

# Public service of Wallonia - Department for the coordination of ERDF programmes

**Evaluation of the overall impacts of the ERDF  
Operational Programme 2014-2020 "Wallonia -  
2020.EU", with a focus on job creation and  
greenhouse gas reduction**

Executive Summary  
December 2022



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



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# 1. Presentation of work carried out

## 1.1. Terms of reference and scope of the evaluation

The scope of the overall impact assessment (ex-post) covered all operations and schemes co-financed under the Walloon ERDF Operational Programme (OP) ("Wallonia-2020.EU") for the period 2014-2020 as of 31 December 2021.

The evaluation covered the six priority axes defined in the ERDF OP and focused on the overall impacts that may have resulted from the use of the budget in projects supported by and for Wallonia. As a reminder, this study was expected to pay particular attention to the effects of the programme on **employment** and **greenhouse gases**.

In order to take this focus into account, as well as the various expected effects of the Walloon ERDF OP 2014-2020, five study themes were defined in the inception report:

1. Employment;
2. Reduction of greenhouse gas emissions and environmental protection;
3. Development of the business fabric and entrepreneurial project leaders;
4. Transition towards innovation and the knowledge economy;
5. Reinforcement of urban and territorial attractiveness.

## 1.2. Summary of work:

The table below summarises the work carried out in the successive phases of the evaluation.

Phases	Steps
<p><b>1. Inception</b> (14 September 2021 – 24 February 2022)</p>	<ul style="list-style-type: none"> <li>• Kick-off meeting</li> <li>• Preliminary interviews (7)</li> <li>• Reconstitution of intervention logics by theme and inventory of indicators and collection methods to be employed</li> <li>• Workshop with the functional administrations of SPW (Public service of Wallonia) and the partner organisations of the OP</li> <li>• Delivery of the scoping report</li> </ul>
<p><b>2. Collection and evaluation of impacts</b> (March – September 2022)</p>	<ul style="list-style-type: none"> <li>• Interviews with key programme stakeholders (~30)</li> <li>• Online survey of beneficiary companies of the ERDF OP (4000+ recipients, 342 respondents)</li> <li>• Case studies (4)</li> <li>• Cross analysis of ERDF OP monitoring data with Walloon context data</li> <li>• Delivery of a first draft of the evaluation report</li> </ul>
<p><b>3. Feedback of the results and finalisation of the report</b> (October – December 2022)</p>	<ul style="list-style-type: none"> <li>• Presentation of results to ERDF OP stakeholders</li> <li>• Delivery of the final evaluation report</li> <li>• Validation of the report by the evaluation committee</li> <li>• Presentation of the results to the ERDF-ESF Monitoring Committee</li> </ul>

### 1.3. Limits of the evaluation

The present study features several limitations due to various factors:

- ▶ **Results of the collection phase:**
  - A limited sample of companies responding to the survey (342 companies), in relation to the total number of ERDF beneficiary companies, and therefore without guarantees of representativeness;
  - Concerning the contribution of the OP to the reduction of GHG emissions, the analyses carried out considered only those measures with a specific impact on GHGs, in order to present reliable data.
- ▶ **Input of OP indicators monitored in Euroges:**
  - Information for some (binary) indicators was not provided before project closure, which excludes partially completed projects;
  - Some indicators were not used in the analyses because they were misinterpreted by the beneficiaries in relation to their definition or method of calculation.
- ▶ **Available data (context and indirect beneficiaries of ERDF):**
  - The data from the Belfirst database on Walloon companies only covered a partial sample of projects supported by the ERDF;
  - The list of companies indirectly benefiting from ERDF support could not be exhaustively reconstructed (due to a lack of monitoring or consolidation data, confidentiality issues, e.g., for companies hosted in certain reception infrastructures financed by the ERDF or involved in cooperation with research structures).
- ▶ **Progress of projects supported by the ERDF OP 2014-2020:**
  - A number of projects are not yet completed (research, circular economy, urban attractiveness in particular) and their effects are not yet observable.
- ▶ **Quantifying the number of jobs created with the support of the ERDF OP 2014-2020:**
  - The impacts counted in the reports are low estimates, beyond the fact that several of the programme's impacts are not yet observable:
    - The figures given for job creation only take into account jobs directly linked to the projects supported;
    - The report limits its analysis to the contributions of the ERDF programme and does not include impacts related to synergies with the ESF programme.
- ▶ **Effects of the pandemic on the comparability of contextual data in Wallonia:**
  - The effects of a break in the series and then of catching up caused by the crisis linked to the Covid-19 pandemic led to limitations on the comparability of the data and the relevance of analysing certain developments until 2021 (for example, concerning the evolution of Walloon GDP). Consequently, the choice was made to examine certain data only for the period 2014-2019, with 2019 being the last year not affected by the crisis.

## **2. Summary of the main findings of the evaluation**

This section presents a summary of the findings for each of the themes covered in this study, taking up the main elements developed and analysed in the evaluation report.

### **2.1. Contribution of the ERDF to employment in Wallonia**

The ERDF 2014-2020 OP has had a definite positive impact on employment, through the creation and maintenance of jobs, and the improvement of the match between job supply and demand, in both the short and the long term.

Considering the 4,675 jobs created (and counted) with the direct financial support of the ERDF (nearly 670 jobs per year in relation to the net increase in employment in Wallonia measured by the National Accounts Institute, counted at 10,721 jobs for the period 2014-2020) the contribution of the ERDF to the net increase in employment over the period in Wallonia can be estimated to be at least 6%.

Although a significant portion of the impacts of the ERDF 2014-2020 OP on employment is not measurable, the actions of the ERDF 2014-2020 OP have thus met the main objectives of the programme for employment, and have contributed, through the creation of jobs supported, to the favourable evolution of the Walloon employment and unemployment rates between 2014 and 2019, until the occurrence of the Covid-19 pandemic.

### **2.2. Contribution of the ERDF to the reduction of GHG emissions in Wallonia and to the protection of the environment**

According to the analyses carried out, the ERDF 14-20 OP has made it possible to reduce annual GHG emissions by 126,369 tonnes of CO<sub>2</sub>-equivalent, which represents 0.37% of annual CO<sub>2</sub>-equivalent emissions in Wallonia (based on Walloon emissions in 2020). Considering that in Belgium, one person emits 10 tons of CO<sub>2</sub>-equivalents per year, this corresponds to the emissions of about 12,000 Walloons. According to projections, this figure should reach 257,763 tonnes of CO<sub>2</sub>e by 2023, i.e., 0.75% of Walloon emissions. In addition, the emission of 2,347 tons of CO<sub>2</sub>e was avoided between 2014 and 2021 and the emission of 4,485 tons of CO<sub>2</sub>e should still be avoided by 2023, which represents 0.02% of Walloon emissions.

These effects follow on from the measures supported by the ERDF which have a more or less direct impact on Wallonia's carbon footprint. The measures with a direct impact include the energy renovation of buildings, the improvement of energy efficiency, the increase of renewable energy in the energy mix, the promotion of sustainable mobility strategies and the promotion of the circular economy. Other measures, such as supporting urban attractiveness and the development of business parks, have a more indirect impact and are subject to certain conditions (e.g., location of business parks).

Although the reduction in GHG emissions that was achieved thanks to the ERDF does not seem to be very high in relation to the overall trajectory of GHG emissions reduction in Wallonia, the programme has also made it possible to trigger a series of multiplier effects, which should not be neglected, particularly in the long term. For example, the ERDF has made it possible to develop technical and thematic expertise in promising areas for the future, such as heat networks and hydrogen. Moreover, ERDF funding provides long-term perspectives, facilitates risk-taking and generates additional investments (e.g., extension of the heating network in Herstal).

Finally, environmental protection has been the subject of particular attention throughout the programme. For example, the reduction of the modal share of cars, the reduction in the quantity

of incinerated waste, the decontamination of industrial wastelands, etc., all help to improve air quality and reduce the artificialization of land.

### **2.3. Contribution of the ERDF to the development of the business fabric and to entrepreneurship**

ERDF financial support for SMEs and, to a lesser extent, business support and advisory services, have contributed to the increase in the number of active SMEs in Wallonia observed between 2014 and 2020. It has proved to be decisive for the creation of businesses, for the growth of supported active businesses and for the takeover or transfer of businesses for which the objectives have been exceeded. The ERDF 2014-2020 OP has thus contributed to the net business creation dynamic observed in Wallonia between 2014 and 2019.

With regard to increasing the size of enterprises, ERDF support for SMEs has enabled the enterprises to:

- grow significantly in terms of number of employees;
- achieve a strong growth in turnover, which appears to be higher than that of the rest of the Walloon SMEs, thanks to the increase in their activity made possible in particular by the co-financed investments.

ERDF support to Walloon companies has enabled them to increase their productivity mainly through financial aid (subsidies or financial instruments) by allowing them to make productive investments (equipment, technological or organisational innovations) or improve their competitiveness.

This contribution to the increase in productivity is further reinforced as a significant part of the ERDF support to SMEs is directed towards strengthening their R&D intensity, thus accompanying the growth of R&D in Wallonia. In fact, by supporting young and innovative companies, the ERDF contributes to increasing the R&D intensity of the Walloon economy and developing innovation within SMEs.

The effect of business support in terms of networking with other companies seems to have been mostly limited to relationships between SMEs, mainly through creative hubs or establishment in business parks.

ERDF support for businesses has therefore enabled Walloon SMEs to make investments and implement projects that have led to growth in their turnover and added value, which, given the admittedly limited samples, appears to be higher than that of the rest of Wallonia's SMEs and represents a significant proportion of the growth in wealth produced in Wallonia over the programming period.

### **2.4. Contribution of the ERDF to innovation in Wallonia**

The ERDF's financial support for research and innovation in Walloon companies has enabled new innovations to be carried out, by strengthening the capacity of companies to innovate (in particular by making their innovation function more sustainable) and has contributed to increasing the innovations carried out by these companies. In 2019, Walloon companies' investment in R&D represented 2.8% of Walloon GDP, i.e., €2.9 billion, an increase of 60% since 2014. Taking this 2014-2019 period as a reference, the financing measure for innovative companies has therefore contributed on average to the financing of 1.6 to 2.6% of the R&D expenditure of Walloon companies. However, the contribution of the ERDF to the R&D intensity of Walloon companies is not limited to this measure. The financial support measures of Axis 1 and Axis 4 have also contributed to the financing of R&D&I projects in companies. To these measures should be added the technology and intellectual property vouchers, which have benefited nearly 1,500 companies, for an amount of more than €89 million. The orientation of a significant proportion of the ERDF

support to SMEs towards strengthening their R&D intensity has thus accompanied the growth of R&D in Wallonia.

With regard to the capacity of Walloon research structures to develop their collaboration with local companies, it is through investment in state-of-the-art equipment and demonstrators that ERDF support has had the greatest impact. The research projects supported by the ERDF enable structures to develop a capacity for initiative and expertise in emerging fields and technologies and make an important contribution to the structuring of certain Walloon sectors of excellence, such as biotechnologies. However, their potential for direct economic valorisation is still limited in the short term, despite the ambition to reorient research support towards a "demand pull" logic. The limited growth in the direct dissemination and valorisation of research results also stems from the nature of the research projects supported, which may have more medium-term effects.

## **2.5. Contribution of the ERDF to urban attractiveness in Wallonia**

Although a number of the projects supported by the ERDF in the field of urban attractiveness have not been completed or have not yet been able to produce observable impacts, the study of completed projects shows that for structural urban regeneration projects, the ERDF 2014-2020 OP plays an important role in strengthening the attractiveness of beneficiary urban areas, thereby improving the territories concerned for businesses, citizens and visitors. In particular, it makes it possible to finance structuring projects for these municipalities that are in line with their urban strategies, complementing other developments and those carried out during previous programming periods, which contribute to significantly reshaping the towns once they are completed.