



**EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013**

**TASK 2: COUNTRY REPORT ON
ACHIEVEMENTS OF COHESION POLICY**

FRANCE

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Directorate–General Regional Policy**

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LIST OF ABBREVIATIONS

AIR:	Annual Implementation Report
ARF:	<i>Association des Régions Françaises</i>
CPER:	<i>Contrat de Projet Etat-Région</i>
CRITT:	Regional Innovation and Technology Transfer Centres
DATAR:	<i>Délégation interministérielle à l'aménagement du territoire et à l'attractivité régionale</i>
DGCIS:	<i>Direction générale Compétitivité Innovation Services</i> (Ministry of Economy and Finance)
EIF:	European Investment Fund
ERDF:	European Regional Development Fund
FP:	EU Framework Programme for Research & Development
FUI:	<i>Fonds unique interministériel</i> (funding the projects of <i>pôles de compétitivité</i>)
HEI:	Higher Education Institutions
NSRF:	National Strategic Reference Framework
OP:	Operational Programme
PACA:	Region Provence-Alpes-Côte-d'Azur
PRES:	<i>Pôles de Recherche et d'Enseignement Supérieur</i>
PRIDES:	<i>Pôles Régionaux d'Innovation et de Développement Economique Solidaire</i> (Provence-Alpes-Côte-d'Azur)
PUI:	Integrated Urban Projects
RTDI:	Research, Technological Development and Innovation
SME:	Small and Medium-size Enterprise
SNRI:	National Research & Innovation Strategy (<i>Stratégie nationale de recherche et d'innovation</i>)
SPD:	Single Programming Document
SRDE:	<i>Schémas Régionaux de Développement Economique</i>
SRI:	Regional Innovation Strategies (<i>Stratégies régionales d'innovation</i>)

EXECUTIVE SUMMARY

The **regional development policy pursued** in France can be analysed through the regional schemes for economic development (SRDE), the *Contrats de Projet Etat-Région* (CPER) and the ERDF Operational Programmes. SRDE are policy blueprints which do not entail any financial commitment. There are globally no significant discrepancies between the three types of documents which give priority to four main policy areas: knowledge economy, innovation, competitiveness; sustainable development and environment; accessibility (including ICT infrastructure) and transport; issues of ‘territorial development’ concerning cohesion in general, urban areas or specific parts of the regional territory. SRDE give more importance to employment and training with respect to the anticipation of economic and social change (ESF-related issues) and to internationalisation, by comparison with CPER and ERDF OPs.

There are on the whole few differences between regions, ERDF OPs being built on the same general pattern (in line with NSRF). In terms of financial allocations, the policy area ‘knowledge economy’ is the first priority by far, followed by ‘sustainable development’, while ‘accessibility’ is a high priority in some regions (Bretagne: high speed rail link). The main specific feature of Convergence regions is the relative importance given to education and human resources. The Territorial Cooperation OPs have similar priorities; the main specific feature of OPs involving Convergence regions is the emphasis put on regional integration.

The recent economic crisis led the French government to take measure to accelerate the implementation of the OPs, in particular as regards sustainable development, digital infrastructure, and energy efficiency for housing. In parallel, some regional authorities took additional measures, mainly in relation to innovation and the environment.

The **implementation rate** (expenditure relative to overall allocation) of OPs is relatively low in general. There are differences between regions, depending partly on the level of cooperation between actors (in particular the State administration and the regional authorities). The implementation rate is generally highest in the ‘knowledge economy’, probably due in part to the impact of the SRI (Regional Innovation Strategy) in 2009, and is lowest in ‘sustainable development’. A majority of AIRs stress that the crisis had a negative impact on implementation, in particular because enterprises are reluctant to launch projects.

The **first achievements** can be seen in the 2009 AIRs, though they are only just beginning to appear. The analysis is made difficult because of a general lack of homogeneity and comparability of the indicators. Moreover, it is sometimes difficult to identify what has been achieved compared to what has been programmed.

It is in the policy area ‘knowledge economy’ that the major outputs and results are found: the SRI; R&D infrastructure and equipment, and collaborative (research–industry) R&D projects,

both in general related to *pôles de compétitivité* and to regional *filières* and poles of excellence. The SRI exercise carried out in 2009 has probably played a positive role, together with the crisis (which confirmed their relevance) in favour of the implementation of innovation support measures. There are fewer results for more ‘traditional’ measures such as support to technology transfer organisations and to collective actions of enterprises. Convergence regions have concentrated their efforts on strengthening their research potential and human resources, which corresponds to a recognised need (i.e. strengthening the ‘supply side’ for promoting innovation).

The ‘accessibility and transport’ policy area comes second in terms of outputs and results with investment in railways and urban transport, as well as broadband infrastructure.

Outputs and results in the ‘sustainable development and environment’ policy area are relatively limited due to a predominance of small projects and management capacity being less than in innovation. The main achievements are in energy efficiency and renewable energies.

In ‘territorial development’, problems in difficult urban areas have started to be tackled through calls for proposals that have generated the first concrete projects, together with some results in tourism, cultural activities and sport.

A review of the Territorial Cooperation OPs shows that there is an overall balance between outputs and results in the ‘knowledge economy’ and ‘sustainable development’ policy areas (the results in the latter often concern research projects).

It is very difficult at this stage to give a meaningful presentation of the **effects of ERDF intervention**, apart from some elements concerning the ‘knowledge economy’. SRIs have undoubtedly reinforced the commitment of politicians and officials at regional level to innovation support policies, contributed to improving the innovation governance system, and had a clear effect in increasing awareness of the importance of a more demand-oriented approach and paying more attention to non-technological innovation, innovation in services and financial engineering. In parallel, collaborative R&D projects have contributed to fostering a culture and practice of collaboration in both industry and academic community.

The culture and practice of evaluation has made significant progress in France in the past few years at national as well as regional level, partly under the pressure of new institutional and policy schemes and from the Commission. However, the methodologies remain relatively traditional, as illustrated in the national evaluation of *pôles de compétitivité*.

As compared with the 2005 final evaluations of ERDF SPDs, the most recent evaluations (from around 2008) are more focused on analysing the effects, pointing to strategic issues and necessary re-orientations beyond the mere assessment of the implementation of the programmes and policies assessed.

The most interesting of them are the national evaluation of the *pôles de compétitivité* (2008) and some regional evaluations which point in particular to problems which are critical in France such as the distribution of competences and the coordination between the State and regional authorities. Among the evaluation studies which have been launched recently at regional level, relatively few reports are available so far. They mainly concern the ‘knowledge economy’ policy area and they in general underline again that it is necessary to take better account of the specific features of regions or sub-regions, to improve the governance system, to take more account of non-technological innovation and innovation in services, and to involve SMEs more effectively. In addition, they recommend a shift from measures supporting technology transfer organisations to measures supporting collaborative R&D projects. This is confirmed by the diagnostics of the regional innovation systems established in the SRIs.

Finally, three approaches initiated by DATAR at national level can be considered are interesting: the setting up of scoreboards of progress of programming, indicating the types of beneficiary in relation to the types of action (2009); the use of the innovative dimension in all projects funded by CPER and ERDF OPs as an assessment criterion of the projects (from 2007); the *ex ante* evaluation of the concepts of innovation and sustainable development in the ERDF OPs and CPER 2007–2013 (2009). The first may pave the way for future *ex post* evaluations; the other two are mainly means of optimising the use of the Structural Funds.

SECTION 1 – SOCIO-ECONOMIC CONTEXT

In a previous study¹, five groups of regions were identified in mainland France (together with Corsica): Ile de France (the capital region), Rhône-Alpes, Southern regions, Western regions, and changing regions with specific problems – the outermost regions (assisted under the Convergence Objective) presenting a quite different picture. While this distribution remains valid overall, recent literature has brought a new approach which is considered below.

Ile de France occupies a unique position with its concentration of government services and headquarters of large companies. It is densely populated with a young and active population and life-long learning at an exceptional level, compared to the French average. Its performance is strikingly high in terms of all indicators relating to higher education, public and private R&D expenditure (almost 50% of French public research expenditure), and a qualified work force. Ile de France generates around 28% of national value-added. However, the share of mid-to-high-tech manufacturing is smaller than the national average. It has also been losing ground in

¹ Strategic Evaluation on innovation and the knowledge-based economy in relation to the Structural and Cohesion Funds, for the programming period 2007–2013, Country Report France, 2006.

relative terms for the last decade at least to Southern and Western regions in the share of national value-added, growth of GDP per capita and research potential².

Rhône-Alpes comes second in terms of population and GDP. Its share of the national value-added has increased slightly (1990–2002: from 9.4% to 9.6%) and its unemployment rate is below the national average (8.7% in 2009, Table 1)³. It has a complex economic structure with an industrial, banking and service centre (Lyon), a world class R&D stronghold in Grenoble, some manufacturing hot spots together with traditional manufacturing and rural areas.

Southern Regions (Provence Alpes Côte-d’Azur, Languedoc-Roussillon, Midi-Pyrénées, and to a lesser extent Aquitaine) constitute a French “sun belt” with a higher than average ratio of R&D expenditure to GDP. They are attracting thousands of migrants from Ile de France and Northern regions, their population is younger, and unemployment – while still high – fell markedly up until 2008. Midi-Pyrénées is a specific case with large business R&D (EADS Airbus). In Languedoc-Roussillon and Midi-Pyrénées, intra-regional disparities are strong due to the concentration of services and research in the capital cities and the contrasting importance of rural and mountain areas. Globally, Southern regions benefit from transfers to retired people (pensions) and the unemployed (RMI⁴: minimal income) who migrate to “sunny” regions.

Western regions (Bretagne and Pays de la Loire) have experienced high growth in the proportion of highly qualified people and their major cities are among the most attractive in France, while unemployment is below the national average⁵. Alsace, on the German border, is also attractive, with a highly qualified population, low unemployment (8.5% in 2009), mid-to-high-tech manufacturing and a high ranking for scientific and technological competences.

In contrast, other regions do not have very specific features: some have a “rural profile” and are poor performers in higher education, R&D, the qualifications of the work force (Poitou-Charentes, Champagne-Ardenne, Basse-Normandie, Corsica) and may have a low unemployment rate because of emigration of active population (Limousin: 6.5% in 2009); others have an old industrial base (Lorraine, Nord Pas-de-Calais) and, in spite of huge restructuring efforts, still lag behind with respect to the same indicators, and have an above average unemployment rate.

The French outermost regions (assisted under the Convergence Objective) suffer from a number of factors: remoteness, lack of critical mass, costs of access, environmental challenges, and a high dependence on the ‘métropole’. The business sector depends heavily on tourism and the

² L. Davezies, *La République et ses territoires*, 2008.

³ See Excel file for Table 1.

⁴ Revenu minimum d’insertion.

⁵ In 2009, the unemployment rate was 5.9% in Bretagne and 8% in Pays de la Loire (French mainland average: 9.2%).

government sector. It is mainly composed of service-related SMEs and micro-enterprises, often family owned and neither export nor innovation oriented. The proportion of beneficiaries of minimum income support (RMI) is six times that of mainland France. Unemployment is high (in 2009: 24.3% on average as against a national average of 9.5%), but significantly lower than in 2000 (31.1%).

Statistical data on population and GDP per capita give a view of the major changes that have taken place in the different regional groups.

Between 1999 and 2007, the regions which had the largest population growth were the Southern and Western regions, resulting mainly from migration from Ile de France and some other French regions. Corsica (+15%) and Languedoc-Roussillon (+11.6%), followed by Midi-Pyrénées (+10.1%), Aquitaine (+8.3%), Pays de la Loire (+8.1%), Provence-Alpes-Côte-d'Azur (PACA, +8%) and Bretagne (+7.4%). The population of Rhône-Alpes (with some areas as attractive as the Mediterranean) had a growth of 7.4%. By contrast, Ile de France has grown by only 5.9%. The regions with the lowest population growth were either old industrial regions such as Nord-Pas-de-Calais (+0.6%), Lorraine (+1.3%) and Haute-Normandie (+2.1%) or mainly rural ones, such as Champagne-Ardenne (-0.2%), Bourgogne (+1.5%), Picardie (+2.3%) and Auvergne (+2.3%).

The growth of population rate was significantly higher over the period 2000-2006 than in 1995-1999. Those regions which experienced population decline began to grow, with only one exception (Champagne-Ardenne). There was a significant acceleration of population growth in all Atlantic regions, Southern regions (particularly in Languedoc-Roussillon) and Rhône-Alpes. In seven regions, population declined between 2000 and 2007. These are mainly regions in Northern and Eastern France and in the centre of the country (Auvergne).

The situation in the outermost regions varies greatly with growth of 12.4% in La Réunion and quasi-stability in Guadeloupe, but high growth in Guyane (35.5%) due to immigration and a very high birth rate.

The growth of the GDP per capita over the period 1990-2008, gives interesting insights to complement the demographic data. The highest growth rates are again in Southern and Western regions, in Western regions above all, in Bretagne (33.4%), Pays de la Loire (30.1%) and Poitou-Charentes (26.3%); and in the South in Midi-Pyrénées (26.7%), Aquitaine (26.6%), and PACA (25.9%). GDP growth in Ile de France and Rhône-Alpes was by contrast only 22.6% and 20.5% respectively, i.e. slightly lower than the French mainland average of 22.9%. GDP in Alsace, the fourth most prosperous region, grew by only 11.8%. Apart from Alsace, the regions with the lowest GDP growth are either regions with traditional industries, such as Franche-Comté (15.2%) and Lorraine (17.3%), or mainly rural ones, such as Picardie (13.2%) and Centre (15.4%).

The overseas regions have been catching up (mainly La Réunion, Guyane, and Guadeloupe): GDP per capita grew by 29.9% between 1990 and 2008 as against the national average of 22.8%. However, unemployment remains high.

Recent studies⁶ have developed a new approach to territorial disparities relying on some of the statistical data mentioned above. While disparities between regions in terms of income have diminished since the 1960s, a paradox has emerged in the last 10–15 years: the less productive regions are those where there is significant progress in terms of income, population, employment and social well-being, while poverty is increasing in some parts of the most prosperous regions. In other words, there is a growing discrepancy between the logic of growth and the logic of development. The former regions rely on a ‘public-residential economy’ fed by social and public transfers⁷ which shelter them from global competition. This is typically the case of Southern regions, at least parts of them. The latter are the engines of French growth and the main providers of taxes, the best example being the Paris metropolitan area, which accounts for 30% of national GDP but whose households only receive 22.5% of the national household income⁸. The sustainability of such a ‘model’ in the long-term is questionable. As a consequence, a policy debate has arisen concerning the strengthening of the capital region⁹ in particular with the concept of “*Grand Paris*”. This may seem a rather classical phenomenon in the larger European countries; however, the strongest distinguishing feature of France is the tendency of the population to migrate to the Southern regions and to a lesser extent to Western ones, which is now more than 20 years old and has deeply affected the distribution of income and wealth across France.

The macroeconomic context has not affected regional development policy significantly over the period.

First, the French governments did not comply with the requirements of the Stability and Growth Pact concerning budget deficits and public debt up until 2010, and General Government expenditure as well as General Government investment has been higher than the EU average, in spite of a lower than average annual GDP growth rate; in addition, due to decentralisation, local and regional authorities have maintained a high level of investment.

⁶ L. Davezies, op.cit.

⁷ Social and public expenditure are over 50% of GDP.

⁸ Another interesting example (on the other side): in the Nice metropolitan area (eastern part of Provence-Alpes-Côte-d’Azur), it is increasingly difficult to find available land to establish or relocate enterprises, municipalities and property developers giving preference to housing (including housing for retired people). See the *Schéma d’accueil des entreprises de la Communauté urbaine Nice Côte d’Azur*, SCET – ITD-Eu.

⁹ « *Economie francilienne : et si Laurent Davezies cauchemardait...* », La vie des idées.fr, 12 March 2008.

On the other hand, regional development policy as such has ceased to be a major policy priority over the past decade. At operational level, regional development policy has primarily resulted from the combination of '*Contrats de Plan Etat-Région*' and ERDF SPD/Operational Programmes with rather large objectives (such as 'territorial development' which addresses intra-regional disparities). At policy-making level, development policies have targeted specific areas with the aim of compensating for handicaps: rural, coastal and mountain areas and areas 'with difficulties' (*quartiers sensibles*) in cities. In addition, a cluster policy was progressively developed from the end of the 1990s, leading to the national programme "*Pôles de compétitivité*" (2005–2006). Today, the "*Pôles de compétitivité*" can be considered the most visible instrument of a national policy of regional development. Another instrument is the PAT (*Prime d'Aménagement du Territoire*), a grant scheme for businesses creating jobs, which first appeared in 1996 and was re-organised in 2006–7 following a 2006 evaluation¹⁰.

Investment in the high-speed railway network has been to some extent a 'substitute' for the relative lack of a regional development policy. It favoured first the Southern Mediterranean regions, then the Western ones (Bretagne and Pays de la Loire) and Lille in Nord-Pas-de-Calais.

The present crisis (which has had an impact since the second half of 2008) has not so far altered the overall picture: the regions most affected have been the manufacturing regions (especially those where the automotive industry plays an important role: e.g. Franche-Comté, Haute-Normandie). However, it has greatly increased social disparities with consequences for poverty in urban areas linked to high levels of unemployment.

The crisis raises questions about the future of public expenditure and investment, national as well as regional. GDP growth fell to 0.2% in 2008 and GDP declined by 2.6% in 2009 (Table 2)¹¹. The French government reacted with more government expenditure and investment, which led to a further increase in the public sector deficit and a strong increase in public sector consolidated debt. Regions have tried to maintain the level of investment, but local authorities in general are expected to face a reduction in financial transfers from the State. A reduction in social benefits could in the near future have an impact on the regions dominated by a 'public-residential' economy such as Languedoc-Roussillon, and of course on urban problems (*quartiers sensibles*).

Interestingly, as indicated below, some regions have curbed the implementation of their ERDF OP in response to the crisis.

¹⁰ *Evaluation du dispositif de la Prime d'aménagement du territoire (DIACT)*, Katalyse, 2006. The PAT scheme has now two strands which support: a) projects of R&D and innovation of industrial and service enterprises anywhere in France; b) the creation, extension or transfer of businesses (industry and services) located in areas facing a crisis, the so-called *zones d'aide à finalité régionale* (AFR). There has been a significant reduction of the areas benefiting from PAT for the period 2007–2013.

¹¹ See Excel file for Table 2.

SECTION 2 – THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND THE POLICY ACHIEVEMENTS OVER THE PERIOD

THE REGIONAL DEVELOPMENT POLICY PURSUED

The regional development policy pursued across the Convergence and the Competitiveness regions can be analysed through three policy and/or programming documents: the Regional Schemes for Economic Development (SRDE), the *Contrats de Projet Etat–Région* (CPER), and the ERDF OPs.

The elaboration of SRDE in each region is based on a revision of the Constitution of 2003 and a Parliament Act of 2004 ('Local freedoms and responsibilities'), known as "*Décentralisation Acte II*" which gave regions new competences in the field of economic development. The SRDE exercise was carried out in 2005–2006 and the resulting **SRDE documents are essentially policy blueprints** which do not entail financial commitments of the regional authorities. **CPER and ERDF OPs are strategic and programming documents.**

ERDF support to regional development policy is quite coherent with the national policy since there is a strong relationship between the CPER and ERDF OPs. A DIACT¹² circular of March 2006 recalled the three major national objectives of CPER: competitiveness and attractiveness; the environmental dimension of sustainable development; social and territorial cohesion. A recent study, carried out on behalf of DATAR and ARF¹³, "*Etude sur les conceptions de l'innovation et du développement durable dans les PO FEDER et CPER 2007–2013*"¹⁴, stresses that: a) innovation (and the knowledge economy) is a top priority with a well-identified conceptual framework (the SRI¹⁵ exercise carried out in all French regions in 2009 was an important contribution); b) the inclusion of sustainable development in both programming documents has made significant progress, but remains heterogeneous and often sectoral – some themes being taken little into account (in particular social, housing, sanitary, poverty and exclusion issues). 'Green' issues are clearly favoured within the general concept of sustainable development.

¹² DIACT: Délégation interministérielle à l'attractivité et à la compétitivité des territoires. DATAR was re-named DIACT, and DIACT was recently re-named DATAR (Délégation à l'aménagement du territoire et à l'attractivité régionale).

¹³ ARF: Association des régions françaises.

¹⁴ Synthesis: 30 June 2009.

¹⁵ Stratégie régionale d'innovation.

The coherence between CPER/ERDF OPs and the regional development policy of regional authorities can be checked through a review of the SRDE. In general, there are no major discrepancies between the SRDE and the CPER/ERDF OPs.

Analysis of the priority axes of the CPER and ERDF OPs shows that there are four main policy areas:

- the knowledge economy with two related dimensions: research and technology transfer (supply), innovation and enterprise support (addressing the needs and demand for innovation of enterprises), with the aim of increasing the competitiveness of both the region and its enterprises – the aim of improving attractiveness is sometimes associated with that of competitiveness;
- sustainable development: preservation of the environment, management of risks, renewable energies;
- accessibility and transport – accessibility is often related to the aim of improving attractiveness – including ICT infrastructure;
- issues of ‘territorial development’ concerning ‘territorial’ (and often social) cohesion in general, urban areas or specific parts of the region.

The SRDE gives to some extent more importance to employment, education and training¹⁶, in particular with respect to the anticipation of economic and social change¹⁷, and to internationalisation. However, the main priorities remain the same as in the CPER and the ERDF OPs. This is not surprising since the SRDE exercise was carried out when the negotiations for the formulation of the CPER and ERDF OPs were starting.

A good example is the SRDE Midi-Pyrénées with its four axes: (1) favouring sustainable territorial development: making the countryside and medium-sized cities more attractive; (2) supporting the growth of the regional economy: making it more competitive and developing sectors that provide highly qualified jobs; (3) think and act ‘internationally’: positioning in areas of regional comparative advantage; (4) developing the performance and networking of regional actors.

ERDF funding is complementary to regional development policy and does not add new priorities.

It is interesting to see how priority axes have been ‘formally ranked’ in the OPs, since this is an indication of the priorities in terms of political communication (*‘affichage politique’*).

¹⁶ For instance, the SRDE Champagne-Ardenne is entitled “*Schéma régional du développement économique et de l’emploi*”.

¹⁷ E.g.: SRDE Franche-Comté.

All regions have dedicated a priority axis to the first policy area, in general as priority axis 1. Even one of the pluri-regional OPs (Loire) has a specific priority axis dedicated to research and innovation. In some cases, another priority axis is dedicated to competitiveness¹⁸. All regions have also dedicated a priority axis to sustainable development, one region as priority axis 1, eight as priority axis 2, 12 as priority axis 3; Bretagne and Lorraine are the only regions which have given a specific focus to sustainable development, i.e. maritime and coastal issues (Bretagne) and the fight against the greenhouse effect (Lorraine).

Accessibility and/or transport are explicitly mentioned among the priority axes in 14 regions. They appear as priority axis 1 in Bretagne where this policy area is related to sustainable development¹⁹. They appear as priority axis 2 in two regions, Martinique and Centre (where it is associated with attractiveness). In Rhône-Alpes, accessibility includes both transport and ICT (priority axis 4). In three regions, the priority axis 'Transport' is more focused: Haute-Normandie with harbour infrastructure; Poitou-Charentes and Provence-Alpes-Côte-d'Azur with support to non-road transportation.

Issues of 'territorial development' are found in practically all regions through priority axes (in general priority axis 3 or 4), either as a general policy theme often linked to cohesion (solidarity), attractiveness and accessibility, or as focusing on specific areas²⁰ or types of area²¹.

Support to ICT and the information society appears as a fully-fledged priority axis in Aquitaine only and among the 'large-scale' projects in Languedoc-Roussillon. It is related to innovation and competitiveness in Lorraine and PACA, and to accessibility in Rhône-Alpes. Support to human resource development appears as priority axis 1 in La Réunion, priority axis 5 in Martinique (together with health and social cohesion) and priority axis 9 in Guyane. Auvergne is the only region to have dedicated a priority axis to financial engineering (JEREMIE).

Finally, it is worth mentioning that a few regions have explicitly included an international and/or European dimension in some priority axes, such as La Réunion (competitiveness and the international environment) or Pays de la Loire ('euro-region').

In terms of financial allocations, the knowledge economy and competitiveness appear clearly as the first policy area, while the environment and sustainable development is the second.

¹⁸ Champagne-Ardenne: Priority 1 "Links between research innovation and enterprises" – Priority 2 "Performance of enterprises and entrepreneurship".

¹⁹ The objective is "having a European region accessible and attractive in order to strengthen its balanced and sustainable development".

²⁰ E.g.: Guadeloupe (Saint-Martin and Saint-Barthélemy); Franche-Comté (Montagnes du Jura); Midi-Pyrénées (Massif des Pyrénées); etc.

²¹ E.g.: Lorraine (*politique de la ville*); Alsace (attractiveness and cohesion of urban areas).

However, some elements of transport policy as well as ‘territorial development’ can be related to sustainable development.

Differences between Convergence and Competitiveness & Employment regions are relatively limited: Convergence regions give more importance to education and human resource development through the ERDF²², and of course they have a priority axis dedicated to the compensation for the cost of ultra-peripherality and structural handicaps. Moreover, the knowledge economy and competitiveness receive a smaller share of allocation.

On the whole there are few differences between the Competitiveness & Employment regions and there are in particular no striking differences between the five groups of regions identified in Section 1. The emphasis put by Bretagne on accessibility and sustainable development (priority axis 1) is related to a very specific project: the high speed rail link.

ERDF Operational Programmes of the Competitiveness & Employment regions were in general built along the same general pattern, which is not surprising due to the National Strategic Reference Framework (NSRF) guidelines and compliance with ear-marking. The NSRF *Rapport de suivi 2009* describes how recent reforms are in line with EU guidelines (competitiveness and innovation) and initiatives and contribute to the implementation of the EU “climate-energy” package (through the *Grenelle de l’Environnement*).

The national programme “*Pôles de compétitivité*” (innovation-driven clusters) represents an interesting example of coherence between ERDF OPs/CPER/SRDE. Even if only one region explicitly mentions *pôles de compétitivité* in an ERDF priority axis (Midi-Pyrénées), it must be emphasised that all regions have included support to poles in the priority axes dedicated to the knowledge economy and competitiveness²³. A DATAR-DGCIS Circular “*Mobilisation du FEDER pour le financement des projets des pôles de compétitivité*” has underlined the importance of ERDF in complementing national funding (in particular those of the FUI²⁴) and detailed the means of using the ERDF for this (R&D collaborative projects and innovation platforms) together with the regional *filières* or poles of excellence that the regional authorities intend to promote. *Pôles de compétitivité* are considered a sort of basic framework for regional development.

The Territorial Cooperation Operational Programmes in which French regions are involved have relatively similar priorities: the knowledge economy (together with innovation and competitiveness) comes as priority axis 1 in a majority of OPs and as priority axis 2 in two OPs, with in general the largest allocation (the most notable exception is the OP France-Spain). Sustainable development often appears as priority axis 2 (with the exception of the OP Indian

²² Three of them have a priority axis dedicated to human potential or education.

²³ See Innovation Policy Paper France (Task 1).

²⁴ *Fonds unique interministériel*.

Ocean in which it is priority axis 1). Accessibility and communication networks appear only once as priority axis 1 (ALCOTRA). The main feature of the 2 Territorial Cooperation OPs which involve Convergence (outermost) regions is not surprisingly the emphasis put on regional integration.

The global economic crisis started to have a strong impact on the French economy in the second half of 2008. All 2009 AIRs present the crisis as a major element of the context in which the ERDF OPs are being implemented. The crisis has had different consequences depending on the regions and their economic structure. Midi-Pyrénées for instance was less hit because of its specialisation in the aeronautics and space industry, whereas 'traditional industrial regions such as Lorraine and Nord-Pas-de-Calais have suffered much more.

In this context, the French Government (in addition to EU decisions to simplify procedures and accelerate the absorption of funds) took a range of measures concerning the implementation of ERDF OPs as part of its "*Plan de relance*", in particular to accelerate the implementation of the OPs, and target 'Lisbon' priorities, sustainable development, digital infrastructure, and energy efficiency for housing²⁵. Following these decisions, regional authorities introduced some changes in the OP implementation document (DOMO²⁶), in general, aimed at strengthening the focus on innovation and the environment (Franche-Comté), in particular, energy efficiency for housing (Alsace, Champagne-Ardenne, Franche-Comté). Some Regions took additional measures aimed at combating the recession, such as PACA with 'schemes for resisting the crisis'²⁷ (economic and social watch, vocational training).

POLICY IMPLEMENTATION²⁸

There are differences between the initial and latest allocation of ERDF financing in five regions (all of them Competitiveness), corresponding to adjustments which became necessary very early in the programming period. Initial allocations have been reduced in Bourgogne (knowledge economy, territorial development) and Poitou-Charentes (innovation in a perspective of sustainable development, sustainable non-road transportation). The reason is that some measures were not sufficiently attractive, and, for sustainable non-road transportation in Poitou-Charentes, the necessity of carrying out preliminary feasibility and technical studies. In Franche-Comté, Lorraine and Pays de la Loire, some priority axes have been reduced and others increased, with a negative net effect. Franche-Comté is a good example: the allocation to priority axis 2 'Environment' has been reduced in particular because it appeared that the

²⁵ Circulars dated 24 Nov. 2008, and 29 Jan., 13 March, 22 June 2009.

²⁶ *Document de mise en œuvre.*

²⁷ *Dispositifs de résistance à la crise.*

²⁸ As of August 13, some French AIRs were not yet available: Ile de France, Basse-Normandie, Corsica, and Europact.

action concerning the prevention and reduction of flooding risks would not use the totality of allocated funding; on the other hand, one action of priority axis 2 'Territorial competitiveness and social cohesion' was immediately programmed (ICT infrastructure) while two others had a strong potential (business & innovation parks, urban policy for *agglomérations*).

The **implementation rate**²⁹ in the four **Convergence regions** is about 5–7% in Guadeloupe, Guyane and Martinique, and 11.9% in La Réunion. The higher figure in La Réunion arises from two factors: the existence of a shared strategic vision among the major stakeholders accompanied by some strong existing partnerships, in particular within the business community as illustrated by the strategic blueprint "*La Réunion Ile Verte*"³⁰; a major investment in road infrastructure. In general, the priority axes and measures dedicated to the knowledge economy, innovation and competitiveness have a relatively higher implementation rate compared to other policy areas, except in La Réunion where the highest implementation rates are in accessibility and transport and sustainable development.

In the **Competitiveness & Employment regions**, the implementation rate is highest for the priority axes dedicated to the knowledge economy, innovation and competitiveness of enterprises in 11 regions: Aquitaine, Centre, Alsace, Auvergne, Champagne–Ardenne, Haute–Normandie, Languedoc–Roussillon, Limousin, Pays de la Loire, Provence–Alpes–Côte-d'Azur, Midi–Pyrénées. However, the situation in these regions may differ greatly: in some of them, it is the knowledge economy and innovation as such which have the highest implementation rates (e.g.: Aquitaine, Alsace, Languedoc–Roussillon, Pays de la Loire), while in others, it is the competitiveness of enterprises (e.g.: Limousin with 24.4%, Midi–Pyrénées with 23.5%) or financial engineering (as in Auvergne with JEREMIE: 19.4%)³¹. In the majority of regions, the implementation rate is in the 8–14% range.

On average, the priority axes dedicated to sustainable environment, environment and energy have a lower implementation rate (9 regions with an implementation rate ranging from 2 to 5% and 9 other in a 7–10% range) , the major exception being Bourgogne (15.4%).

The priority axes dedicated to accessibility and transport, including ICT, have the highest implementation rate in Bretagne (14.5%, linked to the construction of the high–speed railway). The implementation rates differ widely between the regions: less than 5% in 10 regions, and in

²⁹ The implementation rate is the total amount of certified eligible expenditure paid by beneficiaries as a percentage of the total funding of the OP (EU and national).

³⁰ See «Study of the Growth Factors in the Outermost Regions», 2010, Ismeri Europa and ITD–Eu for the European Commission, DG REGIO.

³¹ It should be noted that the implementation rate for financial engineering projects cannot be compared with the rate in other areas since what is being measured is the transfer of finance into capital or loan funds rather than payments to final beneficiaries, in this case, firms.

a range of 8–12% in most of the others (which is relatively high considering that the projects are in a feasibility study phase). On the whole, they have also a lower implementation rate than the priority axes dedicated to the knowledge economy, innovation and competitiveness.

The priority axes dedicated to specific issues of territorial development have in general the lowest implementation rates, a major exception being Franche-Comté with 24.8%, a good example of a policy targeted at balancing intra-regional development (development of the mountainous part of the Jura).

The differences of the implementation rates between the different policy areas can be explained by a range of factors.

In the policy area “Knowledge economy, innovation and competitiveness”, the relatively high implementation rate is due in part to the presence of an experienced and well-established administration (DRIRE³²–DRRT³³ recently merged into DIRECCTE³⁴), with strong links with enterprises (DRIRE), and from the momentum and emphasis on innovation, related in particular to the SRI.

The implementation rate in the “Environment and energy” policy area is adversely affected by the presence of less established administrations and agencies; it also experienced a difficult reorganisation with the creation of the *Directions régionales de l’environnement, de l’aménagement et du logement* (DREAL)³⁵, as well as being mainly composed of small projects (with some exceptions).

It appears that the *Grenelle de l’Environnement* and the recent measures taken to accelerate the absorption of ERDF funding in energy efficiency have not yet fully produced their effects, in contrast with the mantra on innovation and the knowledge economy resulting from the Lisbon Strategy, and reinforced in France by the Regional Innovation Strategies (SRI) that were implemented in all French regions in 2009 (interestingly, in a number of AIRs, there is a reference to the impact of the SRI on the implementation of the ERDF OP).

The implementation rate in the “Accessibility and transport” policy area is clearly affected by the need to undertake a lot of preliminary and feasibility studies before construction work begins.

A majority of AIRs stress that the **crisis** had an impact on the implementation of the ERDF OPs: enterprises are more reluctant to launch projects because they have doubts about the upturn of

³² *Directions régionales de l’industrie de la recherche et de l’environnement.*

³³ *Directions régionales de la recherche et de la technologie.*

³⁴ *Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l’emploi.*

³⁵ The administration of environment was previously part of the *Directions régionales de l’industrie de la recherche et de l’environnement* (DRIRE).

the world, EU and French economies and lack co-funding; while the creation of new businesses has slowed down. On the other hand, local and regional authorities may have delayed investment (e.g.: AIR Bourgogne).

Besides the ‘crisis effect’, the implementation of OPs had to overcome some institutional and organisational problems: as underlined for instance in the Franche-Comté AIR, the beginning of implementation of the 2007–2013 OP was carried out simultaneously with the final step of the 2000–2006 SPD; and it has new objectives and guidelines that both the administrative staff and the economic actors had to understand and cope with. Implementation was up against a general lack of time and knowledge of the officials responsible, especially when dealing with highly technical matters such as the high-speed rail line in Bretagne or innovation in Alsace. Some schemes even had to be discontinued because they were too complicated and would take too long to implement (Rhône-Alpes and Languedoc-Roussillon “Innovating Company Creation Facility” for instance). Some specific aspects of ERDF regulations were also a problem for the Regions, such as Article 55 on income-generating projects.

Although the overall implementation rate might be low, the **commitment rate**³⁶ gives a more favourable picture. However, even in these terms, France is lagged behind other countries in terms of ERDF commitment in Competitiveness region at end-2009 (Annex Table B).

Table A – ERDF commitment rates (end-2009)

ERDF commitment rates	France	EU27
Convergence Objective	26.1%	25.2%
Competitiveness & Employment Objective	27.6%	30.4%

The **Convergence regions** had a commitment rate which is only slightly lower than the Competitiveness & Employment regions and slightly higher than the EU27 Convergence average. This suggests that the regional administrations (State and local) have made some progress in managing the Structural Funds, despite the traditional difficulties encountered in the overseas regions, though most of the other EU27 regions are in the EU12 with limited experience of implementing Cohesion Policy programmes³⁷.

A particular effort has been made in “Transport” (in particular roads), “Environment and risk prevention” (and to a lesser extent energy), and “Innovation support for SMEs”. In comparison

³⁶ The figures concerning the commitment rate are based on the following ERDF OPs: Aquitaine, Auvergne, Bourgogne, Bretagne, Champagne-Ardenne, Franche-Comté, Guadeloupe, Guyane, Haute-Normandie, Languedoc-Roussillon, Lorraine, Midi-Pyrénées, Pays de la Loire, Picardie, Poitou-Charentes, Provence-Alpes-Côte-d’Azur, Réunion, Rhône-Alpes; and POP Loire, Massif Central, Rhône. The commitment rate is measured as total commitments relative to total allocation.

³⁷ The way that commitments are defined varies markedly between countries, so this comparison needs to be interpreted with caution.

with the EU average; the commitment rate in “ICT and related services” is relatively high, but in line with the EU average. Such a situation reflects to some extent a shift in policy priorities towards the environment (e.g.: Guadeloupe with the *pôle de compétitivité* SYNERGILE; La Réunion with an ambitious plan in favour of the environment and renewable energies), and innovation. The relatively high commitment rate for “Innovation support for SMEs” is especially interesting since it so far has been difficult to implement projects of this sort in the French outermost regions: the emphasis put on innovation (in particular with the SRI) has probably played a role.

Table B – ERDF commitment rates by broad policy area in Convergence regions (end–2009)

ERDF commitment rate	France	EU27
Enterprise environment	17.1%	32.6%
of which:		
• <i>ICT and related services</i>	32.9%	32.3%
• <i>Innovation support for SMES</i>	32.9%	20.7%
Human resources	38.3%	17.5%
Transport	35.2%	22.3%
Environment and energy	37.9%	16.1%
of which:		
• <i>Energy infrastructure</i>	18.5%	12.1%
• <i>Environment and risk prevention</i>	39.5%	16.8%
Territorial development	20.7%	32.9%

The commitment rate in the **Competitiveness & Employment regions** is lower than the EU27 average (27.6% as against 30.4%), especially as regards transport (22.6% against 27.8%) and territorial development (28.3% against 34.8%), since transport and urban projects involve lengthy procedures before work can begin.

Table C – ERDF commitment rates by broad policy area in Competitiveness regions (end–2009)

ERDF commitment rate	France	EU27
Enterprise environment	30.5%	33.8%
of which:		
• <i>ICT and related services</i>	42.4%	24.1%
• <i>Innovation support for SMEs</i>	18.4%	29.2%
• <i>Other investment in firms</i>	42%	54.7%
• <i>RTDI and linked activities</i>	36.3%	32.2%
Human resources	37.5%	17.7%
Transport	22.8%	27.8%
Environment and energy	22.2%	20.2%
of which:		
• <i>Energy infrastructure</i>	27.1%	18.5%
• <i>Environment and risk prevention</i>	18.8%	21.3%
Territorial development	28.3%	34.8%

Apart from in the development of “Human resources” (which amounts to only 1.8% of the ERDF), the highest commitment rate is in “Enterprise support”, where rates are particularly high for “ICT and related services” (for which the rate is higher than the EU average) and for “Other investment in firms”. The commitment rate is also relatively high for “RTDI and linked activities” which includes research and collaborative projects relating to *pôles de compétitivité*. The emphasis on innovation again played a role. However, the crisis has affected the commitment rate of “Innovation support for SMEs”.

By contrast, the commitment rate in “Environment and energy” is only 22.2%, but in line with the EU average. Here, the rate is higher for “energy infrastructure” than for “environment and risk prevention” (where there are many relatively small projects).

Once again, as for the implementation rate, the relatively high commitment rate in the “Knowledge economy, innovation and competitiveness” reflects the presence of an experienced and well-established administration and from the momentum and emphasis on innovation, while the lower commitment rate in “Environment and energy” reflects the presence of less established administrations and agencies, which were subject to a difficult process of reorganisation, as well as having a large number of mainly small projects (with some exceptions) to deal with.

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

Some preliminary remarks need to be made before assessing achievements. It must first be noted that the various (available) AIRs differ considerably with respect to the presentation of output and results. In some of them, it is difficult to understand exactly what has been achieved, the emphasis being more on what is being launched or has been programmed. A few AIRs, as in the Midi-Pyrénées, however, are straightforward, indicating that only a limited number of projects have been fully implemented because of the time required for implementation³⁸. Secondly, while the first achievements can be seen in the 2009 AIRs, they are just beginning to appear, and this is probably one of the reasons why AIRs emphasise what has been programmed more than what has been achieved.

Thirdly, there is an abundance of indicators in many AIRs which makes comparisons difficult. In some regions, strictly ‘regional’ indicators are taken into account while national and EU ones are more or less neglected. A few regions do not report on any indicators and do not even mention them. The list of non-EU indicators for “Knowledge economy, innovation, competitiveness” and “The environment and sustainable development” is a long one, while it is much shorter for the two other policy areas (“Accessibility and transport” and “Territorial

³⁸ The 2009 AIR Midi-Pyrénées indicates that 12% of the programmed projects are fully completed as of 31.12.2009.

development”). In general, comparisons are difficult because the names of the indicators are not correctly reported. Moreover, the methodological basis (definition of indicators, method of calculation) and the sources used for reporting the indicators remain unclear in a number of regions. This applies in particular to indicator CE1 – number of direct additional jobs created – and indicator CE30 – reduction of greenhouse gases.

Outputs resulting from indicators

We have selected 8 EU indicators (two per policy area) which can be compared relatively reliably and for which data are reported in a large number of regions. Some of them appear in more than one priority axis.

- “Knowledge economy, innovation and competitiveness”:

Indicators	Convergence regions	Competitiveness & Employment regions
Nr of supported RTD projects (CE4)	24 ³⁹	397 ⁴⁰
Nr of collaborative projects between enterprises and research organisations (CE5)	–	160 ⁴¹

- “Environment and sustainable development”:

Indicators	Convergence regions	Competitiveness & Employment regions
Nr of projects related to renewable energies (CE23)	21 ⁴²	628 ⁴³
Nr of projects aiming at prevention of risks (CE31)	2 ⁴⁴	125 ⁴⁵

- “Accessibility and transport”:

Indicators	Convergence regions	Competitiveness & Employment regions
Nr of projects in the sector of transport (CE13)	1 ⁴⁶	19 ⁴⁷
Nr of projects concerning the information society (CE11)	10 ⁴⁸	65 ⁴⁹

³⁹ Guyane : 21 – La Réunion : 3.

⁴⁰ Aquitaine : 20 – Alsace : 1 – Bourgogne : 106 – Languedoc–Roussillon : 22 – Pays de la Loire : 53 – Picardie : 37 – Poitou–Charentes : 3 – Franche–Comté : 44 – Bretagne : 71 – Midi–Pyrénées : 40.

⁴¹ Aquitaine : 12 – Bourgogne : 10 – Languedoc–Roussillon : 24 – Pays de la Loire : 14 – Picardie : 4 – Franche–Comté : 20 – Bretagne : 26 – Midi–Pyrénées : 47.

⁴² Guyane : 2 – La Réunion : 19.

⁴³ Aquitaine : 4 – Bourgogne : 149 – Languedoc–Roussillon : 203 – Pays de la Loire : 220 – Poitou–Charentes : 8 – Franche–Comté : 6 – Bretagne : 38.

⁴⁴ La Réunion.

⁴⁵ Aquitaine : 10 – Languedoc–Roussillon : 89 – Pays de la Loire : 11 – Picardie : 11 – Franche–Comté : 14.

⁴⁶ Guyane.

⁴⁷ Bourgogne : 13 – Pays de la Loire : 6.

⁴⁸ Guadeloupe : 1 – La Réunion : 9.

⁴⁹ Languedoc–Roussillon : 64 – Poitou–Charentes : 1.

- “Territorial development”:

Indicators	Convergence regions	Competitiveness & Employment regions
Nr of urban projects related to services offering equal opportunities and fight against social exclusion (CE41)	–	84 ⁵⁰
Nr of sustainable projects improving the attractiveness of cities (CE39)	3 ⁵¹	27 ⁵²

Overview of concrete outputs and results in a sample of regions

In order to put ‘flesh on the bones’ and to go deeper than is allowed by the indicators, we have focused the analysis on 12 regions which have been selected according to the following: giving more weight to the larger regions in terms of population; providing a representative view of policy intervention in the smaller regions; balancing urban regions with mainly rural ones and including at least two Convergence regions. We have also taken account of inter-regional disparities and the regional groups presented in Section 1.

The final selection (which was discussed with DATAR officials) comprises: Rhône–Alpes, Provence–Alpes–Côte-d’Azur (PACA), Midi–Pyrénées, Nord–Pas–de–Calais, Bretagne (larger regions); Centre, Champagne–Ardenne, Franche–Comté, Languedoc–Roussillon, Limousin (smaller regions); Guadeloupe and La Réunion (Convergence). Four groups of Competitiveness regions identified in Section 1 are represented (Ile de France has been excluded since the AIR for 2009 was not available): Rhône–Alpes; three Southern regions (PACA, Midi–Pyrénées and Languedoc–Roussillon); one Western region (Bretagne); changing regions with specific problems, mainly rural ones (Centre, Champagne–Ardenne and Limousin), and industrial ones (Franche–Comté and Nord–Pas–de–Calais).

The main outputs and results by policy area for these 12 regions are presented below. At the end of each section, there is an attempt to assess, so far as possible, the achievements with respect to the characteristics of the groups of regions identified in Section 1.

1. Knowledge Economy, Innovation, Competitiveness”

A major achievement across all French regions takes the form of the **Regional Innovation Strategies (SRI)** carried out in 2009. The outcomes of the SRIs are being considered now in some regions and will be taken into account in the mid-term revision of the ERDF OPs, as indicated in a majority of AIRs (e.g.: Champagne–Ardenne). Among the regions which decided to turn the outcomes of their SRI into concrete action without delay include Languedoc–Roussillon, PACA and Centre. Languedoc–Roussillon defined three priority actions (discussed

⁵⁰ Languedoc–Roussillon : 1 – Pays de la Loire : 72 – Picardie : 10 – Franche–Comté : 1.

⁵¹ Guyane : 1 – La Réunion : 2.

⁵² Languedoc–Roussillon : 4 – Massif Central : 7 – Picardie : 2 – Pays de la Loire : 10 – Bretagne : 4.

and validated by the new ‘Council on Innovation’, created in October 2009 following the SRI): setting up a Regional Innovation Network⁵³, creating a ‘Club of enterprises with high potential, and organising and complementing the regional supply of finance⁵⁴; the first and the third actions will be included in the implementation of the ERDF OP. PACA defined 12 ‘priority tasks, including supporting the R&D projects of the *pôles de compétitivité*, and the creation of a co-investment fund; the first task led to the re-direction of an ERDF OP measure (Axis 1) toward targeting smaller projects, and the second to “*PACA Investissement*”. The Centre AIR points to the direct link between the SRI and the collective action to make SMEs more aware of innovation which was co-funded by the ERDF (Trempol’*inno*, Berrinnov, Sensinno). The Bretagne AIR also stresses that the SRI will accelerate programming of its ERDF OP Axis 2.

In general, the highest commitment rates (e.g.: Centre with 55%, Rhône-Alpes with 37.8%) are in this policy area 9%) and the achievements made are the most significant in a large majority of regions.

A first group of output and result indicators relates to R&D and innovation and a second to competitiveness of enterprises.

1.1. *R&D and Innovation*

Most output and results are reported for **research and collaborative (research–industry) R&D projects**.

In **research**, output covers, first, R&D infrastructure and equipment, including ‘technological platforms’ or ‘*plateaux techniques*’, generally with the aim of supporting applied research, e.g.: welding, genomics and scientific imagery in Bretagne; moulding (project NEWPIM) in Franche-Comté; ceramics in Limousin: virology and “*Héliobiotec*” (bio-fuels) in PACA⁵⁵. In Rhône-Alpes, following a 2008 call for proposals, 5 projects for technological platforms have been supported. However, some output is more oriented towards fundamental research such as: the acquisition of a mass spectrometer (NMR) in Nord-Pas-de-Calais, which belongs to the national network of very large scale scientific equipment; in Guadeloupe, a platform of molecular biology, a platform of expertise and R&D for warning, prevention and reduction of particular hazards. Projects on R&D infrastructure and equipment were delayed in some cases, such as in Midi-Pyrénées, because of difficulties in getting the financial commitment of the different partners or

⁵³ The setting-up of the network was prepared by a study realised by ITD-Eu this year: Etude visant à caractériser de manière détaillée l’offre publique d’accompagnement à l’innovation dans le Languedoc-Roussillon et l’analyse des offres complémentaires à développer.

⁵⁴ This needs to be seen in conjunction with the JEREMIE agreement – see below.

⁵⁵ The AIR signals an over-programming of the measure “Strengthening the mutualised and partnership-based platforms”.

in finalising the acquisition of the land for buildings, or in Nord-Pas-de-Calais, because of difficulties relating to the setting-up of the PRES⁵⁶.

Output is also reported from R&D activities, in particular in Guadeloupe and La Réunion, where it is difficult to involve businesses in collaborative projects because of the lack of an innovation culture in industry: agricultural and environmental (pollution) research in Guadeloupe, applied research pole '*Observation*' (land, sea and space) in La Réunion. In both regions, output indicators also include the diffusion of scientific culture. In Limousin and La Réunion, there are, in addition, results for human resources in research: Limousin with Ph.D grants and support for the recruitment of researchers. Centre provides support to R&D activities in its *filiales d'excellence*. In Bretagne, support is provided to studies and projects carried out by ID MER (the Technical Institute for the development of sea products) and a non-profit making organisation (*Association d'enseignement supérieur Louis de Broglie*).

A major feature of Convergence regions is the emphasis put on strengthening their research potential. However, they have not so far made use of the Framework Programme for R&D (FP7) Capacities programme 'Research Potential', since formulating a proposal was considered to be too complicated (general view of such regions).

It is worth emphasising that the results achieved so far as regards research are in general related in each region to its *pôles de compétitivité, filières* or poles of excellence. There is some shift from what happened during the programming period 2000–2006 (mainly in the first years) when in many cases the influence and interests of academic institutions prevailed over the logic of regional development. Today, the first outputs and results are in line with national and regional policy and programming documents⁵⁷. A good example is Limousin, with the construction of a new building for the *Institut Carnot*⁵⁸ XLIM as part of the *pôle de compétitivité* ELOPSYS (micro-waves, photonics, etc.).

So far as **collaborative (research–industry) R&D** projects are concerned, 9 of the 12 AIRs monitored signal output indicators. These projects are generally related to of the *pôles de compétitivité*, and are part of a nationwide programme, but based in a region (or a group of regions), and/or are part of the regional *filiales* or poles of excellence defined by the regional authorities in their SRDE and generally re-confirmed in the SRI: projects relating to the

⁵⁶ *Pôle de Recherche et d'Enseignement supérieur*: the new institution which is grouping universities and other higher education institutions at regional, and in a few regions, at sub-regional level.

⁵⁷ See for instance the AIR Nord-Pas-de-Calais with the setting up of two campuses directly related to the flagship projects of the CPER: *Campus Intelligence Ambiante* (ICT and ICT services), *Campus international de sécurité et d'intermodalité des transports*.

⁵⁸ An *Institut Carnot* is an interdisciplinary grouping of high-level research labs developing R&D projects in partnership with industry. The *Instituts Carnot* are certified and supported by the National Agency for Research (ANR).

QU@LIMED *pôle de compétitivité* and to the “Water” cluster in Languedoc–Roussillon; projects ear-marked “*pôles de compétitivité*” in Limousin and Midi–Pyrénées; 20 collaborative projects programmed in Franche–Comté; etc. The Rhône–Alpes AIR gives concrete examples of collaborative R&D projects, one of them linked to a regional cluster⁵⁹. Some regions, however, find it difficult to have a sufficient number of projects: Champagne–Ardenne made a call for proposals for ‘collaborative research’ in 2008 because it lacked innovation projects (the call resulted in a selection of 17 projects in 2009) and Centre encountered similar difficulties in its *filiales d’excellence*. These difficulties are attributed to the crisis.

An interesting shift in funding occurred in the implementation of the PACA ERDF OP. Initially, the ERDF OP included a measure targeted at ‘strategic’ R&D projects, but difficulties arose in identifying projects as well as in the means of selecting among them. Taking account of the outcomes of the SRI and of the DATAR–DGCIS Circular on the use of ERDF funding to favour projects linked to *pôles de compétitivité*⁶⁰, it was decided to re-direct the measure toward ‘smaller’ projects coming out of the poles.

Finally, some AIRs mention providing support to the ‘*animation*’ (i.e. operating costs) of poles: Nord–Pas–de–Calais to the ‘*animation*’ of the six regional *pôles de compétitivité*, and PACA to the ‘*animation*’ of its PRIDES “Sustainable Mediterranean Buildings”⁶¹.

The third area where significant outputs and results are evident is the **support to technology transfer and innovation support organisations** which is part of “Knowledge Economy, Innovation, Competitiveness”. In Languedoc–Roussillon, such organisations have developed incubator facilities for innovative businesses as well as taking action targeted at encouraging alliance strategies among enterprises. In Limousin, 13 innovation projects have been supported through support to AVRUL, the regional university agency for commercialisation of research. In addition, support has been given to improving coordination and networking of technology transfer and innovation support organisations in Languedoc–Roussillon and Nord–Pas–de–Calais, often as a consequence of the SRI.

As compared with the 2000–2006 programming period, there seems to have been a **shift from support to organisations to support to collaborative R&D projects**. This is due to three factors: the importance acquired by *pôles de compétitivité* (the programme started in 2005–2006 and had only a limited impact on the 2000–2006 ERDF SPD) and more generally by cluster–support policies; the evaluations of technology transfer and innovation support organisations carried out in various regions in recent years which emphasised the need to have a more project– and

⁵⁹ Region Rhône–Alpes has set up a cluster policy supporting ‘research clusters’ and ‘industrial clusters’.

⁶⁰ “*Mobilisation du FEDER pour le financement des projets des pôles de compétitivité*”.

⁶¹ PRIDES are the regional clusters supported by a specific policy of regional authorities.

demand-oriented approach to innovation; and the 2009 SRI which in general carried a similar message.

1.2. *Competitiveness of enterprises*

This second group of outputs and results is more modest.

The start-up of **collective action** of enterprises, one of the main measures in the 2000–2006 programming (CPER and SPD), has been hampered by the crisis as indicated in a number of AIRs such as that for Centre. However, collective action targeted at innovation has been implemented in craft industries in Languedoc–Roussillon and Limousin; 62 cases of collective action for SMEs were implemented in Champagne–Ardenne; 813 SMEs have been involved in collective action in Franche–Comté. In retailing and crafts, Franche–Comté also implemented collective action measures involving 5,300 shops and units.

Midi–Pyrénées is an exceptional case since the OP Axis 2 “Competitiveness of enterprises” has an implementation rate of 23.5% and the AIR indicates that this is due to the success of the ‘*contrats d’appui à l’industrie*’. These are part of the regional scheme “*Soutenir l’activité et Préparer l’avenir*”, which are aimed at supporting the strategic dimension of the development projects of SMEs, stimulating their international development and fostering ambitious R&D projects through funding consultancy costs. Sectors concerned are manufacturing, craft industries and technological services to industries. In Limousin, the “*Précellence*” scheme, a rather similar scheme which helps SMEs to define their strategic objectives, has also started to produce output.

Some AIRs indicate that SMEs have benefited from **support to investment**. There are 8 projects in Franche–Comté and measures totalling around EUR 14 million, in La Réunion (mainly in: construction; transport and the supply, treatment and distribution of water).

Interestingly – because of general difficulties of delivering output and results for “Sustainable development and the environment” so far, as indicated below – the Rhône–Alpes AIR reports that the measure “Bring to SMEs and very small enterprises tools for a sustainable development” attracted very little interest from businesses.

Measures relating to the **creation and transfer of businesses** have in general produced few outputs so far with the major exception of Nord–Pas–de–Calais where they exceed what was planned (“*en sur-régime*”)⁶². Languedoc–Roussillon provided support to incubator facilities and La Réunion hosted three new companies in its incubator.

⁶² Collective actions (promotion and communication, sensitisation), individual diagnostics and studies, follow-up of entrepreneurs (creation and transfer of businesses).

Apart from Languedoc–Roussillon, the major outputs in terms of **industrial real estate** occurred in Franche–Comté, where for 7 of the 10 “Innovation Parks” projected feasibility studies have been undertaken and one park started to be built (Techn’hom).

The final area where there output is reported – though it is questionable whether the term applies – is **access to finance**. Languedoc–Roussillon has signed a JEREMIE convention and is preparing to set up, in partnership with EIF, financial instruments for micro–finance, seed loans, venture capital, and loan guarantees. An amount of EUR 21 million has already been put into the funds by the ERDF and the Region. However, there have not been any beneficiaries so far. PACA is in the process of setting up a co–investment fund, “*PACA Investissement*”, to address the lack of equity for innovative companies in their start–up phase. Franche–Comté has agreed to set up a ‘financial engineering’ scheme involving venture capital.

Conclusion

The first outputs and results in the Southern regions, and in particular in the Mediterranean ones, can be regarded as helping to combat the predominance of the ‘public–residential’ model (see above: Section 1) and as building on the research capacity developed in the past two decades. PACA and Languedoc–Roussillon are among the regions which have started to implement the guidelines of their SRI and to develop the financial instruments needed to create and develop start–up and spin–off businesses. In addition, Languedoc–Roussillon has developed incubator facilities for such firms. While the development of research capacity remains a major concern, there has been more response to the demand from companies for support of innovation, as illustrated in Midi–Pyrénées with the success of ‘*contrats d’appui à l’industrie*’.

Rural regions (Champagne–Ardenne, Limousin) have started to successfully address the difficulties that they encounter in encouraging collaborative projects between research and business. Industrial regions have started to strengthen their research capacity, to catch up with more favoured regions. At the same time, they have begun a process of industrial restructuring through support to the creation and transfer of businesses (Nord–Pas–de–Calais) and building innovation parks (Franche–Comté).

In the Convergence regions, outputs and results have started to emerge in key areas for their regional development, in the form of a strengthening of the research potential and human resources. However, there have not been significant results so far in involving businesses in innovation.

2. ‘Accessibility and Transport’ (including ICT infrastructure)

This policy area is second in terms of the outputs and results produced. Larger amounts of funding are involved because it concerns infrastructure. The crisis which started in 2008 was

not accompanied by any reduction in national and regional public investment in 2009. Difficulties encountered are mostly related to obtaining reliable feasibility studies and to land and environmental constraints.

The major areas covered are railways, road, urban transport and ICT. A majority of the projects that have started have been submitted or are being submitted to the Commission as major projects.

Bretagne has initiated the construction of its high-speed rail link (*Bretagne Grande Vitesse*). Centre has started a new stage of the electrification of part of the Nantes–Lyon railway line, namely Tours–Saincaize (a first stage was funded by the ERDF in 2000–2006), but the largest part of the implementation will take place in 2010–11. In Midi–Pyrénées, 18 projects for the modernisation of the rail network and stations have started.

La Réunion is the only region with road output, with the completion of the *Route des Tamarins*, an expressway to ease traffic jams.

Urban transport projects often have an explicit environmentally-friendly dimension. In Bretagne, a study for the Brest tramway (part of the ERDF OP Axis 1–Objective 2 “Supporting a sustainable metropolitan development”) was funded. In Nord–Pas–de–Calais, among the three major tram projects for urban transport (Valenciennes, Douai and Maubeuge), the only project is phase 2 of the Valenciennes tram. In Limousin and PACA, projects that have started concern the interoperability of ticketing (*‘billettique’*) in metropolitan areas (and are related to ICT). Clean transport projects have produced output in Limousin (extension of a trolleybus link in Limoges) and Nord–Pas–de–Calais (acquisition of ‘clean’ buses for the Boulonnais metropolitan area). In Guadeloupe, 4 projects on inter-urban public transport had been programmed but could not be implemented due to poor coordination with the authorities responsible for urban public transport.

As regards ICT, AIRs report the first output in relation to broadband infrastructure in Bretagne (Rennes Métropole), Centre (for covering areas not yet covered either at all or sufficiently), Franche–Comté (Bas–Jura, covering 5,300 people in 230 municipalities), Languedoc–Roussillon (the *Département de l’Hérault*⁶³ broadband network linking the capitals of the *Départements du Massif central*⁶⁴ – providing 150,000 people with access to broadband), Rhône–Alpes (the *‘Ardèche–Drôme Numérique* major project with the setting up of the Montélimar–Pierrelatte backbone). By contrast, results concerning the uses of ICT services are limited so far.

⁶³ Num’Hér@ult.

⁶⁴ Through the *‘Convention Massifs’*. See also the 2009 AIR of the multi-regional OP Massif central which signals 14 projects of RIP (*Réseaux d’initiative publique*) supported in 2009.

Finally, two specific projects have started to produce output: in La Réunion, the construction of a tunnel to bring water to the western coast of the island (*Galerie de Salazie*); in Rhône-Alpes, the re-equipping of the Port-Rimbaud (Lyons) river harbour.

Conclusion

Urban issues are undoubtedly addressed by the first outputs for urban transport in cities such as Brest (Bretagne), Valenciennes (Nord-Pas-de-Calais) or Limoges (Limousin).

The problems of regions with some specific geographic handicaps are also being addressed by investment in rails: the high-speed rail link to the part of Bretagne which is the furthest from Paris; the Nantes-Lyon rail link improving the accessibility of Centre and providing access to towns in Midi-Pyrénées.

The first output for ICT broadband has improved the ICT coverage of 'blank' areas in the rural areas of the *Massif Central*.

3. Sustainable development and Environment"

In general, outputs and results in this policy area are limited. Projects supported which have started to produce results are often small (sometimes very small) scale (as illustrated by relating the implementation rate to the number of projects according to the indicators). Another factor, already pointed to, is that administrations and agencies in charge of the environment are less experienced than those in charge of innovation and enterprise support. On the other hand, as already stressed, the decisions taken by the French government (those related to the *Grenelle de l'Environnement* as well as the circulars concerning the use of the ERDF for supporting energy efficiency) had not produced important effects by the end of 2009.

Delay in programming is reported in a number of AIRs. Bretagne attributes it to a lack of 'animation' and awareness on the part of potential beneficiaries. Centre emphasises a delay as regards measures targeting energy efficiency and Champagne-Ardenne specifically those targeting energy efficiency in enterprises. In Languedoc-Roussillon, a large majority of projects listed in the AIR seem to be programmed but had not yet been implemented. In Nord-Pas-de-Calais, the projects started are small ones (and the programming level is low), and the AIR reports that the crisis has made the implementation of 'environmental projects' difficult as they are considered to be 'poorly profitable'.

The main area in which there are outputs and results is **renewable energies and energy efficiency**. In Franche-Comté, 6 'renewable energies' projects have started. In Languedoc-Roussillon, projects providing information about energy efficiency (*Espaces Info Energies*) and on solar photovoltaic energy, wood heating, energy efficiency for social housing (300 housing units saving more than 430 tons of CO₂ per year) have been implemented or started. In Limousin, there were small scale energy efficiency projects. In Champagne-Ardenne, the first

projects implemented were targeted at renewable energies and biomass. In Midi-Pyrénées, measures were concentrated on thermo-solar collectors (130,000 sq m) and wood heating (6,300 Kw).

There have been some results in respect of the preservation of biodiversity, with 22 inventories (flora/fauna/habitats/landscapes) being implemented in Centre, and scientific studies and awareness campaigns in Nord-Pas-de-Calais.

Finally, in Franche-Comté there are 4 projects on the prevention of natural hazards and a 'territorial project' on sustainable development related to the regional Agenda 21.

Conclusion

It is very difficult at this stage to assess to what extent the first outputs and results address the problems of regions. It can only be said that the first significant outputs as regards renewable energies and energy efficiency seem to have been produced mainly in Southern regions and in rural areas.

4. "Territorial development and others"

This final policy area is highly diverse and in general there have so far been few outputs and results. The most noteworthy concern urban areas, tourism, cultural activities and sports.

Three regions have launched calls for proposals on urban areas which have resulted in concrete projects. In Centre, the call was targeted at '*zones urbaines sensibles*' (i.e. areas facing social problems) and some projects have started to be implemented. In Midi-Pyrénées, the call was targeted at cities which already benefited from a programme of social cohesion (*contrat urbain de cohésion sociale*) and 2 projects were selected (Toulouse, Montauban). In Champagne-Ardenne, 5 projects were selected and agreements were signed in 2009. In addition, Franche-Comté carried out measures for sustainable development in 8 urban districts.

Two regions have implemented projects in support of tourism: Franche-Comté with 14 projects in the mountainous part of the Jura; La Réunion with the renovation of hotels and restaurants and support to new tourist attractions.

There were some significant results achieved in cultural activities and sport in Limousin: a Multimedia Cultural Centre in Guéret, restructuring of the city theatre in Brive, and a *Maison Régionale des Sports*. In Nord-Pas-de-Calais, though the "*Louvre Lens*" major project is only at the preparation stage.

Conclusion

While it is again difficult to assess the extent to which the first outputs and results address the problems of regions, it must be noted that urban problems in *quartiers sensibles*, as well as issues of social cohesion in the broadest sense have started to be addressed. This seems to

contradict, at least partly, some conclusions of the *ex ante* evaluation of the conceptions of innovation and sustainable development in the ERDF OPs and CPER 2007–2013, which considered that the measures dedicated to sustainable development did not sufficiently take ‘social issues’ into account .

An overview of Achievements in the Territorial Cooperation Programmes

Outputs and results in Territorial Cooperation programmes are on the whole more balanced between the different policy areas than those resulting from the implementation of the regional ERDF OPs.

There are in particular significant outputs and results in **‘Sustainable Development and Environment’**: for instance, the France–Switzerland AIR indicates that a number of projects concerning the environment and the prevention of natural hazards have started; The France–Italy AIR (ALCOTRA) shows that the most advanced area in terms of programming and implementation is management and protection of the environment.

However, two comments can be made concerning this policy area:

- there are few projects on renewable energies;
- a significant part of the projects programmed or being implemented under ‘Sustainable Development’ are environmentally–related RTD projects; especially in France[Channel]–England⁶⁵).

In two programmes, there have been difficulties in programming environment–related projects: Two Seas and France–Spain.

Outputs and results in the **‘Knowledge Economy, Innovation and Competitiveness’** are as important (and in some programmes more important) in terms of the partnerships developed between universities, research centres and businesses: Four projects have been started in Italy–France (Maritime) in innovation and competitiveness; with approved expenditure of EUR 8.2 million in France–Italy ALCOTRA for RTDI and entrepreneurship projects.

The France(Channel)–England AIR stresses that “many joint projects have now emerged and are generating publications, workshops and technology transfer activities”. In the France–Spain AIR, this policy area is the most important (the main areas being construction, applied sciences, agronomical research, healthcare environmental sciences). In the France–Switzerland AIR, it is emphasised that the rate of applications for applied research projects is high.

⁶⁵ Water management and marine resources.

Universities and research centres seem to have played a leading role in delivering the first outputs and results in the ‘Knowledge Economy...’, which is not surprising due to the existing networks between academic institutions and the characteristics of academic life.

Besides the two policy areas reviewed, there are also some significant outputs and results in “Accessibility and Transport” (France–Spain), and “Territorial Development”, mainly as regards tourism and cultural activities (France–Switzerland, Italy–France Maritime and France–Italy ALCOTRA).

SECTION 3 – EFFECTS OF INTERVENTION

It is very difficult at this stage to give a meaningful view of the effects of ERDF intervention. However, some points can be made.

The first point concerns the Regional Innovation Strategies (SRI). As emerges from interviews with officials from DATAR and the Ministry of Economy and Finance (DGCIS), and representatives of various regions and the ARF, as well as from our own experience, the SRIs have strongly reinforced the interest in and commitment to innovation support policies of most politicians and officials (State and regional administrations) at regional level. This interest and commitment started after the first French reforms on RTDI (1999: *Loi sur l’innovation et la recherche*; 2003: *Plan Innovation*; etc.) and the adoption of the Lisbon Strategy at EU level (2000). However, they were limited to a few regions, in particular those in the South which had benefited from the re–location of research centres and teams⁶⁶ from Ile de France; in these regions, politicians and officials wanted to capitalise on the research potential to support technology transfer to existing businesses and the creation and attraction of innovative companies.

The SRIs have contributed significantly across all French regions to the ‘homogenisation’ of interest in innovation, improving the innovation governance system (a key aspect of all SRIs) and spreading a ‘culture of innovation’ in State and regional administrations. In the latter respect, the SRIs had a clear impact on awareness of the importance of a more demand–oriented (in particular with respect to SMEs) and project–based (as against a ‘window–based’) approach, giving more weight to non–technological innovation and innovation in services, as well as to financial engineering.

The 2010 study on the development of innovation strategies in the French regions as part of the ERDF OPs 2007–2013⁶⁷, carried out on behalf of DG REGIO, confirms in general the points

⁶⁶ According to the French concept of *décentralisation*.

⁶⁷ *Etude sur l’évolution des diagnostics et des stratégies régionales d’innovation dans les régions françaises dans le cadre des PO FEDER 2007–2013*, ADE, July 2010.

mentioned above, adding that emphasis was put on human resources (considered as a key factor of innovation) and internationalisation. It also stresses that, while the results of the SRI exercise still remain fragile⁶⁸, the SRIs have given rise to a mid-to-long-term perspective for innovation support policies.

In parallel, collaborative (business-research) R&D projects which began with ERDF support in most regions have contributed to fostering a culture and practice of collaboration in both industry and the academic community.

These types of impact may mitigate in part the effects of the new French regional divide between the most productive regions and the regions with an economy based on a 'public-residential' model⁶⁹ by helping the most productive regions to innovate even more⁷⁰, and the others to turn to a different model based on innovation and entrepreneurship.

Moreover, the SRIs appear to have 'rejuvenated' the 2005-2006 SRDE to some extent and, accordingly, they may affect the overall approach of regional development in future years.

There is little to say so far about the effects of ERDF intervention in other policy areas.

Concerning the role of ERDF support in combating the effects of the crisis, as previously stated, the measures taken by the French Government and the regional authorities have probably contributed to accelerating the absorption of the ERDF support for the knowledge economy, in particular, for investment in research infrastructure and equipment and collaborative R&D projects, and transport (and to some extent ICT) infrastructure. In parallel, the *Plan de relance* has enabled national public investment to be maintained while regional authorities also maintained their level of investment. As a consequence, the ERDF played a positive role in combating recession in 2009.

SECTION 4 – EVALUATIONS AND GOOD PRACTICE IN EVALUATION

If we refer to the **previous programming period 2000-2006**, DIACT (now DATAR) had overall responsibility for Single Programming Documents (SPD) evaluation studies and defined guidelines for the final evaluation studies as an "*Annexe relative au dispositif national et régional d'évaluation*". All final evaluations had to address three 'national' questions, one of which was compulsory, about employment, and could also address 'regional' questions, selected by the regions themselves. The Annex in addition indicated methods for addressing

⁶⁸ Especially for what regards the balance between research and enterprises, and the adaptation of innovation support measures to non-technological innovation and innovation in services.

⁶⁹ L. Davezies, op.cit.

⁷⁰ See the current debate on the future of the capital region.: "*Economie francilienne: et si Laurent Davezies cauchemardait...*", La Vie des Idées.fr, 12 March 2008.

the national evaluation questions (employment, the environment, technology transfer, and ICT) in the regional evaluations.

As a consequence, there were long discussions in the final evaluations about employment which were partly disconnected from the objectives of the SPDs (as there was no priority axis in the SPDs directly concerning employment). In addition, it was probably too early in 2005 to assess many of the effects. The quality of final evaluation studies is diverse. We can only point out that DIACT considered the final evaluation of the SPD Champagne–Ardennes as being among the best. A national synthesis was produced in 2006⁷¹.

In general, it can be considered that the final evaluation studies were generally satisfactory, detailing the implementation of the SPDs, their outputs and results. However, we consider that they were less satisfactory in analysing the effects, indicating strategic issues and necessary re-directions, beyond the mere assessment of implementation of the programmes.

As regards the **present programming period**, all 2009 AIRs reviewed indicate that the managing authorities are complying with the recommendations of the national authorities and of the Commission concerning continuous evaluation of the ERDF OPs.

Ten regions have launched an evaluation of the implementation procedures of both the ERDF OP and CPER in order to optimise their implementation, including Languedoc–Roussillon with a ‘flash evaluation’⁷².

Three interesting approaches initiated by DATAR at national level can be mentioned:

- the establishment of scoreboards of the progress of programming indicating the type of beneficiaries in relation to the type of action, which should facilitate assessment of the impact of ERDF funding and pave the way to preparing the framework of future final evaluations;
- the use of innovation in all projects funded by the CPER and ERDF OPs as an assessment criterion of the projects, with two levels: innovative projects and other projects;
- the preparation of an *ex ante* evaluation of the conception of innovation and sustainable development in the ERDF OPs and CPER 2007–2013⁷³.

⁷¹ AscA– EDATER – SEGESA : *Synthèse des résultats de l'évaluation finale SPD 2000– 2006*, Rapport national – DIACT – Juin 2006.

⁷² *Evaluation flash pour l'optimisation des programmes FEDER et CPER en Languedoc–Roussillon*, Final Report, Sept. 2009.

⁷³ *Etude sur les conceptions de l'innovation et du développement durable dans les PO FEDER et CPER 2007–2013*, June 2009.

The last two provide an overview of how the priorities of the NSRF are being complied with. Following this, some evaluation studies take the form of regional in-depth studies corresponding to what had been done at national level as regards the above-mentioned evaluation of the conception of innovation and sustainable development. This is the case in Aquitaine, Franche-Comté, Haute-Normandie and Ile de France.

The largest number of evaluations completed relate to the 'Knowledge Economy, Innovation, Competitiveness'.

At national level, the most important is the evaluation of the *pôles de compétitivité*⁷⁴, which covered both the national programme itself and the achievements and functioning of the individual poles (71). The report stresses that poles have stimulated networking and collaboration between research centres (including universities) and business (in particular SMEs), a key factor in France due to the traditional cultural gap and limited links between the two. However so far there have been few studies sustainable development⁷⁵; an effort should be made to take more account of training issues in the activities of the poles and the private sector needs to be more involved in the funding of innovation. The report concludes that the programme should be maintained and that 39 poles have fully complied with the objectives of the programme, 19 partially, while 13 need to be re-organised. It also gives recommendations: making the programme a long-term one and confirming the commitment of the State; improving the governance of the poles ('contractualisation' of the relationship between the partners); maintaining the funding of collaborative R&D projects and making it more coherent; better integrating the policy for poles into the national framework of research and innovation policies.

We must also mention the 2010 study on the development of regional innovation strategies in the French regions as part of the ERDF OPs 2007-2013. Although it does not assess the relevance of the strategic choices made in the SRIs, it assesses the process by which the SRIs were formulated across all French regions.

An evaluation of the national support policy to poles of innovation for craft industries and SMEs⁷⁶ is currently being carried out.

In addition to these national evaluations, many other evaluations have been carried out recently in a number of regions and have focused on collaborative research projects, support for participation in the Framework Programme, technology transfer and innovation support

⁷⁴ *L'évaluation des pôles de compétitivité 2005-2008, Evaluation réalisée par CM International en association avec BCG, DIACT, La documentation française, 2008.*

⁷⁵ This is again confirmed by the review of the 2009 AIRs.

⁷⁶ To be realised by Technopolis France and ITD-Eu.

organisations as well as to innovation networks. A detailed list of these evaluations is given in the 'Reference' section below.

Among these, the most interesting are the evaluation of the regional policy of Bretagne towards *pôles de compétitivité*; the evaluation of public support to technology transfer organisations in Basse-Normandie and the evaluation of the Pays de la Loire regional scheme for *Europe de la recherche et de l'innovation*.

- The evaluation of the regional policy of Bretagne towards *pôles de compétitivité* was aimed at analysing the regional support to poles and pole-related projects and the contribution of poles to the regional research and innovation system, as well as assessing the impact of the poles on regional and local development. The evaluation is strategically important since it raises indirectly the question of the future distribution of roles and funding between the State and the regions as regards the poles. The report concludes that the extent to which the poles are integrated into the regional innovation system is very diverse, with some overlap between the poles and the older technology transfer and innovation support organisations. It also concludes that the poles have contributed strongly to the development of networking between research centres and business (which confirms one of the conclusions of the national evaluation), but the involvement of SMEs could be greater. The relationship with poles in other regions needs to be strengthened, through an opening up of the regional system.
- The evaluation of public support to technology transfer organisations in Basse-Normandie is interesting insofar as it points to weaknesses such as their limited effect on regional businesses, their lack of strategic vision and a too supply-side oriented approach. A similar assessment was made in a number of other regions, helping to explain why, as already noted, there has been a shift from support from technology transfer organisations to collaborative R&D projects.
- The evaluation of the Pays de la Loire regional scheme for *Europe de la recherche et de l'innovation* is among the only ones to have addressed the issue of support for the participation of regions in relevant EU programmes, the Framework Programme, most of all. The scheme relies on a network of 'Europe task forces' (*cellules Europe*) established in regional universities and higher education institutes (HEI). The report makes recommendations regarding: a more direct linkage with regional RTDI priorities (*pôles de compétitivité, filières*, research guidelines); the development of more targeted expertise and common methodologies within the network; making the funding of the network sustainable after 2013, in particular through charging participants fees.

Finally, the 2009 SRIs contained a 'diagnostic' section and a number an assessment of the current policies and programmes supporting RTDI. The diagnostics were established following

national methodological guidelines⁷⁷. Some SRIs also recommended the setting up of a scoreboard aimed at facilitating the future evaluation of innovation support programmes and measures.

As regards ‘Sustainable Development and the Environment’, evaluations focused on the relevance of ERDF OP and CPER objectives with respect to the economic crisis and the *Grenelle de l’Environnement*, the ‘*grenellisation*’ of CPER; the ‘Energy’ clause in the CPER; action to encourage energy efficiency and the development of renewable energies in the ERDF OPs.

In 2008 DATAR also set up a means for evaluating the ‘carbon neutrality’ of ERDF OPs and the CPER, known as NECATER, aimed at estimating ex ante carbon emissions in territorial development projects.

Finally, it is worth mentioning an evaluation covering both **innovation and urban policies** (*La prise en compte de la politique de l’innovation dans les zones urbaines en difficulté*, 2009–2010), which focuses on the 10 sites (*quartiers*) selected in the ‘In Europe’ strand of the Ile de France OP⁷⁸. It is original in linking innovation support policy to an urban and social issue, and was formulated in relation to the SRI. It suggests applying a more flexible concept of innovation (including the fostering of innovative practices in sustainable development, mobility issues, adaptation of human capital to new challenges, access to broadband networks, social innovation...). The report emphasises the importance of ‘customising’ the objectives and strategy in terms of innovation according to the potential of each urban area (‘territorialisation’), in particular through applying a flexible definition of innovation.

A number of the evaluation studies cited above started in 2009 and 2010 and their conclusions are not yet available.

Conclusion

The culture and practice of evaluation has made significant progress in France in the last few years at national as well as at regional level. Among the main factors, are: the *Loi d’orientation relative aux lois de finances* (LOLF, 2001) which applies to all public administrations from 2006; requests of the European Commission as regards assessing the use of the Structural Funds; and the *Révision générale des politiques publiques* (RGPP) launched in 2007–2008.

The methodologies of evaluation remain traditional, relying mainly on analysis of data and literature, interviews and case studies, as illustrated in particular in the national evaluation of *pôles de compétitivité*. Methods such as counterfactual analysis are rarely used.

⁷⁷ Méthode de diagnostic des stratégies d’innovation des régions françaises, ADIT, 2008.

⁷⁸ The presentation of the study to the Commission (9 June 2010) included a Part 1 dedicated to the urban projects in the French ERDF OPs (and the calls for ‘urban proposals’: APU).

In the case of the more recent evaluations (from around 2008):

- More attention is paid in general to analysing the effects of intervention, pointing to strategic issues and necessary re-directions, beyond merely assessing implementation – a good and ‘specifically French’ illustration concerns the strategic focus on the distribution and coordination of roles, responsibilities and funding between the State and regional authorities
- The *ex ante* evaluations carried out on behalf of DATAR (concepts of innovation and sustainability, NECATER) are interesting as means of optimising the conditions for implementing the CPER and ERDF OPs. However, they cannot be considered as preparing a real framework for future *ex post* evaluations.
- The diagnostics of the regional innovation systems established in all regions by the SRIs (according to national methodological guidelines) provide in general a good basis for evaluating the future effects of ERDF intervention (with respect to the priority axes on the knowledge economy, innovation, and competitiveness). They should be periodically updated as the OPs are evaluated.

SECTION 5 – CONCLUDING REMARKS – FUTURE CHALLENGES

The policy area in which most outputs and results are evident for the 2007–2013 period is undoubtedly “**Knowledge Economy, Innovation, Competitiveness**”. The SRIs carried out in all French regions in 2009 played a part, and maybe an important one, in this, since they crystallised the interest of regional and national public administrations, and to a lesser extent of business and academia, in innovation and innovation support policies at a time when the implementation of the ERDF OPs (and CPER) was starting. This was supported by the allegiance to the Lisbon strategy of the public authorities concerned.

However, not all of the outputs and results are new from a strategic point of view. Part of the achievements takes the form of classic R&D infrastructure and equipment. What is most important and relatively new compared to 2000–2006 is the emphasis placed from the beginning on support to clusters, from the nationally defined *pôles de compétitivité* to the regional *filières* or clusters defined in the policy documents of regions. These take at least two forms:

- establishment of a framework of priorities corresponding to the poles and clusters that support to R&D infrastructure and equipment has to comply with;
- support to collaborative (research–industry) R&D projects.

By contrast, collective action and support to individual businesses has achieved less, due at least in part to the crisis, with the marked exception of Midi–Pyrénées and its ‘*contrats d’appui*

à l'industrie', which are themselves a response to the crisis, demonstrating that well adapted schemes can be successful⁷⁹.

The knowledge economy has also benefited from outputs and results produced by Territorial Cooperation programmes, because of the significant involvement of universities and research centres in the transnational and cross-border networks.

The policy area which comes second in terms of the outputs and results produced is **"Accessibility and Transport (including ICT infrastructure)"**, which is not surprising, since it involves in general large-scale projects for which it is easier to spend ERDF money. The delays that may have affected them are generally due to the complexity of the projects which require preliminary studies, rather than to a reduction in public investment (national and regional).

The most disappointing policy area is **"Sustainable Development and Environment"** (except in the Territorial Cooperation programmes). In spite of the French Government's mobilisation of environmental policies with the *Grenelle de l'Environnement*⁸⁰, the implementation of the related measures has been limited and the outputs and results equally so. Projects are often very small scale which tends to increase the difficulty of spending ERDF resources. Compared to the diffusion of a culture of innovation by the French authorities, the approach to 'green policies' is lagging behind, at least with regard to the implementation of the relevant axes of the ERDF OPs.

On the whole, there are few differences between policies followed by the Competitiveness & Employment regions and the Convergence regions. The major difference so far concerns the programming levels of ERDF funding. Where major projects have started, the programming level is high, when the projects that have started are mainly small scale ones, the programming level tends to be low. More interesting is the effect on implementation of the relationship between the institutional actors, primarily between Central Government and the Region, which are 'constrained partners' in the implementation of the OPs⁸¹.

We consider the major challenges for making the most of ERDF funding are as follows:

- in the case of the "Knowledge Economy, Innovation, Competitiveness", there is a need to turn the outcomes of the SRIs into coherent action and measures to be funded by the ERDF; to ensure coherence between national priorities (SNRI, 'world-class' *pôles de compétitivité*) and regional ones (regional *filières*, poles and clusters); and to be more selective in the definition of priority *filières*, poles and clusters;

⁷⁹ The same happened in Basse-Normandie with the scheme '*Impulsion Conseil*' managed by the regional innovation and economic development agency, MIRIADE (see: SRI Basse-Normandie).

⁸⁰ <http://www.legrenelle-environnement.fr/>

⁸¹ <http://www.localtis.info/cs>: "Crédits européens: pourquoi tant de disparités régionales?", 1 March 2010.

- in the case of “Sustainable Development and the Environment”: make an important effort (public administrations and agencies such as ADEME) to make emerge larger projects with a significant impact, following the recent circulars concerning energy efficiency.

The other challenges to be addressed concern the future final evaluations that will be carried out:

- the indicators which describe the achievements in the AIRs should be made more homogeneous and comparable; the methodology and sources used for reporting them should also be harmonised through stricter guidelines provided by DATAR;
- future evaluations should not only assess the results of a project *per se*; but they also should concentrate more on the extent to which the effects and outcomes of a project address the problems of the regions concerned .

These two recommendations are not as contradictory as they might appear, since the first refers to the quantitative data that allow for comparisons across French regions, while the second refers to a qualitative assessment of the policies carried out and their appropriateness to the specific needs of regions.

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INTERVIEWS

- ADE: Patrick Van Bunnan
- DATAR (2 meetings)
 - Thomas Péguy, Chargé de mission Evaluation (Développement régional et politiques européennes)

- Mickaël Vaillant, Chargé de mission
- Ministère en charge de l'Outre-mer
 - Marie Guigueno, Département de l'évaluation des politiques publiques et de la prospective
- Ministère de l'Enseignement supérieur et de la Recherche
 - Sophie Cluet, Direction générale pour la Recherche et de l'Innovation, SSRI (chargée de la Stratégie nationale de recherche et d'évaluation)
 - Jacques Léglise, Direction générale pour la Recherche et de l'Innovation, Chef du Département de l'Action régionale
- Ministère de l'Economie de l'Industrie et de l'Emploi
 - Pascal Rogard, Sous-Directeur, Europe et Partenariats internationaux, Direction générale de la Compétitivité, de l'Industrie et des Services
 - Rémi Arquevaux, Chargé de mission, Direction générale de la Compétitivité, de l'Industrie et des Services
- Association des Régions françaises (ARF)
 - Pascal Gruselle, Chargé de mission Innovation
- Régions
 - Aquitaine : Didier Dareys
 - Basse-Normandie : Fabrice Salemi, Maryvonne Boudet
 - Guadeloupe : Claudia Ruffine (ITD-Eu is presently carrying out the mid-term evaluation of the ERDF OP 2007-2013)
 - La Réunion: Jean Ballandras (SGAR) and Serge Joseph (AGILE) (ITD-Eu is carrying out with Ismeri Europa a study "Growth Factors in the Outermost Regions" for DG REGIO, and covers La Réunion)
 - Rhône-Alpes : Thomas Cottinet

TABLES

See Excel file for Tables 1 and 2

Table 1: Regional disparities and trends

Table 2: Macro-economic developments

Annex Table A – GDP per head at regional level

Unit: EUR 2008				
	1990	2008	Benefit in EUR	Benefit in %
Ile-de-France	38,459	47,155	8,696	22.6
Rhône-Alpes	25,385	30,601	5,216	20.5
Provence – Alpes – Côte d'Azur	22,985	28,949	5,964	25.9
Alsace	25,463	28,470	3,007	11.8
Haute-Normandie	23,087	27,990	4,903	21.2
Champagne-Ardennes	22,966	27,835	4,869	21.2
Aquitaine	21,763	27,562	5,799	26.6
Pays de la Loire	21,155	27,533	6,378	30.1
Midi-Pyrénées	21,616	27,384	5,768	26.7
Bretagne	19,904	26,547	6,643	33.4
Centre	23,006	26,541	3,535	15.4
Bourgogne	22,046	26,427	4,381	19.9
Auvergne	20,926	25,630	4,704	22.5
Poitou-Charentes	19,995	25,259	5,264	26.3
Franche-Comté	21,711	25,010	3,299	15.2
Nord – Pas-de-Calais	19,492	24,866	5,374	27.6
Basse-Normandie	20,703	24,813	4,110	19.9
Limousin	20,489	24,794	4,305	21.0
Lorraine	20,976	24,606	3,630	17.3
Corse	18,889	24,232	5,343	28.3
Picardie	21,111	23,890	2,779	13.2
Languedoc-Roussillon	19,494	23,726	4,232	21.7
Province	21,909	26,941	5,032	23.0
Métropole	25,022	30,746	5,724	22.9
Dom	13,768	17,888	4,120	29.9
France	24,758	30,401	5,643	22.8

Reading: between 1990 and 2008 GDP per capita of the Ile de France region increased by EUR 8,696 for inflation. This represents an increase of 22.6%. Source: INSEE. Year of data 2008

Annex Table B – Commitment rate(*) and distribution of commitments of ERDF

ERDF committed	FR(**)	EU27	Distribution,FR(**)	Distribution,EU27
Convergence Objective	26.1%	25.2%	100.0%	100.0%
1.Enterprise environment	17.1%	32.6%	13.9%	32.3%
ICT.and.related.services	32.9%	32.3%	2.5%	3.7%
Innovation.support.for.SMEs	32.9%	20.7%	4.4%	5.6%
Other.investment.in.firms	7.8%	44.3%	2.3%	9.4%
RTDI.and.linked.activities	15.5%	34.5%	4.7%	13.6%
2.Human resources	38.3%	17.5%	0.1%	0.4%
Education.and.training	38.3%	11.4%	0.1%	0.1%
Labour.market.policies		25.8%	0.0%	0.2%
3.Transport	35.2%	22.3%	24.7%	28.9%
Other	33.1%	18.1%	7.8%	3.0%
Rail	0.0%	15.9%	0.0%	6.4%
Road	64.7%	26.9%	16.9%	19.5%
4.Environment.and.energy	37.9%	16.1%	30.9%	15.2%
Energy.infrastructure	18.5%	12.1%	1.2%	1.8%
Environment.and.risk.prevention	39.5%	16.8%	29.8%	13.4%
5.Territorial development	20.7%	32.9%	29.4%	19.0%
Other	17.1%	22.3%	8.7%	0.1%
Planning.and.rehabilitation	20.9%	27.2%	4.4%	3.6%
Social.Infrastructure	25.5%	35.8%	12.8%	10.3%
Tourism.and.culture	17.7%	32.9%	3.5%	5.0%
6.Technical.assistance	11.5%	31.5%	0.9%	4.2%
Competitiveness Objective	27.6%	30.4%	100.0%	100.0%
1.Enterprise environment	30.5%	33.8%	57.7%	60.6%
ICT.and.related.services	42.4%	24.1%	8.3%	2.8%
Innovation.support.for.SMEs	18.4%	29.2%	13.2%	20.7%
Other.investment.in.firms	42.0%	54.7%	5.3%	14.6%
RTDI.and.linked.activities	36.3%	32.0%	30.9%	22.6%
2.Human.resources	37.5%	17.7%	1.8%	2.2%
Education.and.training	37.4%	12.9%	1.0%	0.7%
Labour.market.policies	37.6%	21.6%	0.8%	1.5%
3.Transport	22.8%	27.8%	7.6%	6.2%
Other	13.7%	27.0%	2.1%	2.3%
Rail	31.8%	20.0%	5.5%	1.3%
Road	1.0%	36.4%	0.0%	2.5%
4.Environment.and.energy	22.2%	20.2%	18.6%	11.0%
Energy.infrastructure	27.1%	18.5%	9.3%	3.7%
Environment.and.risk.prevention	18.8%	21.3%	9.4%	7.3%
5.Territorial.development	28.3%	34.8%	11.4%	17.6%
Other	.	2.6%	0.0%	0.0%
Planning.and.rehabilitation	15.5%	27.5%	2.9%	5.7%

Social.Infrastructure	58.3%	49.7%	4.2%	5.4%
Tourism.and.culture	29.7%	35.1%	4.3%	6.5%
6.Technical.assistance	26.4%	23.4%	3.0%	2.3%

Source: Applica and Ismeri calculations based on data from DG Regio

Notes:

(*) commitment rate: commitments in relation to ERDF allocation

(**) commitment rate and distribution of commitments based on programmes for which data is available (24 out of 36)