

The background of the entire page is a photograph of several European Union flags waving in the wind. The flags are blue with twelve yellow stars arranged in a circle. In the background, a modern building with large glass windows and a curved facade is visible under a bright, slightly cloudy sky. The sun is low in the sky, creating a warm, golden glow and casting long shadows.

PUBLIC SERVICE OF WALLONIA - DEPARTMENT FOR THE COORDINATION OF ERDF PROGRAMMES

Mid-term evaluation of the “Wallonia 2021-2027” ERDF/JTF Programme

Executive summary

BDO ADVISORY

March 2025

SCOPE AND EXECUTION OF THE EVALUATION

Mandate of the evaluation

In accordance with the obligations set out by the European Union under the 2021-2027 programming period, Member States — and by extension, Wallonia — are required to carry out a mid-term review of their programme, in accordance with Article 18 of the Common Provisions Regulation (CPR)¹, including a proposal concerning the definitive allocation of the flexibility amount for each strategic objective of the programme, which had previously been held in reserve. This review must be completed by 31 March 2025 at the latest.

To meet this requirement, a mid-term evaluation of the “Wallonia 2021-2027” ERDF/JTF programme was commissioned by the Walloon Public Service (*Service public de Wallonie - SPW*), and more specifically by the ERDF Programme Coordination Department (*Département de la Coordination des Programmes FEDER - DCPF*). This is the first evaluation foreseen in the Evaluation Plan for the current programming period. The evaluation went beyond the strict framework of the mid-term review by including the development of the intervention logic of the ERDF/JTF programme, which will serve as a basis for the future evaluations planned in the Evaluation Plan.

This document constitutes the operational summary of the final report of this mid-term evaluation, conducted by BDO Advisory between July 2024 and March 2025.

Scope of the mid-term review

Article 18(1) of the CPR provides that the mid-term review shall take into account, at a minimum, the following elements:

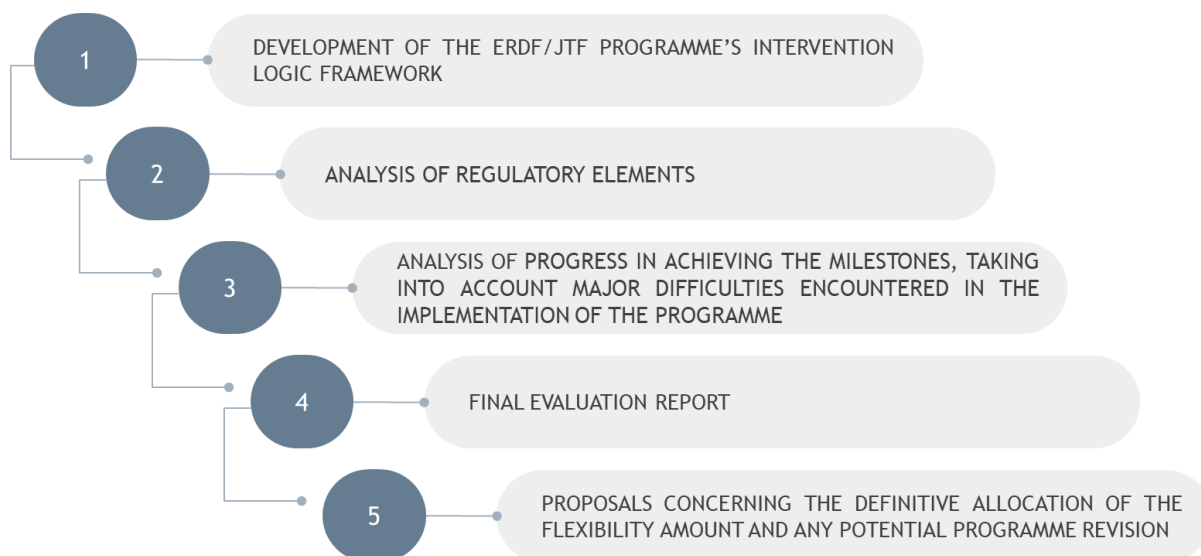
- a) *the new challenges identified in relevant country-specific recommendations adopted in 2024;*
- b) *the progress in implementing the integrated national energy and climate plan, if relevant;*
- c) *the progress in implementing the principles of the European Pillar of Social Rights;*
- d) *the socioeconomic situation of the Member State or region concerned, with special emphasis on territorial needs, taking into account any major negative financial, economic or social development;*
- e) *the main results of relevant evaluations;*
- f) *the progress in achieving the milestones, taking into account major difficulties encountered in the implementation of the programme;*
- g) *for programmes supported by the JTF, the assessment carried out by the Commission, pursuant to point (b) of Article 29(1) of Regulation (EU) 2018/1999.*

Given that the ERDF/JTF programme is structured into six priorities and 26 measures, the evaluation incorporated each of the above-listed elements into the analysis of these components.

¹ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy

Summary of the evaluation process

The methodology was structured into five distinct phases, carried out consecutively:



Each phase resulted in the submission of deliverables: a methodological scoping note for the first, a situational analysis report for the second, an implementation analysis report for the third, the final evaluation report for the fourth, and a note concerning the definitive allocation of the flexibility amount for the last.

During the first phase, we mapped out the theory of change for each programme priorities (six in total). The theory of change presents the expected sequential effects of the intervention on its target groups (i.e., its intervention logic: projects/outputs, results, intermediate impacts, and final impacts) and identifies the underlying assumptions that support the logic.

The analysis of the regulatory elements (to be understood as the various points listed under Article 18(1) of the CPR, excluding point (f)) was based on documents identified and made available by the ERDF Programme Coordination Department. In a first step, we conducted an individual analysis of each element taken separately, through a synthesis of the content of each document² and a highlighting of the main issues. In a second step, we carried out a global analysis, offering a more cross-cutting view of the various regulatory elements and their articulation with the measures of the ERDF/JTF programme.

² The documents are as follows: « Évaluation Stratégique Environnementale du programme opérationnel FEDER 2021-2027, seconde version du rapport d'incidences environnementales » (AUPa SPRL, Evalux UG et WUA SPRL, November 2021), « Évaluation Stratégique Environnementale du programme opérationnel FEDER 2021-2027, Déclaration environnementale finale » (AUPa SPRL, Evalux UG et WUA SPRL), « Étude ex-ante des mesures « instruments financiers » pour la programmation 2021-2027 du FEDER en Wallonie » (BDO ADVISORY, October 2020), « Assessment of progress towards the objectives of the Energy Union and Climate Action » (EUROPEAN COMMISSION, October 2023), « Recommendation for a COUNCIL RECOMMENDATION on the economic, social, employment, structural and budgetary policies of Belgium » (EUROPEAN COMMISSION, COM (2024) 601 final, SWD (2024) 600 final, 19.6.2024), « COMMISSION STAFF WORKING DOCUMENT. 2024 Country Report - Belgium. Accompanying the document Recommendation for a COUNCIL RECOMMENDATION on the economic, social, employment, structural and budgetary policies of Belgium » (EUROPEAN COMMISSION, COM (2024) 601 final, SWD (2024) 600 final), « State of the Energy Union 2023 Belgium » (EUROPEAN COMMISSION, 2023), « Contribution de la Wallonie au Plan National Énergie Climat 2030 (PNEC 2030) » (GOVERNMENT OF THE WALLONIA REGION, November 2019), « Projet de mise à jour du Plan National Énergie et Climat belge 2021-2030 (PNEC 2023) », « Plan Air Climat Énergie 2030 de la Wallonie » (PACE 2030, March 2023).

The analysis of the programme's implementation progress and the difficulties encountered (corresponding to point (f) of Article 18(1) of the CPR) was based on secondary data (both qualitative and quantitative), as well as on primary data collected through three tools: an online survey of programme beneficiaries (those in charge of implementing selected public projects), an online survey of the programme's functional administrations, and six interviews conducted with intermediate bodies and the ERDF Programme Coordination Department.

The final report is a synthesis of the previously submitted deliverables and includes a conclusion. It summarises the analyses conducted in the framework of the mid-term review and is largely structured based on the points listed in Article 18(1) of the CPR. In accordance with the provisions of Article 18(2) of the CPR, a note containing our proposal for the definitive allocation of the flexibility amount was submitted.

1. SUMMARY OF MID-TERM REVIEW FINDINGS

The evaluation conducted as part of the mid-term review confirmed the consistency of the ERDF/JTF programme with the relevant reference documents, plans, programmes, and evaluation reports identified as regulatory elements. An in-depth analysis of the documentation shows that Wallonia has taken most recommendations from regulatory and evaluation sources into account when designing and implementing the ERDF/JTF programme, ensuring alignment of its priorities and measures with both European and national orientations.

Regarding general recommendations issued by the European Commission – particularly in the areas of research, innovation, digitalisation, mobility, training, ecological transition, climate change adaptation, and energy efficiency – the ERDF/JTF programme is demonstrably aligned and contributes to European objectives through its priorities and measures. The programme thus remains fully relevant considering more recent recommendations and findings, particularly those presented in the 2024 Country Report for Belgium produced in the context of the European Semester.

Regarding environmentally focused recommendations, coherence was observed between the various plans/reports and the Strategic Environmental Assessment (SEA) and the ERDF/JTF programme:

- with the *PWEC (Plan Wallon Énergie-Climat)*: a particularly strong articulation, notably for Priority 2 (“A greener Wallonia”) and Priority 3 (“A better-connected Wallonia through improved mobility”), as well as for specific JTF measures;
- with the *PACE 2030 (Plan Air-Climat-Énergie)*: general synergies around shared objectives relating to the energy transition and sustainable development;
- with the NECP (National Energy and Climate Plan): the ERDF/JTF programme acts as a key lever for contributing to targets in areas such as emissions reduction, energy efficiency, and the development of renewable energy;
- with the “Assessment of progress towards the objectives of the Energy Union and Climate Action”: ERDF/JTF interventions clearly align with strategic European ambitions;
- via the SEA: recommendations were integrated either by adapting project selection criteria or by implementing tailored measures and enhanced reporting processes.

Accordingly, the ERDF/JTF programme's responses to the various environmental plans and evaluations are particularly relevant and demonstrate a clear commitment to the transition.

As for socially oriented recommendations – specifically those relating to improving access to employment and training measures, supporting lifelong learning, and promoting active inclusion and employability for disadvantaged groups – although these are primarily within the remit of the ESF+, the ERDF/JTF programme contributes to these objectives. This is notably through measure 14, which supports investments in advanced infrastructure and equipment for vocational training, as well as higher and university education. In addition, JTF measure 22, focused on strengthening the capacity of education and training infrastructures, supports projects targeting vulnerable groups and/or populations living in disadvantaged areas. The underlying objectives of the ERDF/JTF programme's measures are therefore fully consistent with the recommendations issued.

Concerning socio-economic findings, several key trends warrant particular attention. For example, the employment rate remains low, thereby hampering economic growth. In addition, declining productivity and the reduced number of companies engaging in innovation activities represent significant challenges for sectoral development. SMEs also face limited access to external financing, which constrains their growth, just as the low volume of public investment in Wallonia hampers development. The updated diagnostic from *IWEPS* confirms that Wallonia has seen no major change in its socio-economic situation since the start of the current programming period and reinforces these observations. These trends underscore the need for effective implementation of selected projects and business support measures to produce the expected effects and respond to the developments identified.

Finally, with respect to the specific situation of the SME sector, the *ex-ante* evaluation of financial instruments highlighted a capitalisation gap and a significant need for equity financing among Walloon SMEs. To address this, Wallonia took full account of the recommendations and set up six financial instruments, grouped into four distinct measures. As such, the programme targets the sector's needs in a precise and appropriate manner.

In conclusion, Wallonia has incorporated most recommendations arising from regulatory and evaluation sources into the design and implementation of the ERDF/JTF programme, which remains fully relevant considering the findings and recommendations emerging from the mid-term review.

However, while the programme's strategic coherence and relevance are not called into question, its state of implementation remains limited at this stage of the programming period. The specific analysis of “progress made in achieving the milestones” (Article 18, 1. (f) of the CPR) indicates that implementation of the ERDF/JTF programme remains insufficiently advanced, even though the programming period is already halfway through. This finding must be nuanced by a range of contextual factors, including the late adoption of EU regulations and programmes, the complexity of State aid rules, the overlap between programming periods, and the transitional phase of government in 2024, which delayed the approval of grant decrees. As a result, the actual administrative launch of projects only began in 2023 – or even 2024 in some cases. Furthermore, as of 9 January 2025, only 53% of projects had obtained a grant decree. Nevertheless, some beneficiaries have initiated project implementation without waiting for it. These activities have not yet been subject to formal reporting and therefore are not reflected in the currently available data. It should be noted that the measures concerning “financial instruments” (measures 5a, 5b, 5c, and 10), which are fully operational, as well as enterprise support measures (measures 1, 2, 4, 18, and 19), are not included in this percentage, as they are not subject to public calls for projects.

This delay negatively affects the achievement of 2024 milestone values for output indicators: for many indicators, the actual values remain at zero. The significant number of projects (and in some cases, entire measures) affected by this 0% realisation rate understandably raises questions about the

likelihood of reaching the final targets set for 2029 – both in terms of output and result indicators. However, this observation must be qualified. First, the nature of certain projects – particularly those falling under infrastructure-related measures – means that indicators can only be reported once the infrastructures are operational (e.g. completion of works, procurement of equipment, etc.). As such, concern over indicator achievement by 31/12/2029 should be tempered. Second, the current lag between the administrative setup of projects and their reporting on progress will progressively diminish over the course of the programming period, thereby increasing the likelihood of target attainment.

2. MID-TERM REVIEW CONCLUSIONS

2.1. A status quo for the ERDF/JTF programme

It appears that Wallonia has fully integrated the objectives set out in the reference documents listed in Article 18(1) of the CPR when designing its programme. Moreover, updated documents produced as part of the European Semester or other subsequent frameworks serve to reinforce and validate the initial choices of the measures supported under the ERDF/JTF programme. **The programme can thus be considered both relevant and coherent with all regulatory elements. There is, therefore, no case to be made for revising the programme: the priorities, objectives and measures remain entirely appropriate for the remainder of the programming period.**

Before considering any revision of the programme, **priority must be given to accelerating the effective implementation of the selected projects and the support measures (for research and investment), so they can begin to generate their expected effects.** Although the selected projects and planned support measures are aligned with the programme's objectives, they have not yet led to the anticipated changes. This situation is mainly due to delays in the issuing of grant decrees. It is essential that all necessary means be deployed to ensure that the administrative launch of projects takes place as soon as possible.

2.2. Proposal for the definitive allocation of the flexibility amount

For programmes under the “Investment for jobs and growth” objective, an amount corresponding to 50% of the contribution for the years 2026 and 2027 is retained. This constitutes the flexibility amount, which is only definitively allocated to the programme following the mid-term review and the adoption of the Commission's decision.

For the ERDF/JTF programme, the contribution for the years 2026 and 2027 amounts to €203,820,811 in ERDF/JTF funding. The corresponding flexibility amount therefore equals 50% of this sum, i.e. €101,910,404. This represents 13% of the total budget allocated to Wallonia. To take this flexibility amount into account, Wallonia identified, during the first call for projects in 2022, the measures that did not require a lengthy implementation period (Measures 3a-b-c, 6, 11 and 14). For these measures, only 50% of the allocated budget was made available at that time. The remaining 50% was reserved – according to the selection process approved in 2021 – for the potential launch of a second call for projects in 2025.

Based on the results of the mid-term review, no revision of the programme is being requested: we recommend maintaining the programme in its current form. Article 18(3) of the CPR – concerning programme revision – therefore does not apply in this case. Consequently, we propose that the definitive allocation of the flexibility amount mirror the current allocation, which corresponds to a *status quo* scenario.