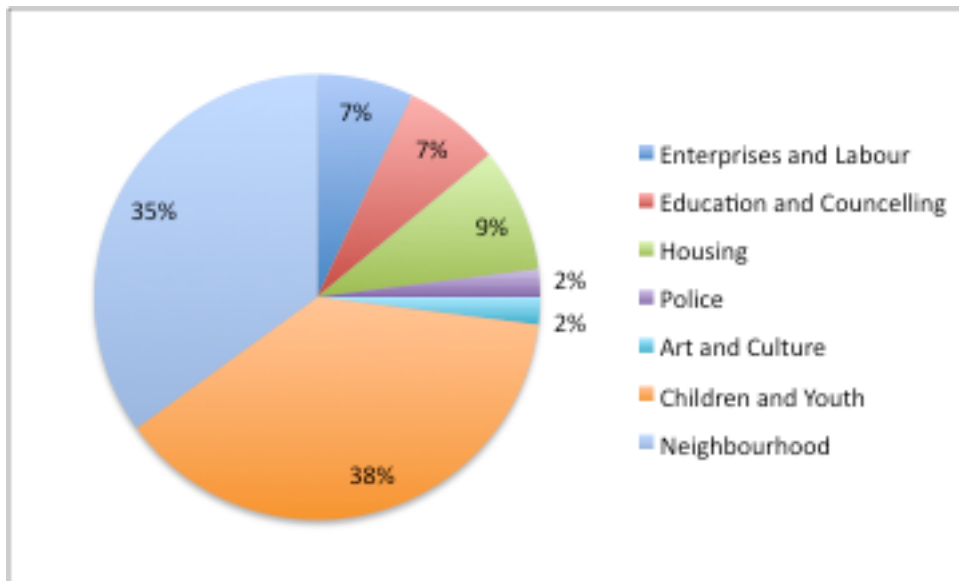
The following graphs show the composition of NCs and the different local actors participating. As is evident, the role of local residents is paramount even if representatives of pre-existing groups and institutions - schools, nurseries, old people's homes, local craft and trade, landlords, housing companies, tenants, initiatives, clubs and associations, etc. - are also present.

Figure 6.1: NCs composition



Source: http://www.quartiersmanagement-berlin.de/fileadmin/content-media/Quartiersraete/Kreisdiagramme_Zusammensetzung.jpg

Figure 6.2: Composition of the Stakeholders and Representatives in the Neighbourhood council



Source: http://www.quartiersmanagement-berlin.de/fileadmin/content-media/Quartiersraete/Kreisdiagramm_Akteure.jpg

Resident and local actor structures (explained in more detail within the chapter on procedures) vary across the different Neighbourhood Funds (NFs). Within NF 1 (short term local projects), NF2 (medium size local initiatives) and NF3 (socio-cultural activities and medium size infrastructural constructions), they are involved in:

- identifying areas of action which are of particular importance for the neighbourhood (Neighbourhood Action Plan Development);
- gathering of proposals contributed by residents and/or local actors and developing ideas regarding such proposals by members of the NCs themselves (collection of ideas);

- assessment of the ideas gathered and joint decision-making on the allocation of project funds together with governmental administration and Neighbourhood Management; and
- selection of suitable partners to implement projects.

Together with local residents, three other main type of actors are involved in both phases: the SenStadt (the Intermediary Body in charge of LDA priorities/measures both in the 2000-2006 and 2007-2013 programming period); the Boroughs and the Neighbourhood Management Teams.

SenStadt has a strong role in programming and implementing activities within NF 4 (large infrastructural constructions) and NF5 (innovative model projects with a cross-sectoral approach). NF4 and NF 5 are financed directly through the SenStadt. while, in the other Funds, SenStadt has only a coordination role, providing support to local initiatives programmed and implemented by residents and local actors.

The Boroughs have a central role in developing the Integrated Action Plan together with the NM, which are later accepted by the SenStadt in the Steering round. With specific regard to NF4, the Boroughs suggest projects, which have been developed in cooperation with the NMs, to the SenStadt who is the actor finally selecting the projects to be carried out.

NM teams have a crucial role in all NFs (but especially in NF 1-3) because they represent a linkage between the institutional actors (SenStadt and Boroughs) the residents and local actors, setting priorities for available NM area instruments and funds, finding a consensus (as “moderators”) on all important decisions and seeking common engagement of all involved actors in the neighbourhood. Several coordination activities and structures³⁴ have been created and are active in both phases, but are especially so in programming.

Boroughs, like NCs, increased their role at the end of the 2000-2006 programming period and at the beginning of the 2007-2013 programming period with the SenStadt now delegating all administrative management of Neighbourhood activities. Nevertheless, Boroughs are currently the weakest actor in the decision-making process, not being directly involved in decisions for NF1 to NF3 (where residents and local actors have the “last word” in allocating funds and in selecting projects) and have a proposing position in NF4.

During the implementation phase, the role of local actors and institutional representatives (schools, housing associations, etc.) is more relevant than in the programming phase as, in many cases, they are directly in charge of specific projects/activities.

The role of NM teams (in coordination with the Boroughs and the SenStadt) is still important, as is that of NCs and local residents, even if the latter tend to be less involved after the identification of the bodies in charge of projects.

³⁴ See Paragraph 6.2 for further details on coordination structures.

6.2. Process design features of the main LDA interventions

In 1999, when the first 15 NM teams were created, management procedures were also drafted in order to define actor roles in LDA processes. The first step was that of setting up of local Neighbourhood offices (physical) and NM teams with specific knowledge of the situation at neighbourhood level, charging them to build-up LDA organisation structures in cooperation with the Borough, the SenStadt, local residents and local actors.

The NM-Teams are selected (through tenders), contracted by the SenStadt and the Boroughs and are usually assigned to regional non-governmental institutions such as Urban Development Associations, institutions that had previously collaborated with other urban renewal programmes and had experience at local level, such as alliances for citizens. The interdisciplinary staff of the NM is, as much as possible, an inter-ethnic group with experiences in urban and local development.

For the composition of the Neighbourhood team, the following skills, expertise, and focal points are required:

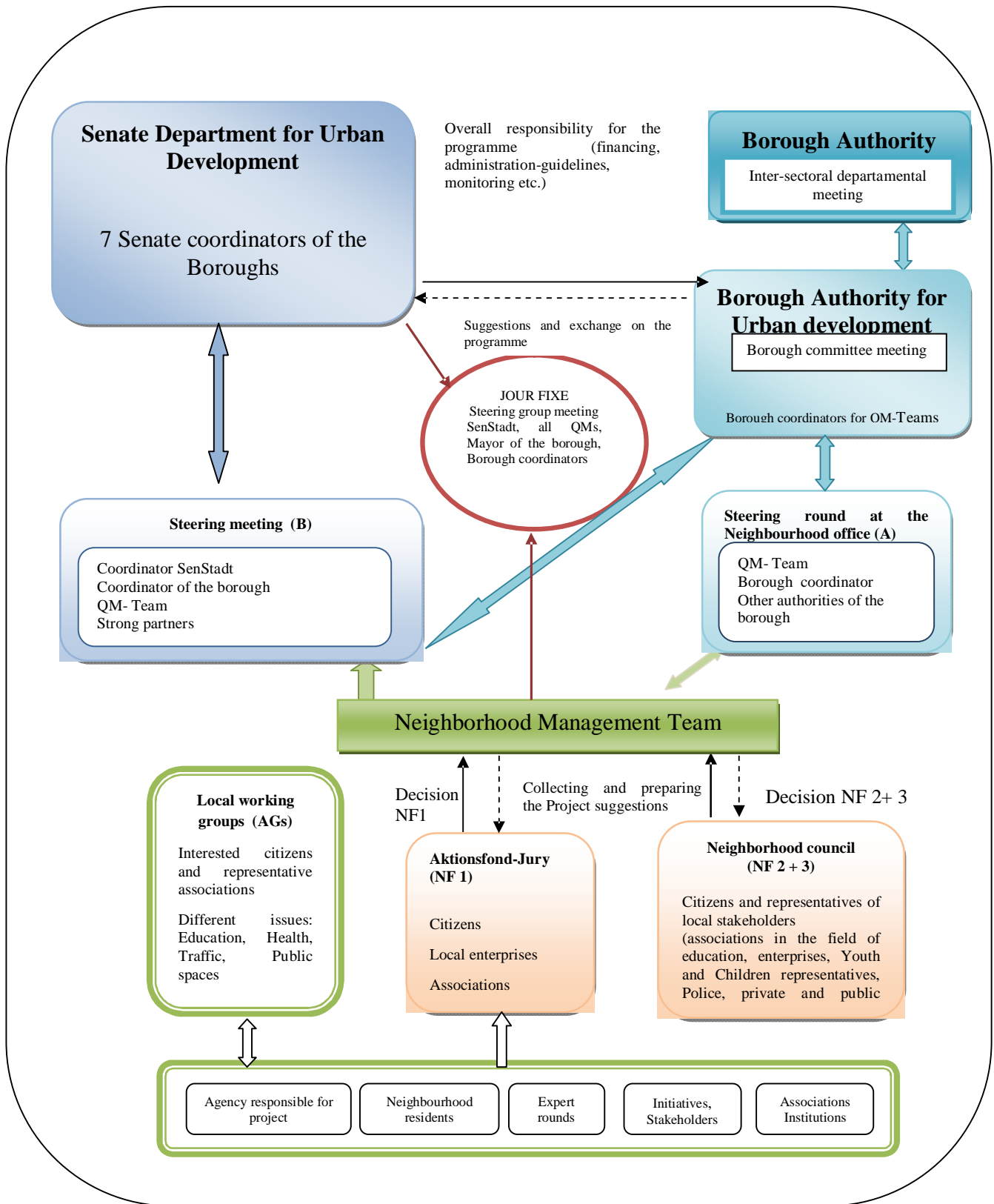
- management, moderation, and networking;
- small-scale trades and crafts advice;
- job training, further education, and labour market programmes;
- fundraising, new funding programmes, and filing of applications; and
- social competence, especially with regard to young people, foreigners, initiatives, and projects.

The NM-Teams coordinate and support local residents and stakeholders in the decision-making process by:

- implementing communication activities and activating local communities;
- drafting local strategic development action plans which analyse the current socio-economic situation and define objectives;
- organising regular meetings, public events on topics or projects, small working groups, workshops, exhibitions;
- providing information and advice;
- establishing local participation structures (such as NCs);
- participating in steering committee meetings for coordination with all actors involved in the programming and implementation of LDA interventions; and
- providing funding provisions through the NFs.

The current organisation structure, common to all NMs, is presented in figure 7.1.

Figure 6.3: Organisation structure of the Neighbourhood management, 2011



Source: IRS elaboration

As the figure shows, the NM Teams meet and regularly exchange information regularly with their Borough Coordinator, both individually as well as during Steering meetings.

The Neighbourhood office also organises and coordinates the two local working groups that have responsibility for selecting projects to be funded.

The **Neighbourhood Council (NC)** is the ‘Jury’ to decide about medium-sized projects at local level. This group is responsible for defining the priorities for area development, according to defined needs, and deciding on the projects to be financed by NF 2 and 3. The size of the group depends on the number of residents in the neighbourhood (every 1,000 residents has one jury member and a deputy) and is composed of neighbourhood residents and “Strong partners” like local associations or initiatives, action groups, local clubs and societies, church parishes, schools, kindergartens, youth centres and neighbourhood centres and social institutions. The composition of the Neighbourhood councils can, however, differ between the NCs. Also, representatives of target and interest groups (youth, family, senior citizens, business, commerce, landlords, tenant associations, housing companies) participate. These are supported by the NM-Team in building-up networks. The average number of participants is between 15 and 30 persons.

The NC meets once every two months and, when specific decisions have to be taken, more often. On average, they come together 9 to 12 times a year, with every meeting lasting 2-3 hours. During meetings, residents are supported by NM managers. The NC, together with the representatives of the SenStadt, the boroughs and borough managers of their territory, decides which projects are to be supported by a grant.

The other working group is the **Action Fund Jury**, composed of neighbourhood residents (“Local experts”), and experts, and which is responsible for project selection at small-scale level (up to €15,000 is provided to the jury annually). Every NM has an Action fund Jury, but the participants might be different, reflecting the composition of residents. The Jury meets every 4-6 weeks and decides about new projects. Participants are elected by neighbourhood citizens every two years, and should ideally represent all population groups (by sex, migrant background and age). This committee decides on short-term projects with costs up to €1,000 financed by (NF1).³⁵

Local Stakeholders and Neighbourhood Residents are also organised in thematic working groups, where interested residents and local associations meet regularly to discuss specific aspects and problems of the neighbourhood.

In addition, the Neighbourhood management organises local stakeholders to contribute to stabilisation and regeneration activities at local level. For this, institutions and local enterprises are included in the neighbourhood development process, representing strategic partners for specific areas. The Strong Partners are housing companies, neighbourhood meeting centres, schools and local enterprises. The aim of including these partners is to involve them closely in activities.³⁶ The neighbourhood managers

³⁵ Senatsverwaltung für Stadtentwicklung, Förderverfahren Zukunftsinitiative Stadtteil (Programmjahr 2008) – Verfahrensgrundsätze QF I, Programm Soziale Stadt.

www.pss-berlin.eu/content/e3937/e3972/e5051/Verfahrensgrundsätze.pdf.

³⁶http://www.stadtentwicklung.berlin.de/wohnen/quartiersmanagement/download/sozstadt_neuausrichtung.pdf.

also promote local networks and stimulate cooperation between these institutions, local businesses and housing companies.

Besides the regular working groups and meetings at neighbourhood level, different coordination meetings of the Managing authority, the Borough administration and the Neighbourhood managing team are held during the year, in order to improve coordination of activities, provide information and exchange best practice.

The relationship between the SenStadt and the Borough are set out in a cooperation contract, defining development objectives, establishing the borough organisation structure related to coordination activities with the NM (such as establishing a borough coordinator, cooperation with the job-centres and exchange within the borough departments for the coordination of the projects and activities) and with the Senate, regulating administration tasks and regulating activities (such as the elaboration of the integrated Action and Development concept) in cooperation with the NC as well as controlling mechanisms.

A central instrument for the implementation of LDA at neighbourhood level has been the setting up of Steering and Coordination arrangements at borough level, with the NM-Team tied to the borough through a borough coordinator and a borough steering-group, and with the Regional administration through the coordinators of the Senate and by an institutionalised and regular Information exchange (Jour fix).³⁷

The “Jour fix” brings together all Borough coordinators, all 34 NM teams, the Senate coordinators, and occasionally other relevant authorities (Service centres, other Senates, Job centre). It is held every three month and is organised by the Senate. This meeting is intended to provide information, and present good- practice projects.

The following table summarise the different coordination structures, their activities, the actors involved and the frequency of meetings.

³⁷ Empirica, Evaluation 1999/2000, Bd. 1.

Table 6.1: Boards, Activities and Participants

Board	Activities	Actors	Frequency of meetings
Public local forums	Project development and selection, Mediation- and planning, seminars, information exchange, work on specific issues, discussion on problems, activities, networking, conflict mediation, formal and informal meetings, mediation activities, Seminars, Congresses, public events	NM representative (chair) Neighbourhood residents Local stakeholders Working groups Action fund jury Civic forum,	Weekly/ Monthly Quarterly (additional meetings if necessary)
Steering round at the Neighbourhood office (A)	Discussion of project ideas and initiation, coordination between the different project applications and reports of the authorities, matching of the NM activities, integrated development concepts	NM representative (chair) Coordinator of the Borough Other authorities of the borough (Youth, Public construction authorities, town clerks office, etc.)	12 / a year
Steering meeting (B) (<i>Steuerungsrunde im Fördergebiet</i>)	Decision of the integrated development concepts, definition of working activities and objectives, coordination of activities	Coordinator of the Senate Coordinator of the Borough NM representatives Strong partners (Local stakeholders)	1-2 / a year
Borough committee meeting	Discussions about the projects of the Borough	All coordinators of one borough	6-8 / a year
Inter-sectoral Departmental meeting at the Borough (<i>Ressortübergreifende Ämterrunde</i>)	Decision of the funding amount in the Boroughs with NM, coordination of the activities of the departments, discussion and decision of projects to be financed	Borough coordinator Representatives of other borough departments (Youth, Education, economy etc.) with decision making competences NM representative (non-voting)	several times in the year (as required)
Jour Fixe	Information and Presentation of current topics, information on past, actual and future activities, exchange of best practices	all Senate coordinator Service centres, other senates, job centres Representatives of 34 NM all borough coordinators	4 / year

Source: Quartiersmanagement Berlin – Mitte. Bürgerbeteiligung. And information of the SenStadt. Cooperation contract between senate and Borough

Each NM has, at its disposal, a yearly budget that is allocated to achieve the objectives and priorities set out in the annual NM Action Plan. Each neighbourhood area is classified as requiring “strong intervention”, “intervention” or “prevention” neighbourhoods and a different amount of fund is granted and defined each year. The categorisation is defined by the SenStadt and is up-dated yearly, based on the socio-economic indicators within monitoring activity (see Chapter 3).

Table 6.2: Funding provision by typology of Neighbourhood area

Classification of the neighbourhood area	NF 1	NF 2	NF 3
Strong intervention procedure	15.000 Euro	35.000 Euro	Depending on the population size of the NM Max. 500,000 €/yearly
Intervention procedure	10.000 Euro	30.000 Euro	
Prevention	10.000 Euro	30.000 Euro	

The budget, divided into the so-called Neighbourhood Funds, is a fixed budget available for funding activities and projects within an integrated local and urban development framework.

Funding decisions for NF 1, NF 2 and NF 3 are made by residents (on the basis of the Neighbourhood Action Plan) and local actors, while decisions for NF 4 and 5 are proposed by Boroughs, decided in cooperation with the NM, but then decided at Senate level.

7. What works and doesn't work

The 2003 evaluation of the Berlin Socially Integrative City Programme reported positive findings, indicating the success of the LDA process. For the very first time, it was possible to mobilise residents to take responsibility for the neighbourhood they lived in across several different topic areas. The creation of NMs increased the number of groups and actors interacting within local communities, giving them the capacity to identify local needs and to act in order to find local answers.

Similar positive results are identified in this case study which describes a very articulated and structured system that, with reference to the foreword, covers each of the three basic dimensions required for a “pure” local development approach. All the information and data presented in the previous chapters have stressed the importance of (local) actor participation, integration (both in terms of policies and financial channels) and the identification of a (very) limited spatial focus for interventions.

In general, therefore, the case study is an example of how LDA can positively support ERDF delivery. The philosophy of community working, which is at the heart of the entire Berlin LDA model has, over time, enabled the approach to:

- § immediately (without any filter) identify and understand local needs;
- § strongly connect social issues within an urban and infrastructural intervention framework; and
- § increase empowerment and networking among residents and between residents and more structured and formalised local actors (such as schools, NGOs, local institutions, etc.).

Within this context, there are many elements that can be identified as positive factors:

1. the identification of small areas (neighbourhoods) in which residents and local actors really know each other and can have effective mutual exchange contributed to a sense of “belonging to a community” that increased democratic accountability and had a strong impact in terms of participation in the programming and implementation of ERDF interventions;
2. the setting up of (physically) local offices (NMs) brought public administrations (both Boroughs and Land) closer to citizens and reduced the gap between theory and practice. Most of the benefits stem from small local problems in which the added value is the participation of all the community, which becomes an active subject;
3. the involvement of residents and local actors from across the entire community, representing the greatest possible spectrum, was extremely important in reflecting the diversity of the population living in those areas and to pursue a need-based approach;
4. the participative process at the heart of the decision making process (through NCs) contributed, in both the programming and implementation phases, to the real involvement of local communities “working” for themselves;

5. several, specified coordination structures (see paragraph 6.2) were identified as crucial in smoothing and/or solving conflicts among different actors involved in the decision making process.;
6. strengthening communications and networking facilitated pooling and the effective and efficient use of resources through increased collaboration and cooperation;
7. public consultations/public identification of ideas/needs helped to increase transparency of the entire process;
8. the integration of ERDF actions within a national framework and complementarity with different financial channels (not only national, but also ESF) increased sustainability of the actions and the potential to address different policies/issues in a more systemic way;
9. linking ERDF financial resources for infrastructure with social and cultural institutions (such schools, for example)³⁸ represented a catalytic element for neighbourhood development; and
10. continuity, over time, contributed to the effective results of the Berlin LDA as a process in evolution.

Though the Berlin LDA had many positive results, challenges still remain:

1. most of those interviewed agreed that there remain many differences among NMs and Boroughs: it is people, not the process, that makes the real difference;
2. Social City monitoring systems mostly cover socio-economic indicators while governance aspects/results (such as increased citizen involvement and local networking) are neither considered nor measured. Moreover, complex indexes (as those in use) do not register small changes.
3. The role of Boroughs, sub-delegated for managing and administrative aspects, even if increasing did not actually result in a real position in the decision making process and there remains evidence of polarisation between the SenStadt and residents/local actors;
4. The Borough coordinators have an important role and their activities are considered positive by the representatives of the NMs. However, at Borough level the coordination of activities between the different departments is still not sufficient and could be improved.
5. Complex administrative procedures tend to restrict the access of small local actors. The administrative approach aspects by NMs for N1 and N2 projects are considered extremely important in terms of increasing and enlarging the number and typology of small actors. This is not the case with other NFs;

³⁸ This was possible on the basis of the cross financing principle that, according to ERDF Regulation, allows the use of 15% of the ERDF funds for financing activities which are close to ESF activities.

6. the small territories over which actions are implemented may have spatially limited effects (even if embedded in a larger urban social development) that can be successfully extended by moving from a strict territorial approach to one covering multiple areas with similar problems (N5 projects adopt a philosophy that certain problems cannot be spatially confined and it may be necessary to implement system-wide project structures);
7. integrated approaches, in areas of needs an coordination, require substantive effort over a long period of time to be activated effectively but it must recognised that:
 - a. an LDA approach is not viable in all scenarios – large investment activities (such as in Hightech-parks) are a case in point, and
 - b. while participation of local actors can be positive in many instances, there remains a tendency in some circumstances (eg Energiewende - energy change) to retain a sectoral (transport, energy saving in the housing sector, etc.) rather than integrated perspective.