

# European Cohesion Policy in Belgium

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The European Union (EU) comprises 27 Member States forming a community and single market of 493 million citizens. However, great economic and social disparities still remain among these countries and their 271 regions. European Cohesion Policy is at the centre of the effort to improve the competitive position of the Union as a whole, and its weakest regions in particular.

Through the European Regional Development Fund (ERDF) and the European Social Fund (ESF), otherwise known as the Structural Funds, as well as the Cohesion Fund, it invests in thousands of projects across all of Europe's regions to achieve its primary task: to promote economic and social cohesion by reducing these disparities between Member States and regions. With a budget of **€347 billion** for 2007–13, Cohesion Policy represents the single largest source of financial support at EU level for investment in growth and jobs, designed to enable *all regions* to compete effectively in the internal market.

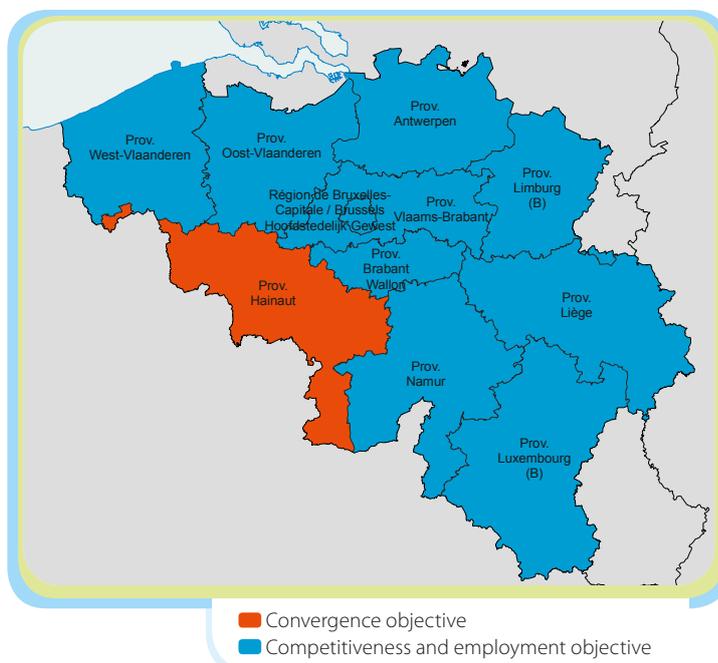
However, as the challenges facing Europe's regions have changed over time, so too has the policy. Against a background of momentous change in the Union as a result of enlargement and of increasing globalisation, concerns about energy supplies, demographic decline, climate change and more recently, world recession, the policy has evolved, in step, as a key part of the response to meet these new realities.

## IMPACT AND RESULTS OF COHESION POLICY IN BELGIUM

European Cohesion Policy is implemented by the regions in Belgium. In Hainaut, Cohesion Policy has contributed to the development of clusters to promote better links between the higher education sector and centres of technology and research. This was also the case in Liège, where the government, with the help of Structural Funds, has targeted its economic development strategy on high-performing sectors such as aerospace, agricultural processing, logistics and mechanical engineering, to enable them to compete in global markets.

In the Brussels-Capital Region, the programme is centred on the canal district of the city. Efforts here have focused on improving

## Cohesion Policy 2007–13



public infrastructure and the revitalisation of businesses and micro-enterprises, in particular through promoting access to new technologies.

With an industrial past dominated by the coal and steel industries, a large number of former industrial sites in Hainaut and in the provinces of Liège, Limburg and Antwerp have been lying vacant and fallen into disuse. In response the programmes in Wallonia and Flanders have focused on the redevelopment of these sites. The Structural Funds also contributed to the development of the port of Liège, and more generally to the restructuring of the Belgian economy by significantly reorienting industrial employment towards services, commercial activities and financial services, particularly in Limburg.

## A SNAPSHOT OF ACHIEVEMENTS

- Promoting links between higher education and centres of technology and research
- Redevelopment of disused industrial land
- Targeting economic development policies in high-performing sectors to improve global competitiveness (for example aerospace)



## EUROPEAN INVESTMENT IN BELGIUM – 2007–13

In the period 2007–13, Belgium will benefit from European regional aid amounting to almost **€2.3 billion**, of which €638 million is earmarked for the Convergence Objective<sup>1</sup>, €1.5 billion for the Regional Competitiveness and Employment Objective and €194 million for the European Territorial Cooperation Objective.

In Belgium, Cohesion Policy is implemented through 10 programmes funded by the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

### FUNDS FOR BELGIUM IN BILLION € 2007–13

Objective	Fund	EU	National Public	Total
Convergence	ERDF	0.4	0.6	1
	ESF	0.2	0.2	0.4
<b>Total Convergence</b>		<b>0.6</b>		
Regional Competitiveness and Employment	ERDF	0.6	0.7	1.3
	ESF	0.9	1	1.9
<b>Total Regional Competitiveness and Employment</b>		<b>1.5</b>		
Total European Territorial Cooperation*	ERDF	0.2	-	0.2
<b>TOTAL</b>		<b>2.3</b>	<b>2.5</b>	<b>4.8</b>

Figures have been rounded up

\* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

## DELIVERING THE LISBON STRATEGY FOR GROWTH AND JOBS

The relaunch of the Union's Lisbon Strategy in 2005 aimed to bolster the competitive position of EU regions in the world economy by placing growth, jobs and competitiveness at the top of the Union's agenda. For the 2007–13 period, European Cohesion Policy has attached increasing importance to delivering the so-called 'Lisbon objectives'.

Belgium has therefore aligned its priorities with those identified at European level. It aims to allocate at least 77% of the financial package available for Hainaut to measures promoting the 'Lisbon objectives' in support of growth and jobs, as well as at least 85% of the funding available for the rest of the country.

## MAIN PRIORITIES OF COHESION POLICY IN BELGIUM, 2007–13

Investing in **Research & Development (R&D) and innovation** is a top priority in Belgium. Belgian authorities plan to invest almost €665 million in stimulating the knowledge economy and innovation by improving the transfer of know-how.

A sum of €257 million from the Structural Funds has been set aside to help build **a more skilled and adaptable workforce**, by improving professional training and increasing job security for older workers. This priority area supports the creation and long-term survival of businesses and facilitates the professional mobility of workers.

**Support for businesses** and, in particular, small and medium-sized enterprises (SMEs), will increase to €177 million. The aim is to promote entrepreneurship, stimulate business creation and improve business skills. New financial engineering instruments have been set up within the framework of the Structural Funds programmes: the 'Brusoc' service in the Brussels-Capital Region to provide micro-loans for the creation of businesses; the 'Sowalfin' service in the Wallonia region; as well as recent initiatives from the Flemish government to create and improve access to various financial instruments ('Vlaams Innovatiefonds', 'le fonds ARKimedés', 'Business Angels Netwerk Vlaanderen').

With regard to **human resources and training** (€117 million), the priority is on achieving greater coherence between the education sector and the real needs of the labour market. Internships and professional experience within companies for young people undergoing training as well as apprenticeships in the workplace and an increasing take-up of dual apprenticeship schemes are key tools in achieving this objective.

In view of the reasonably good transport infrastructure in Belgium, the funding amount for **transport and accessibility** remains relatively low, increasing to €58 million.

### THE ESSENTIALS 2007–13

- Almost €665 million for R&D and innovation
- €257 million for building a more skilled and adaptable workforce
- €177 million for support for businesses, in particular small and medium-sized enterprises (SMEs)
- More than €303 million for protecting the environment, promoting sustainable growth and fighting climate change

Belgium is allocating €21 million of investment available under the Structural Funds to developing and improving infrastructure and **services related to information and communication technologies (ICT)**, targeting small and micro-enterprises and individual citizens in particular.

Protecting **the environment, promoting sustainable growth and fighting climate change** are also key priorities for Belgium. More than €303 million will be allocated to these areas, in particular to measures aimed at improving energy efficiency and the use of renewable energies.

<sup>1</sup> The Convergence Objective concerns regions characterised by low levels of GDP and employment, where GDP per head is less than 75% of the EU average as it stood between 2000 and 2002. It applies to 99 regions representing 35% of the EU-27 population and aims to promote conditions conducive to growth and ones which lead to real-time convergence in the least-developed Member States and regions. The Regional Competitiveness and Employment Objective is applicable to the rest of the EU, or to 172 regions, representing 65% of the EU-27 population. It aims to enhance the competitiveness and attractiveness of regions, as well as boost their employment levels. It should be noted that the rural development and fisheries policy are separate and do not form part of this brochure.

## ● BUILDING BRIDGES BETWEEN NEIGHBOURS

In Europe today, economic success is often dependent on a region's capacity to develop networks with other regions. Cooperation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process. The EU has an important role to play in brokering and supporting such partnerships, both between regions within the Union, and with neighbouring regions outside. Thousands of projects developed over many years under the INTERREG initiative have demonstrated the benefits for regions of working in partnership, sharing ideas and charting new and innovative ways of harnessing European investment.

The European Territorial Cooperation Objective is financed through the ERDF for the period 2007–13 and supports cross-border, transnational and interregional cooperation programmes to encourage regions and cities across the EU and further afield to work together and learn from each other.

Belgium has €194 million of ERDF funding in the framework of the European Territorial Cooperation Objective 2007–13. This allocation has been divided into three parts:

- five cross-border cooperation programmes: 'Flanders-the Netherlands', 'France-Wallonia-Flanders', 'Grande Région', 'Euregio Maas-Rhine' and '2 Seas' (BE, FR, UK, NL);
- two transnational cooperation programmes: 'North-west Europe' (BE, FR, NL, UK, DE, LU, IE, CH) and 'North Sea' (BE, NL, UK, DE, DK, SV, NO);
- all four interregional cooperation programmes (total budget for all the 27 EU Member States: €443 million)<sup>2</sup>: INTERACT II, URBACT II, ESPON/ORATE and INTERREG IV C.

<sup>2</sup> INTERREG IVC promotes exchange of experience and good practices among the regions, URBACT – thematic city networks, INTERACT – support for cooperation programme management organisation, ESPON – an observation network for spatial planning.

# Belgium

€2.3 billion  
for 2007–13

Boosting  
growth, jobs and  
competitiveness



Providing information on the border region  
between the Netherlands and Belgium

# Regional Policy on the ground

## 📌 CENAERO RECHERCHES, 'REGIOSTARS'\* 2009 WINNER

This research centre, established in 2002 at the *aéropole* Business Park in Charleroi, has played a key role in Wallonia's economic development strategy. Cenaero's work focuses on digital simulation software for the aeronautical industry, carrying out research at a regional, but also European level. The centre actively participates in other Community funding programmes, in particular the EU's Sixth and Seventh Framework Programmes for Research & Development (R&D).

The team is made up of more than 50 engineers and researchers. Cenaero also has one of the most powerful high performance computing centres in Belgium. It aims to help businesses looking to develop new methods or to acquire new skills in digital simulation. In its six years of existence, Cenaero has become a reference centre at European level and has signed partnership agreements with major international groups such as SAFRAN, AIRBUS, CATERPILAR and RENAULT.

Cenaero has helped to create over 100 jobs in the region. It is now entering a second phase of development and is aiming to consolidate its position at European level by diversifying its activities. One hundred and forty additional jobs are to be created and two start-up companies established by 2015.

ERDF co-financed this project, providing €4.1 million out of a total cost of €8.2 million.

Website: <http://www.cenaero.be/>

\* 'RegioStars' are awards given out by the European Commission for the most innovative regional projects in Europe.



*Innovation creating growth and jobs in Belgium*

## 📌 OTHER EXAMPLES OF PROJECTS

PRODEM stands for PROMotion and DEMonstration of eco-friendly and energy-efficient technologies. This project supports Flemish SMEs with research into finding eco-friendly and energy-efficient solutions for their business. It also helps to implement these tailor-made solutions into company policy through feasibility studies, pilot research programmes and tests at company level. PRODEM is a VITO initiative (the Flemish Institute for Technological Research). EU contribution: €499 515.

A former Brussels brewery has been converted into a multimedia cultural centre. The former brewery and machine rooms of the *Wielemans Ceuppens* building in the city's Forest neighbourhood was redeveloped into an open space for the public and neighbourhood associations. It provides an IT-based 'cyber lounge', a hall for events and a branch of the Dutch language library. EU contribution: €1.4 million out of a total cost of €4.4 million. The budget of the URBAN II programme for the Brussels-Capital Region has increased to €7.7 million from ERDF.



## More information

EU Regional Policy

[http://ec.europa.eu/regional\\_policy/](http://ec.europa.eu/regional_policy/)

Cohesion Policy in Belgium

[http://ec.europa.eu/regional\\_policy/atlas2007/belgium/index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/belgium/index_en.htm)

National websites

<http://www.efro.be> (Flanders), <http://europe.wallonie.be> (Wallonia), <http://www.feder.irisnet.be> (Brussels-Capital Region)

European Social Fund

<http://ec.europa.eu/social/>