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Impact assessment of the ERDF 2007-2013
Operational Programmes “Convergence”
and “Regional Competitiveness and
Employment”

Synthesis of the Final Report

Preamble

Following the positive results of the 2000-2006 operational programmes (OP), the 2007-2013 period of the European Regional Economic Development Fund (ERDF) in Wallonia was carried out in line with the actions and achievements of the previous programme. Its overall objective was to stimulate the creation of enterprises and jobs, to develop human capital, knowledge, know-how, research, and to ensure a balanced and sustainable territorial development.

In order to respond to the evaluation questions, the evaluators used several methodological elements and a thorough literature and data review. These included: interview campaigns (over 150 stakeholders interviewed); online surveys targeting final and ultimate beneficiaries (over 900 respondents); twenty case studies covering each measure in both programmes; and discussion workshops with the programmes' beneficiaries, for reflection and exchange on the results and their perspectives (100 participants).

Although targeting different areas, the programmes were similarly constructed using equivalent measures. All the measures implemented in the framework of both programmes have been analysed.

This document provides a synthesis of the evaluation final report.

1. Synthesis of the responses to the evaluation questions covering programme effectiveness

Firstly, it is important to remember that the **effectiveness** of a programme relates to the level to which it achieves its expected results. The effectiveness analysis covers issues related to the functioning and results of the programme.

Key questions on the effectiveness of the programme:

- What are the results of the programmes in 2014-2015 (actual and expected results, other effects produced, collateral impacts both positive and negative)?
- How can we qualify these results? Are they likely to be sustained in the long term?
- Do ripple and multiplier effects emerge?
- What role did the financial crisis of 2008 (and the economic situation for the 2007-2013 programming) play in the achievement of the expected results?

In the framework of the three axes of the programmes, numerous achievements were met, reaching a high number of direct and ultimate beneficiaries: companies, research centres, colleges of higher education and universities, competence centres, training centres, local players (local authorities, cities, municipalities, non-profit organisations, regional or para-regional organisations, community organisations, etc.), economic animation operators, social economy operators, financial instrument operators, schools, competence centres and advanced technology centres. For all three axes of the two programmes, we make a positive assessment of their effectiveness with results that should be sustainable on the long run:

- At the level of Axis 1, dedicated to the creation of enterprises and jobs¹, in total, nearly 2881 enterprises received support for their investment projects in both programmes, and nearly 3817 companies benefited from support services, above initial expectations.
- At the level of Axis 2, dedicated to develop human capital, knowledge, know-how and research², the realisation indicators meet or exceed the targets set in both programmes, except in regard to R&D

¹ Support under Axis 1 relates to aid for investment in companies (subsidies), investment aid in the form of financial engineering, and the development of original and innovative actions for business support service).

projects and supported R&D investments: 27 accredited research centres or universities were supported, 15 within the Competitiveness area and 12 within the Convergence area, in order to increase the capacity of Wallonia in the provision of technology services. The 'technology cheques' system has achieved great success in terms of the number of companies that benefited from R&D support, going far beyond the targets set in each of the programmes. Overall, we note that nearly 800 companies have benefited from R&D support, out of which one third are located in the Convergence area (nearly three times more than the expected objectives).

- At the level of Axis 3, dedicated to ensuring balanced and sustainable territorial development³, the majority of the expected results of both programmes have not yet been achieved with respect to the objectives set for the 2015 deadline. We note that the achievements are less numerous than expected, due to a lack of land management on a number of development operations. Within this axis, most of the work was not yet fully completed at the time of the evaluation, thus it is difficult to assess the magnitude of the results and their sustainability over time. Nevertheless, the information already collected in the scope of this study confirms that the observed results are well in line with the objectives and expected results of Axis 3 and with the beneficiaries' expectations.

The effects of the economic and financial crisis of 2008 on the implementation of the programme and its achievements are mixed, and probably less obstructive than one might have feared:

- At the level of Axis 1, the financial and economic crisis has had a negative impact on the programmes and on their implementation, but probably not as much as was feared. It has attracted the interest of companies, vis-à-vis financial instruments and services offered by the local coordination structures, especially in terms of business creation. It nevertheless led to a smaller than expected number of records in direct investment grants (Measure 1.1.), the measure that addresses major investment projects with high commitments to employment creation. It also provoked many cases of failure among already committed files, and probably resulted in a lower selection of backed up files.
- At the level of Axis 2, the economic and financial crisis has undoubtedly played a role in the programming effectiveness, but in a nuanced manner depending on the forms taken by the interventions. As in the case of Axis 1, it has attracted the interest of companies vis-à-vis features such as technology cheques or the use of available equipment in training facilities. The effect is neutral in the case of support to projects for the equipment installed in competence and advanced technology centres, and related infrastructure projects.
- Concerning Axis 3, the effect of the crisis has played a role deemed negative to neutral. The crisis has had a particularly negative effect on the optimisation of the implementation of economic activity areas set up with ERDF co-financing, due to difficulties in attracting businesses in times of crisis.

For instance, we note that the targeting of high value-added sectors and high growth potential enterprises is considered sub-optimal, especially at the level of Axis 1:

- In the case of Axis 1, the sectorial targeting analysis, coupled with the profile analysis of the beneficiary companies of interventions in terms of investment aids, reveals a mixed picture. We believe that these results indicate that the intervention focus could have been pushed further, especially in the area 'Competitiveness': on high potential growth companies, on innovative sectors in connection with competitiveness poles, on the Walloon clusters, and on more innovation-intensive projects. From this point of view, achievements and results are not fully consistent with the initial objectives set in both programmes and in the supplementary programming. So it seems that the additional premiums principle has insufficiently played its role.
- Concerning Axis 2, the intervention also focused on a wide variety of sectors (particularly on equipment), even if there is a real concentration of efforts in areas under the competitive clusters

² Support under the Axis 2 focuses on direct aid made to the R&D projects of SMEs, as well as on stimulating research centres and providing subsequent services to businesses, and on the development of performant infrastructure for the diffusion of knowledge related to new technologies.

³ Support under the Axis 3 concerns the rehabilitation of the attractiveness of areas, upgrading competitive infrastructures supporting businesses, and supporting integrated urban regeneration projects, cultural heritage development projects and sanitation of industrial and urban wasteland projects, especially through the rehabilitation of degraded open spaces.

policy, in particular with aid targeting infrastructure and larger equipment under the most important measures of Axis 2 (Measures 2.2 and 2.4⁴). Under these measures, there was a special focus in terms of competence centres particularly committed to competitive clusters policies. However, we note that the equipment support covers a wider range of sectors.

2. Synthesis of the responses to the evaluation questions covering the programme efficiency

The **efficiency** with which a programme has been managed relates to the effort made in terms of human resources, governance and funding to convert 'inputs' (resources) into 'outputs' (products, results, effects). The efficiency of a program is the relationship between costs and benefits.

Key questions on the efficiency of the programme:

- What is the total financial investment in projects through the mobilisation of the ERDF?
 - What proportion does this investment represent relative to total public investment?
 - What is the amount of public and private co-funding that these funds have raised?
 - What proportion do these investments represent relative to the total added value across all economic sectors in the region?
- Were the observed effects obtained with reasonable means (i.e. intervention costs and realisation time - budget optimisation of public policy)?
- Are the means in agreement with the observed effects? Do we have elements of comparison with other similar interventions?
 - What are the facilitators and blocking factors in achieving the results?

Overall, the implementation of the programmes seems to have been efficient in both Convergence areas and Regional Competitiveness and Employment areas, notably in light of the effect of the economic crisis on the results and impacts of the programmes.

The 'Convergence' programme was endowed with €449.2 million from the ERDF, while the programme 'Regional Competitiveness and Employment' benefited from €282.5 million from the ERDF. In March 2015, the programming rate reached 100% for both programmes, with a total of €731.8 million from the ERDF, or €196.3 million as an annual average⁵. On the same date, the expenditure rate⁶ (expenditures validated after the first level of control) was around 70% for both programmes, with a total of just over €517.7 m ERDF spent⁷. These €731.8 million ERDF helped in raising additional funds of almost €2 billion over the programme period.

Considering the amounts dedicated, both programmes have mainly supported balanced and sustainable territorial development (priority 3) and, in particular, urban renewal and territorial attractiveness (Measure 3.3): 42% of the amounts dedicated have indeed supported projects under priority Axis 3.

European funds were utilised mainly for investment expenditures. The public money spent each year under the two programmes has accounted for approximately 9% of the regional state administrations' investments over the same period. This weight is not negligible, but not very significant either. Moreover, the public funds spent on average each year under the two programmes (ERDF and regional share) represent 1% of the total public and private investment over the programming period. This weight is modest.

⁴ Measure 2.2 concerns the enhancement of research centres and universities potential to strengthen the offer of services to the enterprises located in the concerned area, and measure 2.4 covers the establishment of support facilities for qualified formations in relation to the dissemination of new technologies to the active population and young people.

⁵ Programmed amounts following the instruction and approval of the dossier.

⁶ Part of the amounts spent (paid by the beneficiary, controlled and validated) in relation to the amounts decided.

⁷ Amounts considered as paid after the first level of control.

The observed effects appear to have been obtained with reasonable means (intervention costs and realisation time - budget optimisation of public policy). Three arguments support this statement:

- The amount of public aid per direct job created is satisfactory, and below initial estimates. It has been calculated only for Axis 1. Amounting to €63,000 of state aid per job created in the framework of the ‘Regional Competitiveness and Employment’ programme and to €53,000 under the ‘Convergence’ programme, it is below the maximum rate of state aid per job created that was initially set by the competent public authorities (€75,000 of state aid per job created⁸);
- The implementation mode of the two programmes, notably via the ‘portfolio of projects’ logic, has contributed to increasing the professionalisation of stakeholders, and the networking services among them:
 - Under Axis 1, the programme has strengthened the INVEST’s financial structure, consolidating INVEST’s business outside the ERDF. The implementation of portfolios of projects for business services has promoted synergies between economic animation players (in the SLC), improving the specialisation of each player. The scenery, however, is still complex and difficult to read for businesses (particularly the relationship between the network of economic actors and the network of innovation stakeholders), despite the streamlining effort made in this programming.
 - Under Axis 2, accredited research centres and universities show a better mutual understanding and the emergence of more integrated solutions from upstream research to support innovation in companies, resulting in a critical mass of players in research and innovation working more collaboratively (e.g. Biomedical sector in Hainaut).
 - Under Axis 3, the portfolio of projects logic has prevented the aggregation of multiple incoherent small projects and enabled the creation of overall consistency across a specific area or neighbourhood.
- Several examples of good complementarity between the measures and axes of the programme are worth mentioning. In particular, we note the good complementarity of certain actions under Axis 1, such as accommodation facilities, with actions for site revitalisation under Axis 3. The services offered by the social economy structures (Measure 1.3.) were used to provide personal and professional support to vulnerable populations located in urban renewal areas. This social dimension was particularly relevant for the Convergence area.

However, two elements seem to have limited the effectiveness of the programmes and the engagement of multiplier effects:

- The lack of land control anticipation in planning operations – this has impeded the implementation of certain projects and building sites supported under Axis 3 and has probably generated additional costs.
- Under Axis 1, the intervention models adopted for INVEST (loan rather than investment capital, choice linked to limitations imposed by the General Block Exemption Regulation (GBER) (800/2008)) were not completely in line with the overall programme objectives, particularly in terms of support to innovation and innovative enterprises; and therefore have limited their ability to support, advise and coach business leaders, which is regretted by these structures and by some companies. This constitutes a limit on the multiplier effects of the ERDF support.

3. Synthesis of the responses to the evaluation questions covering the programme impacts

We note that the impact of the actions undertaken in the framework of a programme concerns long-term, positive and negative, and primary and secondary effects induced by the programme on a direct or

⁸ Interviews with the competent public authorities.

indirect, or on an intended or unintended manner. The context of the evaluation addresses the following questions:

- What changes can be observed in Wallonia (Hainaut and outside of Hainaut) in line with the programme objectives?
- What is the contribution of the programmes to these observed changes?
- What are the unintended impacts (positive or negative)?
- What are the mechanisms that led to the observed changes? In what context do they take place?
- To what extent do the short-term effects of the interventions differ from the long-term effects?
- What are the facilitators and blocking factors in achieving results?

Key questions on the economic activity and competitiveness of the enterprises:

- What is the contribution of both programs to the observed effects?
 - What is the evolution of the GDP per capita?
 - What is the evolution of the sectorial distribution of added value?
 - What is the evolution of the companies' creation rate (SMEs)?
 - What is the evolution of the investment?
- Have the Walloon competitiveness factors (talent, innovation, entrepreneurship, internationalisation, accessibility, social inclusion, quality of place, etc.) improved? If so, what role did the operational programmes play? Can we distinguish them by province?
- Have these competitiveness factors been restored in urban and metropolitan areas and improved in rural areas?

Macroeconomic data on Wallonia indicate a progression in the evolution of **GDP** both in total and per capita. However, considering the amount of investment represented by the two programmes on the total weight of investments in Wallonia, their contribution to this development is very limited. It is therefore difficult to isolate an "ERDF" effect on the evolution of the investment rate.

According to data available from the IWEPS over the period 2007-2013, the GDP of Wallonia amounts to an annual average of €87 457 million⁹. The share of investment in GDP in Belgium amounted to 24.3% of GDP in 2008 and has experienced a smaller decline than in other countries of the euro zone over the programming period (22.3% in 2013). For the Walloon region's per capita GDP, the indicator has continued to gradually converge towards the EU average over the period 2007-2011, from 83.2% in 2007 to 88.4% in 2011. This linear progress has then dropped over the period 2012-2013¹⁰ and in 2014. Although the evolution of per capita GDP over the programming period is positive, Wallonia is still behind the level of Brussels, as well as that of Flanders.

In 2012, the absolute value of gross fixed capital formation (GFCF) at current prices for the Walloon region amounted to €21 389 million, representing a private investment rate relative to the region's GDP of 23.3%¹¹. Over the whole period, the private investment growth rate decreased, especially for Wallonia (from 13.1% in 2007 to 2.2% in 2012). It faced strong variations from one year to another:

- This growth rate was high and stood at 16.5% for Hainaut in 2008 and at 13.1% for the whole region of Wallonia in 2007.
- This rate went through a break in 2009, where we find strong negative growth rates for all regions (-7.2% for Wallonia, and up to -9% for Hainaut), following the economic and financial crisis.
- At the end of the observation period, the growth rate experienced a sustained recovery across all regions, including 8% for Wallonia in 2011 and 5.3% for Hainaut in 2012.

⁹ Averaged GDP following its evolution over the seven years of the programming period (2007-2013).

¹⁰ Source: RAE 2014.

¹¹ Source ICN, Technopolis calculations relative to GDP at current prices in absolute terms (SEC2010)

During the same period, the macroeconomic data indicate a confirmed decline in manufacturing industry, in favour of **value added** services. Apart from this decline in industry, the share of other sectors is relatively stable, with the exception of specialised scientific and technical activities, and services related to human health and social action. The wide variety of industries accompanied by the programmes, in particular under Axis 1, does not allow a conclusion on whether they had a positive or negative contribution to the observed developments. At a more microeconomic level, however, it may be noticed that in some sectors, such as biotech, the combined programme interventions (Axis 1 and Axis 2) have given rise to technological centres and specialised companies.

The rate of **enterprise creation** in Wallonia decreased over the period, particularly following the effects of the economic crisis, with an average of 6719 new commercial enterprises created per year. The contribution of both programmes to this dynamic is relatively moderate (approximately 5.6% of the annual volume of businesses created per year), despite presenting a significant number of companies created (more than 380 companies per year). The number of business start-ups and academic spin-offs is particularly low (7 recorded throughout the period under Axis 2).

There is no consolidated data on **turnover** growth, on changes in profitability (net income of assisted firms), or on access to new markets for companies supported within the programmes, for all the measures of the programmes that finance companies. All the investigations helped us conclude that supported investments lead to:

- (usually) the maintenance of business activity by financing the modernisation of production equipment (at end of cycle), so that companies remain competitive in their business environment and core business;
- the development of business activity by financing production or productive investments necessary to start production of new products or services (whether innovative or not).

However, the ERDF in both programmes contributed significantly to mobilising bank stakeholders on business investment projects in times of crisis. In the crisis context, the intervention responded in a countercyclical manner to market failures by expanding bank credit for investment, and thus offsetting banks' reluctance.

Key questions on innovation and research:

- Has the innovation index (composite index of the creative, absorptive, and technology transfer capacity) in Wallonia (Hainaut and outside of Hainaut) evolved and improved since early 2007? What is the contribution of the ERDF to this change?
- Was Wallonia (which is very specialised in industrial activities in low-technology-intensive sectors) able to focus more on R&D intensive sectors and thus towards high value-added products?
- Has the number of researchers in centres and universities (and related structures) progressed since early 2007? What are their characteristics?
- What is the relationship between the change in the number of researchers and the evolution of the share of R&D expenditure in total GDP?
- Has the number of researchers been maintained or increased over the programming period?
- Has the R&D share of GDP increased thanks to the ERDF?
- If so, what role did the programmes play in this change?

Regarding innovation, impacts are mainly related to five measures and focused mainly on improving knowledge of supply capacity (technology push) produced by research and skills training.

Given the RTDI investments in Wallonia (approximately €1800 million annual average over the period 2008-2012¹²), the weight of the programmes intervention (€30 million annual average) is relatively small,

¹² Cf. CERPE, Private and public R&D expenditures in Belgium - diagnostic for the goal of "Europe 2020, 2013 ; <http://www.unamur.be/eco/economie/cerpe/cahiers/cahiers/cahier70>

barely 2%. It is therefore not yet possible to measure significant effects of the ERDF on the evolution of the innovation index of Wallonia (creative ability, absorption, and technology transfer)¹³.

Wallonia has partially turned towards R&D intensive sectors and thus towards high added value, in part through investments in Measures 2.2 and 2.4 which were partly dedicated to the development of knowledge supply capacities of research and training in response to the needs of companies involved in R&D intensive sectors. These interventions have contributed to the formation of a critical mass in research and innovation and have strengthened research centres' and universities' capacity to meet business needs.

However, we note that dedicated and certified public investments under Measures 1.1, 1.2 and 2.3 were insufficiently directed to R&D intensive sectors.

In terms of innovation support (*demand pull* approach), actions are essentially positioned under Axis 2 both upstream (feasibility study via Measure 2.1 technology cheques) and downstream the innovation chain (loans to companies of Measure 2.3, focused on the commercialisation of new products and services resulting from R&D investment and innovation that had been made previously, before the mobilisation of the 2007-2013 ERDF amounts).

Impacts are mostly observed on scientific work and on the visibility of research and training actors at the regional level. Given the low number of patents related to ERDF co-financing, the impact of the ERDF on the number of patent applications registered at the European Patent Office is very limited. The number of spin-offs created as part of ERDF projects is very low. It must be said that the creation of spin-offs from research was not an objective of the ERDF and that this type of approach is carried out outside the scope of the ERDF (e.g. via seed funding for INVEST). We estimate that the number of researcher jobs created in the framework of the OP projects (over 400 jobs in total) is quite significant in terms of the total number of jobs created by researchers in Wallonia. According to our estimates, the number of project-related jobs for researchers supported under the operational programmes is about 10-15% of total researcher jobs created in Wallonia over the same period.

According to theories of growth¹⁴, there is a strong positive relationship between the number of researchers and the share of R&D expenditure in GDP. The correlation coefficient¹⁵ between the number of researchers and R&D spending reaches 0.966 on the observed period. Moreover, the correlation between the share of researchers in total employment and spending on R&D is 0.971.

However, R&D as a share of GDP in Wallonia, in Hainaut, and in Belgium as a whole is still below European targets of 3% set out in the Europe 2020 strategy, despite a steady and significant increase over the period: the rate increased from 1.78% to 2.01% of total GDP for Hainaut, from 1.84% to 2.28% of GDP for Belgium and from 2.07% to 2.51 % of GDP for Wallonia. In 2011, the rate for Hainaut remained below the European average (while it is higher for Wallonia and Belgium as a whole). In any case, regarding the weight of the ERDF in terms of total R&D, there is no measurable significant effect of the ERDF on the evolution of the share of R&D expenditure in GDP. What is remarkable, however, is that despite the global economic and financial crisis, and thus a difficult economic and competitive environment, Walloon companies, in particular, continued to invest in R&D.

Key questions concerning the territorial attractiveness:

¹³ Cf. http://ec.europa.eu/enterprise/policies/innovation/files/ius/ius-2014_en.pdf

¹⁴ Cf.: <http://documents.worldbank.org/curated/en/docsearch?query=growth> ; Aghion P. et Howitt P., « Endogenous Growth Theory », etc.

¹⁵ The correlation between two or more random variables or numerical statistics measure the intensity of the connection which may exist between these variables. The correlation coefficient is between -1 and 1. The fact that two variables are "strongly positively correlated" (close to 1 ratio) does not show however that there is a causal relationship between one and other.

- What is the contribution of the two programmes to the observed changes?
 - What is the evolution of the number of jobs (number of jobs held by employees, independents and caregivers for each area considered)?
 - What is the evolution of the total number of companies?
 - What is the evolution of the rate of empty cells in city centres (proportion of empty commercial cells across each urban centre)?
 - What is the evolution of the number of overnight stays?
 - What is the evolution of the population and population density?
 - What is the estimated reduction of greenhouse gas emissions?
 - What is the evolution of the share of road in total inland freight transport?

The accompanying measures and financial instruments designed for ultimate beneficiary companies have certainly contributed to enhancing the attractiveness of the territory, particularly in themed activity zones, due to the coherence and consistency of government interventions.

The analysis of Measure 1.2 ‘financial engineering’ shows a variety of accompanied sectors, including many traditional sectors (trade, accommodation, catering, construction). With nearly 50% of companies supported in the creation phase, and interventions in the form of counter-guarantees, guarantees and micro-credits by SOCAMUT, the logic was for many to support the development of microenterprises, and to consolidate microenterprises in sectors with unskilled intensive labour. These interventions certainly contribute to strengthening the attractiveness of the area by providing services to the population, developing the residential economy (attraction capita) and the tourism economy (attracting foreign tourists). On these bases, spill-over and multiplier effects begin to emerge particularly in the activities theme parks once they have reached a critical level in terms of skills and equipment, which allows companies to develop their activities and to create synergies and exchanges between them.

The complementarity of public interventions and actors, upstream and downstream of partnerships built in the framework of portfolios of projects, sparked socio-economic dynamics around infrastructure projects. We note that continuity of public financial support will amplify these impacts on the attractiveness of the supported zones.

Support measures for research and training actors also played a part in strengthening the legibility and visibility of research centres, universities and training centres at regional and international level, and thus the attractiveness of the area. According to the final beneficiaries, the main effects directly attributable to the ERDF in terms of attractiveness are the enhanced visibility of research centres in events (seminars, conferences, etc.) at regional level and the strengthened regional awareness of competence centres.

Finally, although it is too early to tell whether overall project impacts represent fair value and, considering that the main priority of Axis 3 selected projects is economic, we note that these generate more qualitative impacts, such as improved living environments of the people concerned and other positive effects on environmental protection (e.g. protection of flora and local fauna).

The positive effects of the ERDF on the attractiveness of the territory, as perceived by the beneficiaries, are mostly found at the level of decontaminated and reallocated areas.

Key questions on employment (in addition to impacts related to ESF actions):

- What are the effects on employment that are directly related to the programmes?
- Were there any windfall effects on employment (beneficial effects that would have occurred without the intervention of the ERDF)?
- Were there displacement effects on employment (job losses elsewhere in the area covered by the programmes)?
- Were there any multiplier effects on employment?
- How can we describe these jobs? Are they sustainable? If possible, distinguish:
 - new jobs from jobs maintained;
 - jobs directly resulting from the ERDF assistance, such as job creation linked to the implementation of a project or for the realisation of a tourism development, research or support of enterprises project;
 - jobs whose creation is the direct result of programmes (such as the employment generated by support for SMEs);
 - jobs whose creation is the indirect result of measures implemented (such as improved infrastructure bringing an increased influx of tourists and demand for jobs in the area).

The direct jobs created were numerous and represent a significant share of the total number of jobs created over the period. Cumulated across both programmes, and for all their axes, we identify nearly 10 000 direct jobs created over the programming period, 90% fall in Axis 1 ‘creation of enterprises and jobs’, and nearly two-thirds are localised in Convergence area. Axis 2 ‘Development of human capital, knowledge, know-how and research’ has contributed to the creation of 400 direct jobs under Measure 2.2 ‘Developing the research centres potential and providing subsequent services to businesses in the area’ and 328 under Measure 2.3 ‘Develop advanced support services to the non-technological innovation, to management and to economic valuation’; while Axis 3 ‘balanced and sustainable territorial development’ contributed to the creation of 341 direct jobs (below initial ambitions). However, these data should be taken with caution since a proportion of the direct jobs identified (Measure 1.3 ‘development of advanced support services to businesses and entrepreneurship’) were recorded on a declarative basis.

In view of the creation of 28 000 jobs in Wallonia over almost the same time period (2006-2012), the two programmes leverage effect is significant. Especially since the recorded data do not capture the expected indirect job creation effects from the development, re-qualification or tourism development projects of Axis 3. In addition to the latter, the expected indirect creation of jobs by research centres and universities (using the infrastructure and equipment supported by the ERDF) are also not captured. The case studies highlight that the projects will have a medium-term impact on the business of the companies, which will either redirect some of their activities (maintaining employment) or develop new activities in addition to existing ones (job creation). But the real impact on employment will be both longer term and more difficult to associate with the ERDF projects.

In the context of the economic and financial crisis, the programmes also seem to have played a role in maintaining employment in companies. This emerges clearly from the interviews conducted as part of the case studies and the beneficiaries survey. This is particularly the case in the context of Axes 1 and 3, in both programmes.

The qualification level of the jobs created is very heterogeneous, and highly dependent on the nature of the project and the measure, however, many skilled jobs are generated by the actions of Axis 2:

- Under Axis 1, both in Convergence and Competitiveness zones, the types of jobs embrace different types of positions: entrepreneur (for enterprise creation), officers, employees and workers. This heterogeneity depends on the nature of the sustained investment and project type (business creation or other).
- Under Axis 2, it is mainly highly skilled jobs that were supported through the recruitment of researchers, engineers and technicians in approved research centres and universities, or the recruitment of engineers and traders in enterprises. Through the provision of high-performance equipment, the ERDF also contributed to the development of new skills for targeted people through training competence centres and advanced technology centres, which generally helps to improve the level of qualification of the workforce;
- Under Axis 3, interviews with project leaders in business parks show high qualification levels of employment. While logically, transactions in the tourism sector should result in low-skilled jobs.

However, the sustainability of the jobs created directly is still difficult to measure due to a lack of consolidated data. Companies that responded to the electronic survey seem to respond only when there

has been job creation, and the latter generally took the form of open-ended contracts, which is a positive sign. However, interviews with stakeholders in the case studies relativise this issue. The research stakeholders (accredited research centres and universities) emphasise that the jobs created by researchers in their institution are mainly jobs based on research projects whose duration is limited in a number of cases; this does not always ensure an optimal use of the equipment financed by the ERDF.

4. Conclusions and recommendations

In sum, a number of positive points have been noted in the evaluation report:

- On all three axes and both programmes, the judgment we make about their effectiveness is positive, indicating that many of the objectives have been achieved.
- Overall, the implementation of programmes also seems to have been efficient both in Convergence and Regional Competitiveness and Employment areas, particularly with regard to the effect of the economic crisis on the programmes' outcomes and impacts. The observed effects appear to have been obtained with reasonable means (intervention costs and realisation time - budget optimisation of public policy).
- The ERDF has also had a significant impact on employment, on business activity and competitiveness, on innovation dynamics in the territory and on the attractiveness of the territory. Given these four impact factors, it is important to note the strong appreciation of three-quarters of the 908 programme beneficiaries who responded to the electronic survey, particularly regarding the ability of the operations supported by the programme to meet their expectations, regardless of the type of respondent beneficiaries.

We also note that the establishment of the portfolios of projects logic has heavily favoured networking and collaboration between the actors and the emergence of new services, new applications, and new innovative trainings, etc.

The ERDF has also helped to structure the corporate finance sector in Wallonia.

It also improved businesses' capabilities, thanks to the accredited centres, universities, and centres of excellence and training (facilitation of innovation processes, using a workforce that is better qualified and trained, etc.).

Beyond these positive conclusions, five recommendations are made. They have been established without reading the prior 2014-2020 OP 'Wallonie-2020.eu' (approved 16 December 2014 by the European Commissioner for Regional Policy), they incorporate elements that have already been set by the managing authority.

In each case, the report specifies the main observations made leading to the recommendation, the possible modalities of implementation, and the organisations concerned.

Recommendations

1. Improve the targeting of interventions in terms of investment in companies.
2. Enhance the impact of interventions on the dynamics of innovation by adopting a demand-pull approach.
3. Boost cooperation between networks of actors.
4. Better integrate remediation and infrastructure projects within 'master plans' and urban strategies, so as to ensure a coordinated implementation and an optimised impact.
5. Better adapt the system of performance indicators to the programmes' desired impacts.