

March 2021

**Evaluation of the
contribution of Priority Axis 2
"Innovation 2020" to the
achievement of the
objectives set out in the
ERDF 2014-2020 "Wallonia-
2020.EU" Operational
Programme.**

Final Executive Summary

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Evaluation of the contribution of Priority Axis 2 "Innovation 2020" to the achievement of the objectives set out in the ERDF 2014-2020 "Wallonia-2020.EU" Operational Programme.

Final Executive Summary

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LE FONDS EUROPÉEN DE DÉVELOPPEMENT RÉGIONAL
ET LA WALLONIE INVESTISSENT DANS VOTRE AVENIR



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1 Introduction

The objective of this executive summary is to present the main results of the **Evaluation of the contribution of priority axis 2 "Innovation 2020" to the achievement of the objectives set out in the ERDF 2014-2020 "Wallonia-2020.EU" operational programme, including the analysis of the preliminary results of the implementation of the portfolios and projects of this axis**, carried out by Technopolis Group.

The summary is made up of three main parts. The first aims to recontextualise the study by presenting the objectives and the scope of the evaluation. The second part presents the main results of the study, focusing on each evaluation criterion. Finally, a last part summarises the main conclusions and recommendations made by the consultants, with the objective of improving the management of the European Structural and Investment Funds (ESIF) during the next programming period 2021-2027.

2 Objectives and scope of the evaluation

2.1 The objectives of the evaluation

The evaluation approach of the SPW and of the ERDF Managing Authority meets both the obligation of accountability¹ while emphasising the formative and prospective function specific to the exercise.

Beyond the accountability objective, the evaluation has a more forward-looking aim, as it should provide food for thought for the current OP and initiate a process of reflection on post-2020 developments through its recommendations. Moreover, it includes a strong strategic dimension which should enable the Wallonia Region to clarify its choices regarding the articulation of its programme with regard to other regional strategies and European programmes.

By integrating a learning component, it also aims to provide the various actors involved with elements of understanding of the causal chains and mechanisms specific to the different stages of the intervention logic. The evaluation identifies the first results and intermediate impacts observed over the programming period. It must ensure that the initial results are satisfactory during the programming period, that they meet the needs of the beneficiaries and that they are consistent with the other support mechanisms available in the region in order to readjust the programmes or strategies implemented if necessary.

2.2 Scope of the evaluation

The evaluation covers the effectiveness, relevance, coherence, efficiency, sustainability and impacts of the actions supported by Axis 2 of the ERDF OP.

The evaluation approach is based on an in-depth analysis of the Programme at several levels:

- At the level of Axis 2 of the OP as a whole with regard to the other axes of the OP and the regional and European strategies on the wallonia territory ;

¹ Obligation for actors involved in the setting up or implementation of public intervention to provide information and explanations to the public about the expected/achieved results and about the good use of public resources.

- At the level of the three specific objectives which make it up and the 7 measures which are the declinations of these specific objectives;
- At the level of the project portfolios and the projects that constitute them.

The evaluation covers the achievements and results of the co-financed projects during the ERDF 2014-2020 programming period from 1 January 2014 to 31 December 2019.

3 Results of the evaluation

This summary of the main conclusions of the study presents the results of the investigations for each of the evaluation criteria analysed during the assignment (relevance, coherence, effectiveness, efficiency, impacts and sustainability).

As a whole, Axis 2 is relevant and responds globally to the needs of the territory. The beneficiaries consulted during this evaluation show a high level of satisfaction with their participation in all the measures of axis 2 "Innovation 2020". Contextual evolutions, whether economic, social, political or technological, have had little influence on the expectations of the beneficiaries and their needs. Nevertheless, a point of attention has been drawn in terms of the appropriateness of research objects in relation to the beginning of the programming period, the capacity of sectors to adapt to the emergence of new technologies (AI, Big Data, etc.) or flexibility in relation to external shocks.

The actual level of coherence of axis 2 can be improved. Indeed, although there are real links between the measures of Axis 2 "Innovation 2020", the level of synergies remains limited between the measures of Axis 2 and those of the other axes of the OP. There is a need for a continuum of action from training to the transfer of research projects, particularly in view of the potential synergies with ESF axes 1 and 2. With regard to the external coherence of the OP, the actions financed are globally coherent with the other programmes. The Walloon Intelligent Specialisation Strategy (S3) filters the selection of projects in the priority themes identified, but is not however fully integrated within the actors so as to orientate them and offer them a direction.

Overall, the actions co-financed under Axis 2 are effective and have produced results. The equipment financed has made it possible to strengthen partnerships between SMEs and research centres, reinforcing the technological offer for SMEs. The innovation capacities of Approved Research Centres (ARCs), universities and partner organisations have been strengthened. COOTECH, Technology Vouchers and Intellectual Property Vouchers beneficiaries are on the whole satisfied. The COOTECH actions and cheques do strengthen the links between companies, and to a lesser extent with research and higher education centres.

However, on the whole, projects do not reach sufficiently high Technology Readiness Levels (TRL) levels to allow SMEs to exploit the results and engage in innovation. It is still too early in most cases to talk about bringing new products to the market. A few spin-offs have taken place, within other actions for the transfer of university research as well as in other axis of the OP.

The results are very different from one measure to another, but overall, the 2023 objectives are not yet achieved by the end of 2019. The portfolio structure makes it possible overall to strengthen the links between partners, with a few exceptions. The partnership dimension between the various players has been strengthened through knowledge sharing, strengthening

innovation capacities and opening up to new prospective markets. Creative hubs contribute mainly to the networking of target audiences and the acceleration of innovation potential, and less to the direct creation of enterprises.

The analysis of the efficiency of the implementation of Axis 2 is, for the moment, ambiguous but the exercise is premature and will have to be carried out during an ex-post evaluation of the programme. The cost-effectiveness ratio is positive with regard to increasing the skills and capacities of research centres but questionable with regard to the transfer of research results and the structuring nature of the funding of certain research organisations. The cost-effectiveness ratio is very positive with regard to the "demand pull" grants in view of their multiplier effect. The new measures (SO 2.3) are difficult to apprehend from a cost-effectiveness point of view but nevertheless have a strong leverage and multiplier effect. Concerning the whole of Axis 2, the targets of the output and result indicators are still far from being reached. On the other hand, for the few achievement indicators that have already reached their target, the target is often largely exceeded.

The impacts of the projects are still difficult to measure for the time being, although some positive effects are perceptible. The impact of measures to strengthen the innovation capacities of research centres and universities is still uncertain. SMEs may well have increased their interactions with other enterprises, including large enterprises. They have also been able to cooperate with research centres and higher education, but less frequently. These interactions have mainly resulted in the acquisition of new skills, the deployment of new innovation approaches and sometimes the development of new products or services. At this stage, there is little evidence to measure the increase in SME investment in R&D and private innovation. For all the measures under Axis 2, the ERDF OP makes it possible to sustain employment in the Region and, in some cases, to create a few jobs within companies.

The added value of the ERDF is recognised by all the beneficiary organisations interviewed and the continuation of the actions is welcomed. The ERDF is used to finance the acquisition of equipment, applied research, scientific qualification and the hiring of researchers, as well as the financing of innovative buildings (hubs), industrial pilot projects and technology and intellectual property cheques. All the players agree that it is a unique fund in the territory to finance research and innovation. New types of actions are to be envisaged and integrated in the next programming period in view of the first results of Axis 2 in the framework of the 2014-2020 OP. An important part of the recommendations are formulated to alleviate the current difficulties regarding a rapid economic transfer of research results.

4 Conclusions and recommendations

In the framework of this evaluation, three main recommendations are proposed which could be applicable to the implementation of the R&I actions.

4.1 Strategic recommendation 1: Maximise the adequacy of projects co-financed under Axis 2 of the OP with the needs of the territory

Findings – Conclusions of the evaluation :

The main findings of the evaluation show that the renewal of Axis 2 can benefit from improvements that will maximise the relevance of the axis to the needs (and new needs) of the territory. These findings include elements relating to the relevance and coherence of the measures put in place and the approach and/or composition of the project portfolios.

Objectives of the recommendation :

- Maximise the potential of the ERDF instrument over the whole programming period. Have a more flexible tool that is more targeted to the real (evolving) needs of the territory.
- To address both to the need for access to rapidly evolving state-of-the-art technologies while ensuring the acquisition of skills and knowledge necessary for the transfer of technological platforms.
- Better integrate the ERDF instrument for the development of the Hubs within the framework of a regional strategy dedicated to innovation), taking into account the specificities of each ecosystem.

Operational recommendations

- RO 1.1 Foresee a possible reorientation of the OP at mid-term :
- RO 1.2 Strengthen the articulation between the ERDF and the ESF by considering the implementation of multi-fund project portfolios :
- Continue to strengthen the contribution of the ERDF around technological platforms to meet the needs of enterprises and the ecosystem:
- RO 1.4 Ensure the proper integration of each Hub and its service offer within its local ecosystem in order to avoid any duplication of existing services and to maximise the impact of measure 2.3.3.

4.2 Strategic Recommendation 2: Improve the external and internal coherence of Axis 2

Findings - Conclusions of the evaluation :

There are many available innovation support mechanisms at the level of the territory, but there seems to be a lack of strategic integration. The ERDF is one of these important instruments that is part of an overall strategy. Interactions with stakeholders highlight the need to better define the policy-mix but also the project portfolios in terms of regional and European strategy.

In terms of internal coherence, the analyses show us that there are real links between the measures of Axis 2 "Innovation 2020", reinforcing their complementarity and allowing a continuous evolution towards the transfer of research results. However, these complementarities are not necessarily achieved, which does not always make it possible to bridge the gap between support for development and economic transfer.

Issues and objective of the recommendation :

Strengthen the articulation of the ERDF in the service of the needs and priorities defined in the other Wallonia strategies, in particular the S3 and in the European strategies.

Optimise the integration and cooperation between the different actors of the portfolios made up of research projects.

Operational recommendations

- RO 2.1 Reinforce the criteria for selecting project portfolios with regard to the objectives and desired impacts of the strategies in force.
- RO 2.2 Rethink the project portfolio, so that it can better integrate the different actors, measures and axes of the OP :
- RO 2.3 Continue to provide support for projects including state-of-the-art equipment

4.3 Strategic recommendation 3: Promote the technology transfer of the results of projects supported by Axis 2

Findings - Conclusions of the evaluation :

The research projects did not on the whole reach sufficiently high TRL levels to be transferred over the 2014-2020 programming period. This is mainly related to low starting levels, and to a lesser extent to difficulties or delays encountered in the implementation of projects. The issue of project transfer potential is also not strongly enough supported by the project leaders or portfolio lead partners. The creation of spin-offs has been rather limited over the period, despite the presence of a well-developed transfer network (LIEU network, Mirval+) as well as regional funding aid (FIRST Spin off, Win-to-Wal tools, the Proof Of Concept (POC) research results maturation fund or calls for proposals from competitiveness clusters).

Objectives of the recommendation :

The overall low TRL level of the projects has so far not enabled the 2014-2020 OP to achieve the desired impacts at the end of the programming period in terms of economic growth and employment. It is therefore necessary to orient the recommendations towards the development of project technology transfer. The objectives of this recommendation are to be able to further promote the transfer of results from research projects, and also to find a way to link projects with lower TRLs with strategic projects from the clusters, COOTECH or COOPILOT.

Operational recommendations

- RO 3.1 Integrate the notion of economic transfer of results in the selection criteria of projects:
- RO 3.2 Set up an internal technology transfer team within each portfolio in order to guide the reflection on the subject in a more cross-sectoral manner
- RO 3.3 Systematically involve industrial partners
- RO 3.4 Do not renew the current ERDF support for demonstration areas and replace it with an instrument better adapted to the needs of innovation technology transfer, allowing SMEs to carry out tests on equipment.

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