



**Expert evaluation network
delivering policy analysis on the
performance of Cohesion policy 2007-2013
Year 2 – 2012**

**Task 2: Country Report on Achievements of
Cohesion policy**

Belgium

Version: Final

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Applica

**A report to the European Commission
Directorate-General Regional and Urban Policy**

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List of abbreviations

- AIR Annual Implementation Report
- CBCP Cross Border Cooperation Programmes
- CEP Competitiveness and Employment Programme
- CP Competitiveness Programme
- FEI Financial Engineering Instrument
- MA Managing Authority
- ICN Institut des Comptes Nationaux (Institute of National Accounts)
- OP Operational Programme
- PIZ Priority Intervention Zone

EXECUTIVE SUMMARY

The recovery of the economy from the recession continued but growth in 2011 (1.9%) was slightly lower than in 2010 (2.2%). In the Flemish region, growth in 2011 was above the national average, in the Walloon region, slightly below and in the Brussels Capital region, markedly below. Fiscal consolidation measures at national, regional, community and local levels continued in 2011, tending to reduce the funds available for supporting regional development.

There were no modification in the course of 2011 in the objectives of the Convergence Programme (CP) in Hainaut and the Competitiveness and Employment Programmes (CEPs) in the rest of the country and there was no major shift of funding within these. There was however a modification of the overall allocation to the CP in Hainaut. In that the national public contribution was reduced by over 50% which represented a cutback in the overall funding for the programme (ERDF plus national public allocation) of one third. According to the Annual Implementation Report (AIR), the reason for the cutback is the deterioration in the economic situation.

No specific measures were taken in the CP and the three CEPs to tackle the problem of youth unemployment, since the problem is less severe in Belgium than in many other Member States and because nearly all the funding was already committed to projects. There were equally no new or additional measures taken to alleviate any difficulty SMEs have in obtaining finance because of the credit squeeze.

In the course of 2011, there was progress in all regions in implementing Cohesion policy programmes and by the end of the year around one third of the available funding was paid out although there were significant differences between programmes. The pace of programme implementation was quickest in the Flemish region but there was equally good progress in the Brussels region and in the Cross Border Cooperation Programmes (CBCPs), so that there was some catching up with the delay at the beginning of the programming period. Progress was slowest in Hainaut and the Walloon region at least so far as financial implementation is concerned.

Although by end-2011 significantly more projects had been completed than by end-2010, it is still too early to see any evaluation evidence on whether or not the expenditure is having the intended effects. Overall, the measures carried out by end-2011 have supported 1,117 business start-ups (762 by end-2010; final target: 2,552) and are estimated to have led to the direct creation of 3,989 jobs in Hainaut, the Walloon region and in Brussels (2,565 by end-2010, final target: 12,274) and directly and indirectly to 5,388 jobs in the Flemish region (Source: mid-term evaluation).

During 2011, mid-term evaluations were carried out of the CEPs in the Brussels-Capital region and the Flemish region. Several recommendations were made which deserve consideration in the preparation of the 2014-2020 programmes. Three evaluations of the Hainaut CP and the Walloon region CEP are currently being carried out.

1. THE SOCIO-ECONOMIC CONTEXT

Main points from previous country reports¹:

- The main socio-economic imbalances in the country continued to increase over the previous programming period with Hainaut falling further behind the national average in terms of the main economic indicators. This contributed to widening the North-South divide, with GDP per head in the Flemish region over 30 percentages points higher than in the Walloon region.
- As measured, GDP per head in the Brussels-Capital region is nearly twice the national average but this does not imply that Brussels residents have a similarly high level of income. Nearly six out of ten jobs in Brussels are filled by commuters², which explains the low average income per head in the region compared to GDP per head.
- Although the Belgian economy was strongly affected by the financial and economic crisis, the impact was less severe than in many other Member States and recovery has been quicker.
- Because manufacturing was more affected by the recession than services, GDP in both the Flemish region and Wallonia declined by more in 2009 than in Brussels.
- In 2010 growth resumed in all three Belgian regions but not in the same way because of their structural differences. The Flemish and Walloon regions benefited most from recovery in external demand for manufacturing goods and each recorded growth rates of just over 2% while in Brussels growth was just under 2%.
- In order to limit excessive public deficits, and in accordance with the government's undertaking under the stability programme, each region has established its own policy for fiscal consolidation.

Developments in 2011

The recovery of the economy after the recession continued in 2011 but growth was slightly lower than in 2010. In the first quarter of 2011 the Belgian economy was still growing strongly but growth subsequently slowed down in line with the international economy. On an annual basis, growth nevertheless amounted to 1.9% in 2011 (2.2% in 2010). At regional level, growth in 2011 was above the national average in the Flemish region (2.1%), slightly below in the Walloon region (1.8%) and markedly below in the Brussels-Capital region (1.2%). According to the Belgian Institute of National Accounts (ICN) (2012), growth in Brussels was hampered by the poor performance of the "credit and insurance" sector (zero growth) which accounts for nearly a fifth of the value-added of the region while the other two regions benefited from the continued growth of manufacturing.

Up to now, employment in Belgium has proved relatively resilient despite the economic crisis. In 2011, as employment growth outpaced the expansion of the labour force, the unemployment rate declined from 8.3% in 2010 to 7.2%³. At regional level, the reduction in unemployment was

¹ Available at the DG Regio website:

http://ec.europa.eu/regional_policy/information/evaluations/index_en.cfm#1; Belgium reports 2010, 2011.

² These are people who live in the Flemish and in the Walloon region (and who pay taxes where they live).

³ See Excel Table 1.

most significant in the Walloon region where the unemployment rate of those aged 15 and over declined by nearly 2 percentage points (from 11.4% in 2010 to 9.5% in 2011) though it also fell in the Flemish region (by 0.8 percentage points from 5.1% in 2010 to 4.3% in 2011). The unemployment rate in the Brussels-Capital region is much higher than in the other two regions reaching 17.3% in 2010 and falling only slightly in 2011 (to 16.9%). According to ICN, employment growth in 2012 in Belgium will lag behind the expansion of the labour force, so that unemployment will increase if only slightly – to a forecast 7.5%.

Just as in other countries, public finances in Belgium were affected by the 2009 economic crisis. In that year, the deficit rose to 5.7% of GDP. In December 2009, for the first time since the creation of the Economic and Monetary Union, the European Commission initiated an excessive deficit procedure against Belgium. Since then, major steps towards consolidating public finances have been taken. In 2011, the deficit was brought down to 3.9% of GDP and the government is committed to cutting the deficit below 3% in 2012. In December 2011, the new Federal government presented the budget for the year 2012, which is intended to cut the deficit to 2.8% of GDP, in line with the Council's recommendation.

Given the institutional structure of Belgium, where many powers and financial resources are decentralised, the fiscal consolidation needs to be shared between regions, communities and local authorities. In 2009, the federal entities implemented significant measures and maintained these in the following years, essentially with a view to improving the efficiency of public services. In 2011, the Communities and Regions managed to reduce their deficit to 0.2% of GDP, from 0.5% of GDP in 2010. The fiscal consolidation measures introduced have tended to reduce the funds available for support of regional development. This is demonstrated by the cutting back of national co-financing for the Hainaut CP in the course of 2011 (see next section).

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

THE REGIONAL DEVELOPMENT POLICY PURSUED

Main points from previous country reports:

- Cohesion policy in Belgium is aimed at contributing to the objectives and priorities pursued by the region's own development plans⁴. Regional development policy is designed and implemented in a completely decentralised way because of the country's institutional set-up which gives full autonomy to the regions over economic development.
- In the Brussels-Capital region, ERDF co-financing is concentrated in the most deprived part of the city, the so-called Priority Intervention Zone (PIZ⁵), and mainly supports infrastructure projects to increase the attractiveness of the area as a place to live and work as well as to start up and develop businesses. In the Walloon region and Hainaut

⁴ These are the "Contract of Economic development and Employment" in the Brussels region, the "Marshall Plan 2.Green" in the Walloon region and the "Flanders in Action Plan" in the Flemish region.

⁵ The PIZ covers 7 communes (Molenbeek-Saint-Jean, Anderlecht, Bruxelles, Schaerbeek, Saint-Josse-ten-Noode, Saint-Gilles and Forest) and concentrates 16% of the population living in the Brussels-Capital region.

the ultimate goal of intervention is to expand and diversify the economic base and to realise agglomeration economies through stimulating the development of poles of competitiveness in six areas of technology⁶. ERDF finance mainly supports the enterprise environment through investment grants and support to RDTI. In the Flemish region, the aim is to make the area one of the most competitive in Europe by promoting entrepreneurship, knowledge and innovation, improving the spatial economic environment and enhancing urban development. ERDF funding contributes to this, essentially by financing infrastructure projects supportive to entrepreneurship, the development of skills and the internationalisation of business activity.

- Overall there have been very few changes to the initial allocation of funding by broad policy area in any of the OPs since the programming period began. Apart from a reallocation⁷ in 2010 of 7% of the total ERDF in the Flemish CEP from the priority axis “Entrepreneurship”, with very low financial absorption, to the priority “Business environment and spatial planning” where it was used to build and improve infrastructure and increase energy efficiency of social housing, no other changes were made.

Developments in 2011

There were no modifications in the course of 2011 to the allocation of ERDF in any of the programmes. The breakdown of funding of the OPs by broad policy area, therefore, is the same as set out in last year’s report and is not discussed here in detail⁸.

There was however an important modification in the overall allocation to the Hainaut CP, in that the national public contribution was reduced by over 50%, which represents an overall cutback in funding for the programme (ERDF plus national public allocation) of a third. The reason for the reduction was an increase in the ERDF co-financing rate from 40-45% to 60% in all priorities⁹. If the ERDF allocation is considered to be a ‘constant’ (rather than the overall amount of funding decided at the beginning of the programming period) the increase in the ERDF co-financing rate has been accompanied by reduction in national co-financing. The question of whether this conforms with the principle of additionality¹⁰ merits consideration, though the issue is not explored here since it falls outside the scope of this report. Whatever the answer to this question, the result of the increase in the EU co-financing rate is a reduction in total funding for the OP (EU and national) of EUR 321 million (from EUR 1,070 million to EUR 749 million) which has obvious implications for the fulfilment of the planned programme as well as for meeting the N+2 rule (see next section).

⁶These are health (“Biowin”), agro-industry (“Wagralim”), mechanical engineering (“Mecatech”), aeronautics and space (“Skywin”), transport and logistics (“Logistics in Wallonia”) and since 2010, environmental technologies (“GreenWin”).

<http://clusters.wallonie.be/federateur/fr/poles-de-competitivite/les-poles-de-competitivite-wallons/index.html>

⁷ The reallocated amount represented just 7% of the total ERDF of the Flemish CEP and did not involve any major change in the main priorities pursued.

⁸ See country reports Belgium 2010 and 2011 and Annex Table A which gives an overview of the breakdown.

⁹ Decision C(2011)7 121final of 5 October 2011.

¹⁰ The additionality principle requires that contributions from the Structural Funds do not replace public expenditure by Member States.

The reduction in the national contribution to the Hainaut CP is clearly due to the need for further fiscal consolidation as a consequence of the crisis and its aftermath. The 2011 AIR states that the economic situation has deteriorated significantly since the programme was initially decided and refers in this regard to article 33 (1st paragraph) of the general regulation (EC) No 1083/2006.

Despite the significant cutback in funding, there was neither a revision of the initial objectives and goals to be achieved by 2015 to reflect the smaller amount of resources to carry out the programme nor an update of the output, result and core indicators set for programme management and evaluation. Whether this is due to negligence, unawareness of the role of indicators or a (misplaced) belief in what is achievable through increased efficiency is another question worthy of consideration which is not explored any further here.

In response to rising levels of youth unemployment¹¹ the Commission launched the Youth Opportunity Initiative in the course of 2011 and formulated specific recommendations to help Member States in the development of their action plans to tackle youth unemployment more effectively. In the context of the Structural Funds, the Commission has encouraged Member States to increase financing to programmes and actions that have a direct impact on youth employment by using any uncommitted funds (primarily from the ESF and to a lesser extent the ERDF) and by shifting funding between priorities as well as from the ERDF to the ESF. In Belgium, a relatively modest amount of ESF support (less than 0.5% of the overall amount available) has been shifted mainly from support of enterprises towards education and training and other labour market policies, but there was no reallocation of the ERDF of this kind (see Excel Table 3). The reasons for this are twofold. First, although the youth unemployment rate in Belgium has increased since the crisis in 2008¹², the problem is less severe than in many other Member States. Consequently there is less pressure to use ERDF finance for new measures in this regard¹³ - by taking funding away from other priorities - in addition to those promoted by the action plans at national and regional levels. Secondly, by end-2010 over 96% of the support from the ERDF was committed to projects, which in practice gave little room for reallocating funding.

There was equally no shift of the ERDF allocation towards new measures aimed at alleviating the difficulties SMEs might face in obtaining finance because of the credit squeeze. It should be noted in this regard that support in the form of refundable finance and direct grants to companies, SMEs in particular, are major policy instruments in Belgium and this is equally reflected in the large allocation of the ERDF to these in the CP and the CEPs. No other Member State is using the ERDF as extensively as Belgium to co-finance investment grants - nearly 25%

¹¹ The youth (15-24) unemployment rate jumped from the beginning of 2008 in the EU27, rising from 15% in February 2008 to more than 21% in the beginning of 2010. It has risen to an unprecedented high level of 22.5% at the beginning of 2012 on average in the EU and of 50% in some Member States.

¹² The unemployment rate of young people (15-24) in Belgium went up from 17% in 2008 to 17.8% in 2011.

¹³ Existing ERDF co-financed measures which tackle youth employment and/or employability are mainly support to childcare facilities in the Brussels region and the investment in infrastructure and equipment in education and training organisations in the other regions.

of the total ERDF available¹⁴ goes to these (as against an average of 7.7% in the EU15)¹⁵ - and only a few allocate as much ERDF to Financial Engineering Instruments (FEIs) in the form of loans, loan guaranties and venture capital as Belgium (10.8%, as compared with an average of 7.6% in the EU15)¹⁶. Although the strong focus on financial support for enterprises does not mean that all the market failure is corrected, so that SMEs are able to find the finance they need without difficulty but it indicates that the problem is already being tackled by policy in general and Cohesion policy in particular. In addition as highlighted above, there was not much funding left in the Belgian programmes which could have been reallocated to this because nearly all of it was committed by end-2010.

POLICY IMPLEMENTATION¹⁷

Main points from previous country report:

- At end-2010, programme implementation¹⁸ amounted, on average, to 21% of the total funding available. It was above average in the Flemish region (26%) and in Hainaut (22%) and below in the Walloon region (17%) and Brussels (11%). It was 15% and 20%, respectively, for the CBC programmes Vlaanderen-Nederland and France-Wallonie-Vlaanderen.
- In Hainaut and in Wallonia the entire ERDF allocation had already been committed by the end of 2009 and all budgets with the exception of the aid schemes were allocated to “project portfolios” or individual projects in the course of 2010. Equally in the Brussels region the ERDF was fully committed to specific projects by end-2010 and in the Flemish region commitments stood at around 60% of the total ERDF for the period.
- The main feature in 2010 was the speeding up of programme implementation in the Flemish region which followed a shift of funding from priority “Entrepreneurship” towards investment in infrastructure to improve the business environment and, more especially, energy efficiency in social housing.
- In all OPs, the implementation of larger infrastructure projects aimed at improving accessibility, cleaning up of old industrial land and creating places for business activity was lagging mainly because of long preparation time.

¹⁴ There are however significant differences between the programmes: 32% of the ERDF is allocated to investment grants in the Hainaut CP, 25% in the Walloon CEP, 20% in the Brussels CEP and only 2% in the Flemish CEP (see annex Table A).

¹⁵ See Synthesis of national reports 2011, Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013, February 2012 available at http://ec.europa.eu/regional_policy/information/evaluations/index_en.cfm#1

¹⁶ See Terry Ward (2012), The use of the ERDF to support Financial engineering instruments, Synthesis Report, Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 available at http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/expert_innovation/2012_synthesis_final.pdf

¹⁷ The indicators used in this section come from the AIR for 2011, which relate to the situation up to the end of 2011. A more up-to-date view of the aggregate position (though not of the situation in the different policy areas) is presented in the Synthesis Report for 2012 of the Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 which is based on data for payments from the ERDF and Cohesion Fund up to the end of 2012, i.e. after the present report was completed.

¹⁸ Measured by the implementation rate which is defined as the amount of certified eligible expenditure paid by beneficiaries in relation to total allocation (national and ERDF).

Developments in 2011

In the course of 2011 there was progress in all regions to implement Cohesion policy programmes and by the end of the year a little more than one third of the available funding was invested. There were however significant differences between the regions and the programmes as illustrated by Figures 1.1 and 1.2 which each summarise the state of policy implementation from a different angle – in the first, the amount of certified eligible expenditure in relation to the total funding available (the implementation rate), in the second, the amount of ERDF paid out by the Commission to the Managing Authorities (MAs) in relation to the total ERDF for the period (the payment rate).

As in 2010, the pace of programme implementation in 2011 was fastest in the Flemish region where the implementation rate increased from 26% at end-2010 to 46% at end-2011 (see also Table 1). Progress in implementing projects was particularly rapid in priority 3, aimed at “Improving the basis for economic structuring and spatial planning” which largely consists of supporting infrastructure investment of so called “leverage” projects of different kinds and in different sectors (renewable energy [e.g. EnergyVille], exhibition centres [Xpo – XOM NV], biotechnology [bio-incubators - KU Leuven], textile manufacture [Campus Tio³] and “social innovation campuses” in various places all over the region). Overall, the CEP in Flanders was most advanced in terms of implementation and the timing is close to the “theoretical pace of implementation” (See Figure 1.3.). By end-2011, over 92% of the ERDF available was committed to specific projects.

In 2011, there was equally good progress in implementing the CEP of the Brussels region, so that there was some catching up with the delay at the beginning of the programming period in both priorities pursued. Despite the acceleration during 2011 in executing the programme, just 26% of the funding was spent by the end of the year, much less than the average either in Belgium or in the EU15 (see Table 1 and Figure 1.3). As emphasised in last year’s country report and in the 2011 AIR the delay is mainly due to the nature of the projects co-financed most of which require long planning and preparation, though once actual work starts, funding is likely to be absorbed quickly. According to the MA, there is nevertheless a risk of the programme not being carried out on time despite the fact that all of the funding had already been attributed to specific projects by the end of 2010.

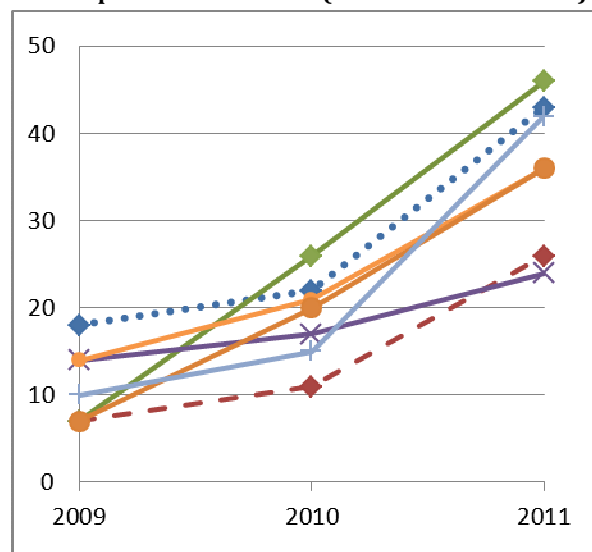
On the other hand, in Hainaut and the Walloon region, 2011 was marked by slow progress in implementing projects, at least so far as financial absorption is concerned. This added to the already significant delay in relation to the planned execution of the programmes (see Annex Table B). In Hainaut, the payment rate increased between end-2010 and end-2011 by just one percentage point (from 29% to 30%) and it remained unchanged in the Walloon region (24%). It must be emphasised that the implementation rate tends to give a distorted view of progress in 2011 as regards the execution of the Hainaut CP because of the significant cut-back in national funding which artificially increases the implementation rate¹⁹ and which also inflates the Belgian average. Figure 1.1 needs therefore to be interpreted with care since a direct

¹⁹ The same shortcoming affects the figures in Table 1. An adjusted implementation rate for Hainaut obtained by maintaining unchanged the initial finance by priority axis and for the programme as a whole (EUR 1,070 million instead of at EUR 749 million) is reported in brackets. Measured in this way, by end-2011 the implementation rate was 30% of the funding available in Hainaut and it was 24% in the Walloon region, much lower than the adjusted Belgium average (31%).

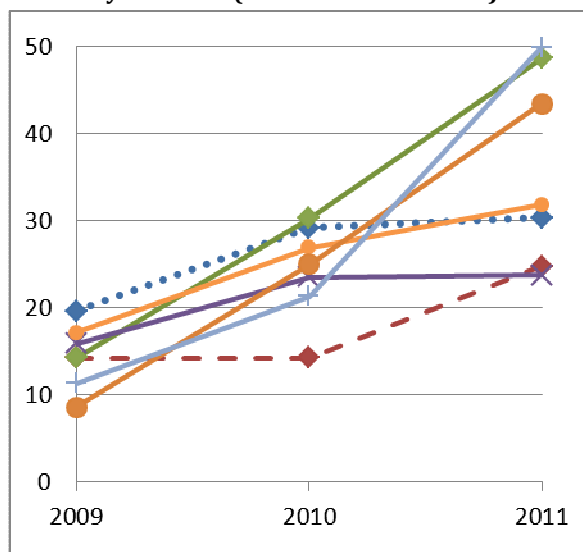
comparison between 2010 and 2011 is not meaningful because of this. According to the MA, there was, nevertheless, progress in both programmes in implementing priority 3, aimed at supporting more sustained and balanced territorial development by cleaning up industrial land, providing places for businesses and supporting urban development. In the course of 2011 there were significant increases in implementation rates in this particular priority in both programmes, from 3-4% by end-2010 to 10-11% by end-2011 (adjusted in the case of Hainaut) but there are still not many tangible outcomes.

Figure 1 - Progress in programme implementation by end 2011

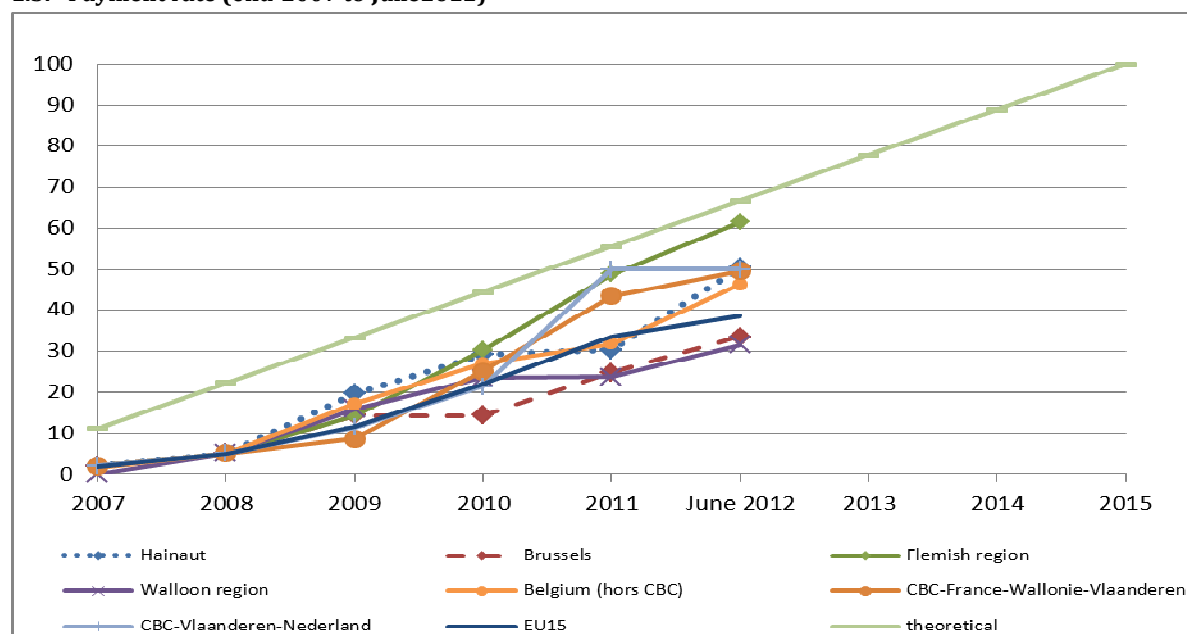
1.1. Implementation rate²⁰ (end-2009 to end-2011)



1.2. Payment rate (end-2009 to end-2011)



1.3. Payment rate (end-2007 to June 2012)



Source: own calculations based on DG REGIO data

²⁰ As noted in the text, the implementation rates at end-2010 and end-2011 cannot be directly compared.

In order to accelerate financial absorption, several measures were taken by the MA in the Walloon region which seem to have been effective since financial implementation of both programmes increased up again in 2012 (see Figure 1.3.). The measures taken were:

- Closer monitoring of several groups of projects (so-called project portfolios) for urban development within priority 3 of the programmes. The intention was and remains, to monitor operational developments on a more continuous basis to anticipate potential bottlenecks and to take measures to prevent them from arising.
- Measures to accelerate payments to beneficiaries to avoid potential cash flow problems delaying progress in implementing projects.
- Reaffirmation by the MA of its “power” to reallocate money from projects experiencing significant delay and declaration of its firm intent to do so in the course of 2012.

Table 1 – Certified eligible expenditure paid by beneficiaries and Implementation rates (end-2009, 2010 and 2011)

	Expenditure			Increase in Expenditure % change 2010-2011	Implementation rate			Increase in Impl. rate difference 2011-2010
	EUR million				Expenditure in % of Allocation			
	2009	2010	2011		2009	2010	2011 (adjusted)	
P1: Job and business creation	151.0	159.4	186.5	17.0	39	41	64 (48)	23 (7)
P2: Human capital, know ledge, know -how and research	40.4	55.8	89.0	59.3	17	23	55 (37)	32 (14)
P3: Balanced and sustainable territorial development	3.6	18.8	44.3	136.1	1	4	15 (10)	11 (6)
Technical assistance	0.0	0.6	1.5	146.6	0	5	18 (12)	13 (7)
Hainaut	195.1	234.6	321.3	37.0	18	22	43 (30)	21 (8)
P1: Job and business creation	79.9	83.0	89.3	7.6	36	37	40	3
P2: Human capital, know ledge, know -how and research	15.3	26.4	49.1	86.2	9	15	28	13
P3: Balanced and sustainable territorial development	3.8	10.3	35.5	246.4	1	3	11	8
Technical assistance	0.0	0.5	1.2	115.6	0	7	16	8
Walloon region	99.0	120.2	175.1	45.7	14	17	24	8
P1: Support for territorial competitiveness	5.8	9.4	19.2	104.5	8	13	27	14
P2: Strengthening territorial cohesion	1.5	2.2	9.3	316.9	3.8	5.8	24	18
Technical assistance	0.6	1.0	1.6	64.9	13	21	34	14
Brussels region	7.8	12.6	30.0	139.2	7	11	26	15
P1: Know ledge economy and Innovation	6.7	27.5	49.8	81.1	6	23	41	18
P2: Entrepreneurship	1.3	10.9	22.9	109.9	2	13	28	14
P3: Improving the basis for economic structuring and spatial planning	14.2	61.5	105.9	72.3	9	39	67	28
P4: Urban development	10.0	28.1	43.7	55.3	8	23	36	13
Technical assistance	1.6	3.5	5.3	51.0	10	22	33	11
Flemish region	33.7	131.5	227.6	73.0	7	26	46	19
P1: Economy	12.4	17.4	48.9	181.2	13	18	52	33
P2: Environment	3.4	7.4	18.0	141.8	7	16	40	23
P3: People	1.9	3.2	10.3	218.9	5	9	27	19
Technical assistance	1.2	1.2	3.3	175.4	10	10	29	18
CBC-Vlaanderen-Nederland	18.8	29.2	80.5	175.1	10	15	42	27
P1: Economic development	4.9	16.1	30.3	87.9	6	21	39	18
P2: Territorial identity	7.1	18.2	30.1	65.4	9	24	40	16
P3: Accessibility and development of services	1.4	4.0	7.7	92.0	5	14	27	13
P4: Sustainable development	2.2	10.2	17.4	69.6	4	20	34	14
Technical assistance	0.9	2.1	4.0	92.2	6	14	27	13
CBC-France-Wallonie-Vlaanderen	16.5	50.7	89.5	76.6	7	20	36	16
Total Belgium (CBC excluded)	335.6	498.9	754.0	51.1	14	21	36 (31)	15 (11)

Source: own calculations based on DG REGIO data

Note: in brackets adjusted values taking account of the cut-back in national public co-funding for the CP Hainaut

So far as the CBC Objective is concerned, there was good progress in 2011 in implementing both programmes under the responsibility of Belgian MAs. This was particularly so for the Vlaanderen-Nederland programme. Expenditure at end-2011 amounted to over 42% of total

funding available for the programme as against only 15% at the end of 2010. For the France-Wallonie-Vlaanderen programme, the implementation rate by end-2011 (36%) was also significantly higher than at end-2010 (20%).

Note:

Before reviewing the main achievements so far in the next section, it is worth considering the meaning of funding being committed to specific projects and the nature of funding promises. As highlighted above, over half of the national contribution for the Hainaut CP was cut in 2011. At the same time *all* the ERDF allocation and, presumably the counterpart co-financing amount at the initial rate, had already been committed to projects in 2009. Since over half of the national public funding has been taken away, it follows that many of the projects agreed cannot now take place or, at least cannot be undertaken on the same scale as planned. There is no mention at all on this issue in the 2011 AIR and it is not explained how, and to what extent, this affects the coherence of the strategy pursued by the programme and of the project portfolios²¹ in particular.

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

Main points from previous country report:

- Since expenditure by end-2010 was on average just 21% of the total funding available, it was too early to see significant achievements from the programmes and tangible outcomes from the projects because most were still to be completed.
- Most of the achievements reported in 2010 were in the *enterprise environment* policy area. Support services to companies and entrepreneurs, grant schemes and FEIs were operational in 2010 and it was mentioned in the AIRs that these helped SMEs to cope with the recession. Though there are several indicators in the programmes which show tangible outcomes by end-2010, aggregate achievements at national level are best reflected by the 880 start-ups supported because this is the only indicator which can be aggregated across programmes. The achievement by end-2010 represented one third of the final target set.
- In the policy area of *innovation and R&D*, support to research centres led to several concrete technology developments and a number of patent applications in 2010. Some industrial research projects in companies were launched and a few collaborative research ventures between universities and companies were supported. The number of research jobs created by end-2010 was in several programmes close to the final target.
- There were not many tangible outcomes by end-2010 in the *territorial development* policy area. As most of the projects supported by the programmes are aimed at developing infrastructure and places for business development, cleaning up old industrial land and regenerating urban areas and so require lengthy planning and preparation, work had only started in a few cases.

²¹ "Project portfolios" are sets of interrelated projects designed and implemented in an as coordinated way as possible to increase the overall impact of the support. This approach was first adopted in the present programming period.

- Though ERDF support for the development of *human resources* is very small in all Belgian programmes, a significant number of workers had received training in modernised and/or newly equipped training and competence centres.
- The *transport and telecommunication* and the *environment and energy* policy areas both receive only a modest share of funding and there were no major achievements by end-2010.
- The AIRs contain virtually no qualitative information about programme outcomes. Instead, they concentrate to a large extent on reporting progress in terms of monitoring indicators and financial absorption²². The AIRs of the Flemish CEP in particular only provide information on the projects selected in the reporting year but there is no way of disentangling the progress in implementing these because quantitative indicators are only available as aggregates at priority level.

Developments in 2011

This section is intended to give an overview of the main achievements up to end-2011 and progress made in this respect since the account contained in last year's country report. The primary sources of information are the 2011 AIRs and a set of core-indicators compiled by DG Regional Policy as of July 2012. It should be noted at the outset that the quality of information in the AIRs has not changed. The criticisms expressed in previous reports in this regard as well as the difficulty in presenting a coherent picture of overall achievements on the basis of the AIRs remain valid. Evaluations carried out so far, including the mid-term evaluations produced in 2011, do not help much to provide more of picture of achievements because their focus is much broader and they contain no additional information which is relevant. (See section four: Evaluations and good practice in Evaluation).

Enterprise environment

Advanced support services to companies and entrepreneurs

Advanced support services to companies and entrepreneurs have been fully operational since 2010 in both Hainaut and the rest of the Walloon region, in the sense that all the various kinds of specialised advice, consultancy and guidance are being provided. According to the MA, there is satisfactory progress in delivering these services which is reflected in the main indicators associated with the measure and there are good prospects of achieving the objectives set at the beginning of the programming period. In the course of 2011, these services supported the start-up of 66 new businesses in Hainaut and 130²³ in the rest of the Walloon region, bringing the total number of start-ups assisted to 560. It also supported 842 companies in developing and diversifying their activities, and, accordingly, 2,487 since the beginning of the programming period²⁴. These companies together with the start-ups created 1,085 new jobs in Hainaut and 538 in the rest of the Walloon region.

²² There is however variation in the informative quality of the AIRs in Belgium. As noted in last year's report, AIRs are slightly more detailed for the CP Hainaut and the CEP of the Walloon region.

²³ Together these represent around 3.7% of all new business creations registered in 2010 (5.268; Source of data IWEPS).

²⁴ These represent around 2.7% of all commercial companies in Wallonia (92,384 in 2010; Source IWEPS).

In 2011 there was significant progress in the Flemish region in supporting entrepreneurship, as reflected in many of the output and result indicators more than doubling in value as compared with the situation at the end of 2010. The main outcomes of the advice and services to entrepreneurship, facilitate the creation and growth of companies and promote their internationalisation are as follows: 216 people launched their own businesses (62 by end-2010; final target: 300), 1,292 companies received assistance to expand their activities (637 by end-2010; final target: 1,200) and 479 companies were helped to develop their exports (34 by end-2010; final target: 400). The projects carried out differ significantly (see Box for an example of a relatively original one).

Battle of Talents

The project is being carried out under the Flemish region CEP with a budget of EUR 234,940 (EUR 94,000 from the ERDF)

Battle of Talents is an on-line competition for the best business plans formulated by students attending higher education institutions in the Flemish region. The aim is to stimulate entrepreneurship and to raise awareness in this regard among young people. There is a prize of EUR 25,000 for the best plan. The annual target is 500 participants and 150 completed business plans. The initial duration was from October 2008 to September 2010 but it was prolonged to 2012 because of its success.

Source: "Tussentijdse evaluatie van het Doelstelling 2-programma 'Regionaal concurrentievermogen en werkgelegenheid 2007-2013" (2011) (Mid-term evaluation of the CEP of the Flemish region)

Though there was obviously progress in implementing the priority as shown by the increase in most indicators, the fact that many have already exceeded the final target needs to be interpreted with care. "Over-achievements" are likely to be the result more of targets not being set in a meaningful way than of good performance and exceptional efficiency in implementing projects. Indeed, as highlighted in last year's report, because of the difficulty of absorbing the funding allocated to the priority, over EUR 37 million²⁵ had been shifted to other priorities. Despite the reduction in the budget, the end-targets for this priority were not adjusted and therefore possibly too ambitious in relation to the resources available. Given that by end-2011, only 28% of the already reduced allocation had been spent (Table 1), it is surprising that many of the targets had been reached, which raises an obvious question-mark over their meaningfulness²⁶.

There is another issue worth noting. Under the "Entrepreneurship" priority, the Flemish CEP finances the renovation of urban facades and unoccupied stores and the beautification of shopping centres. In 2011, all except one of the 43 projects approved under this priority consisted of renovating and embellishing buildings in municipalities and cities across the region. There is a need to explain not only the intervention logic in this regard but also how and to what extent the projects co-financed are intended to help strengthen Flemish entrepreneurship²⁷.

²⁵ Corresponding to a shift of ERDF of EUR 15 million.

²⁶ According to the MA, final targets for some indicators were now adjusted to reflect the reduction in budget for this priority and the adjustments should figure in the 2012 AIR.

²⁷ Although the beautification of shopping centres might stimulate sales and contribute to the development of retail industry as emphasised by the MA, it is not clear how it helps to tackle the main

Investment grants and other financial support to companies

Progress in 2011 as regards investment grants to companies was, for the second consecutive year, very modest in both Hainaut and the rest of the Walloon region. Just 13 new investment decisions were taken in Hainaut and only 2 in the Walloon region which is less than the already lower than anticipated number of decisions in previous years. According to the MA, there was also a higher number of abandonments in 2011 because beneficiaries decided in the end not to invest or because they went bankrupt. The main factor underlying the slow progress in implementing the measure is clearly the global recession because it deterred companies from investing and it made it more difficult for applicants to demonstrate that their proposal was capable of creating the number of jobs required by the regulation for obtaining the support. Overall, the grants provided in 2011 helped to start up no more than 4 new businesses in Hainaut (the same number as in 2010) and one other in the rest of Wallonia (one in 2010 as well) and to expand three others in Hainaut (4 in 2010). This brought the total number of companies supported by end-2011 to 84 (77 in 2010) in Hainaut and to 15 (14 in 2010) in Wallonia. All in all, 18 investment projects were completed by end-2011 in Hainaut and three in the rest of the Walloon region which created 317 jobs in the former and 28 in the latter.

In the Brussels region, FEIs (mainly the so called “BRUSCO” measure, but also the “village finance” and the “open soon” actions) provide finance to small businesses and people who have difficulty in obtaining a bank loan or the necessary funding from other sources to become self-employed or to initiate a social economy project in the PIZ. Depending on the type of business or project, support takes the form of micro-credit, seed capital or cash credit. In the course of 2011, a total of 36 business start-ups and cases of small business expansion were supported. In all, 178 projects have received funding since the programming period began (final target: 520) and these created 434 new jobs (final target: 1,300).

There was noticeable progress in implementing FEIs in Hainaut and in the other parts of the Walloon region which led to tangible achievements by end-2011. While in 2009, the aid scheme was not effective because the main expenditure was on setting up the operations for delivering the financing, funds started to be paid out in 2010 and more significantly in 2011. By end 2011, 37% of the provision for risk capital had reached companies in Hainaut (20% in 2010) and 31% in Wallonia (17% in 2010) and a further 24% and 23% respectively, had been committed to companies though not fully paid out. Taking all FEIs together (risk capital, guarantees, micro credits and “mixed products”) these helped to start up 258 new businesses (102 in Hainaut and 156 in the other parts of the Walloon region), to extend another 399 (258 in Hainaut and 141 in the Walloon region) and to support 120 business transmissions (51 in Hainaut and 69 in the Walloon region). They also helped to create 1,193 new jobs and to safeguard another 4,000. Overall, the outcomes compare favourably to those achieved by investments grants.

deficiencies identified by the SWOT analysis which indicates that the main weaknesses of Flemish entrepreneurship are in the initial phase, the growth and maturity stages of the company life-cycle.

Support for RDTI, innovation and technology acquisition²⁸

The Hainaut CP and the Walloon CEP supports R&D and innovation by pursuing four groups of action: 1) support to industrial research and experimental development in companies and access to innovation through technology vouchers, 2) support to research in research centres, 3) innovation services and advice, including FEIs for innovation, 4) upgrading of technology equipment in competence and education centres. The achievements in this fourth group are not summarised here but under the policy area “Human resources”.

2011 was marked by progress in all these groups but was particularly evident in the first. Whereas by end-2010 just 6 companies had received support for industrial research and experimental development in Hainaut and 13 in the rest of the Walloon region, the number of companies assisted had more than doubled by end-2011: 17 in Hainaut and 30 in the other parts of the Walloon region. Several research projects are being carried out by company consortia, which is an achievement in itself since the objective of support is also to promote research partnerships and to strengthen interaction between those involved in innovation. The technology voucher programme, on which notable progress was reported in previous country reports, continued to perform successfully though the number of vouchers distributed in 2011 was slightly less than in 2009 and 2010.

SINUS project portfolio

The SINUS project portfolio, carried out under both Objective in Wallonia in the 2007-2013 period, has received around EUR 10.5 million from the CP Hainaut (EUR 3.6 million from the ERDF) and EUR 1.5 million from the CEP Walloon region (ERDF 0.5 million from the ERDF).

SINUS is a portfolio of projects in aeronautics, contributing to the development of “Skywin”, the competitiveness pole in aeronautics supported by Marshall Plan 2.Vert. It is developing computational software for the aviation industry in general and for numerical simulation in particular. The leader of the project portfolio is CENAERO which is working with three other partners: CETIC, Université Libre de Bruxelles (antenna Gosselies) and University of Mons.

It consists of three axes: 1) “Facilities”: the provision of super-computer and other infrastructure for the production of advanced numerical simulations. 2) “Research”: the development of new-generation numerical methods to anticipate and meet the needs of industry. 3) “Valorisation”: prospecting industrial needs, promotion activities, monitoring of technology service offerings.

Source: AIRs – CEP of the Walloon region and CP Hainaut 2007-2014

In the second group – support to research in research centres - progress was equally notable even if the main outcomes and actual achievements of the research portfolios supported will only materialise once the projects are finished and in many cases later, when research results start to produce commercial returns from improved products or processes. At this stage, progress in carrying out the research in research centres (15 centres in Hainaut and another 12 in other parts of the Walloon region) is best reflected in the number of new research jobs

²⁸ For more details on ERDF co-financed measures to promote innovation and R&D in Belgium, see: Greunz L. (2010), Policy Paper on Innovation – Belgium, Evaluation Network delivering Policy analysis on the Performance of Cohesion Policy 2007-2013, Report for the European Commission, Directorate-General Regional Policy
http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/expert_innovation/belgium.pdf

created. By end-2011 there were 217 in Hainaut (201 by end-2010; end-target: 200) and 126 in the rest of the Walloon region (111 by end-2010; end-target: 100). This number will not change because the entire funding is now assigned to specific projects and project portfolios (77 in Hainaut and 55 in the other parts of the Walloon region). Overall, by end-2011, 53 new products and processes were developed in Hainaut (38 by end-2010) and 18 in the Walloon region (13 by end-2010) and six patents have been granted. It is worth noting that the research supported is contributing to the competitiveness pole policy promoted by Marshall Plan 2.Vert, which means that the funding mainly goes to six specific technological areas²⁹ (see the two Boxes - above and below - for an illustration of the types of project supported).

GiGA² Bio-industry Support

The project portfolio is carried out under the Walloon region CEP and receives EUR 16.7 million of funding (EUR 6.7 million from the ERDF).

GiGA² BioIndustry was started in the previous programming period and received support under Objective 2 Phasing Out of Liège mainly for the development of a new interfaculty research centre hosting 22 university research teams. In the current programming period, the aim is to strengthen research collaborations between universities and private companies. Funding goes to the development of laboratories and working spaces for companies and to three research projects involving collaboration with private companies. Part of the investment in infrastructure is financed under the priority “Balanced and sustainable territorial development” of the Walloon region CEP.

Source: AIRs- CEP of the Walloon region 2007-2014

The third group of R&D and innovation activities in the Hainaut CP and Wallonia CEP is aimed at supporting innovation in companies through the provision of FEIs, mainly refundable loans. By end-2011 around 34% of the funding available had been assigned to 41 companies in Hainaut (by end-2010 17.5% of funding went to 20 companies) which created 56 new (FTE) jobs³⁰. In the rest of the Walloon region, the entire funding had already been assigned to 50 companies by the end of 2010 and this is reported to have created 66 new jobs by the end of 2011³¹.

According to the Operational Programme (OP) of the Flemish region, ERDF support to R&D and innovation is not aimed at creating new knowledge in the form of fundamental or applied research but at helping people and companies to make better and more extensive use of the knowledge available. By end-2011 the main outcomes of the projects supported were:

- 3,132 companies had adopted new strategies or improved existing ones to make better use of available knowledge (1,523 by end-2010; final target: 300(!));
- 1,416 companies had implemented new knowledge applications and techniques after having received specific advice in this regard (472 by end-2010; final target: 680);
- 1,678 incremental research projects had been initiated in companies (612 by end-2010; final target: 180);
- 135 cases of collaboration had been established between universities and companies (129 by end-2010; final target: 120);

²⁹ The poles of competitiveness policy focuses on the following six areas of technology: health (“Biowin”), agro-industry (“Wagralim”), mechanical engineering (“Mecatech”), aeronautics and space (“Skywin”), transport and logistics (“Logistics in Wallonia”) and environmental technologies (“Greenwin”).

³⁰ In total 139 FTE jobs will be created once the projects will be finished.

³¹ In total 420 FTE jobs will be created once the projects will be finished.

- 79 international partnerships had been formed for the development of new knowledge applications (79 by end-2010; final target: 60).

As already noted, the AIR of the Flemish CEP does not provide any qualitative information on the projects supported but instead concentrates on listing the names of projects approved during the year and the funding allocated to these. Once a project has been approved it no longer appears in the AIRs for subsequent years. This makes it difficult if not impossible to interpret the indicators reported and to give substance to the apparently good progress made in implementing the priority as suggested by the indicators listed above.

As in the case of “Entrepreneurship”, the final targets set for the “Knowledge economy and innovation” priority were clearly not meaningful, since by end-2011 all of them had greatly been exceeded (some by nearly ten times).

It should also be noted that the projects approved in 2011 have *prima facie* nothing to do with the priority axis “Knowledge economy and of Innovation” under which the calls had been launched. Most projects were concerned with improving energy efficiency of social housing. The comment made above about the need to demonstrate the intervention logic and the contribution of the projects supported to the objective pursued under the priority and targets set for it equally applies in this regard.

In the Brussels region ERDF mainly supports research and innovation in energy and environmental technologies including in the construction sector (e.g. excellence centre in eco construction, multidisciplinary research centre EMOVO). In the course of 2011, technical equipment for several laboratories has been purchased and first research results were published in scientific journals.

Human resources³²

The main projects of the Hainaut CP and Walloon region CEP which contribute to this policy area relate to the upgrading of technology equipment in competence and education centres. These are aimed at helping to improve the skill base in the six areas of technology promoted by the competitiveness pole policy supported by the Marshall Plan 2.Vert. The table below summarises the main results in terms of the number of people having so far received training from these.

Table 2 - Number of persons trained in centres with new technical equipment

	CP Hainaut		CEP Walloon region	
	2010	2011	2010	2011
Workers	13,887	19,314	40,890	47,586
Job seekers	25,364	36,087	18,729	23,977
Teachers	5,065	6,789	8,088	9,342

Source: 2010 and 2011 AIRs CP Hainaut and CEP Walloon region

By end-2011, 19,314 workers (13,887 by end-2010) from 6,970 companies (6,623 by end-2010; final target: 23,750) in Hainaut had received training and 47,586 workers (40,890 by end-2010) from 7,448 companies (5,190 by end-2010; final target: 6,000) in the other parts of the Walloon region.

³² A very small share of ERDF is allocated directly to support of human resources (Annex Table A).

In the Brussels region, the initiatives carried out to raise entrepreneurial awareness among young people (“Boost your talent”) were again relatively successful. 61 primary schools, 41 secondary schools and 10 colleges had been approached, increasing the number of young people reached from 4,084 to 6,915 during the year.

Environment and energy

The ERDF provides support for renewable energy sources in the Walloon region (see Table 3) in both the Hainaut CP and the Wallonia CEP.

Table 3 - Measures of Belgian ERDF programmes to support the policy area energy

Measures	CEP Flemish region	CEP Walloon region	CEP Brussels region	CP Hainaut
Production of renewable energy	-	Solar panels on public buildings in 31 communes	-	Solar panels and street-lighting in public buildings Biomass-gasification plant
Energy efficiency in residential housing	Social housing and other buildings	-	-	-

Source: OPs, AIRs.

Funding mainly goes to equipping town halls and other public buildings with photovoltaic systems and solar lighting. According to the MA, the purpose of the measure extends beyond the use of solar energy in public buildings as such. By installing solar panels on public buildings in 31 municipalities, the government seeks to raise public awareness and to set an example of the use of clean energy. By end-2011, 1,412 sq. m. of photovoltaic panels had been installed in Hainaut (859.15 sq. m. by end-2010; final target: 10,200 sq. m.) and 1,760 sq. m. in the other parts of the Walloon region (1,760 sq. m. by end-2010; end-target: 6,800 sq. m.).

In the Hainaut, the ERDF is also providing support for the construction of a biomass-gasification plant (in the commune d’Aiseau-Presles). Work on this started in 2011.

Whereas in Brussels, the Walloon region and Hainaut, the ERDF is not used to co-finance improvements in energy efficiency, in the Flemish region, it is directed towards social housing and renovation of shopping centres. As previously highlighted, support for is categorised under several priority axes including “Knowledge creation and innovation”. Around 40 projects have been approved but no targets have been set.

Territorial development

Most of the projects in this policy area are aimed at developing infrastructure, improving business sites and regenerating old industrial land and/or urban areas. There were only very few tangible outcomes by end-2010 because the projects require lengthy planning and preparation which had not been completed in most cases.

In Hainaut and in the other parts of the Walloon region, there was progress in implementing the projects in that many works had started during 2011. Among the projects approved for regeneration of old industrial land, two were completed in Hainaut and two in other parts of the Walloon region. Administrative procedures were completed for projects approved and the first phases of work, comprising geotechnical security and waste disposal arrangements before soil and groundwater decontamination, have started in most cases. According to the MA the main obstacles to implementation, such as the inaccessibility of contaminated sites, have been overcome. In all, 16.7 hectares of industrial land had been recovered by the end of 2011 in

Hainaut (10 by end-2010; final target: 148) and 0.24 hectares in the other parts of the Walloon region (0.23 by end-2010; final target: 165). Although actual achievements are still very modest, the MA is confident that the end-targets set will be reached, but not before the end of the programming period. Work on most infrastructure projects has also started and has been completed in some cases. Finished projects include 4 office buildings for business start-ups (3 at end-2010; final target: 9), two business parks (one at end-2010; final target: 4) and three transport infrastructure projects to improve access to business parks (one at end-2010; final target: 18). In total, 138 direct jobs had been created by the measures (62 at end-2010; final target: 1,020).

Brussels Greenfields

The project is carried out under the Brussels CEP and receives EUR 15 million from the ERDF and the Brussels-Capital region. It is one of the most costly projects in the programme and the one on which there was most progress in 2011 at least in terms of financial execution.

Brussels Greenfields is a pilot project providing financial support to business promoters willing to establish their activity on an area of polluted industrial land. The objective is twofold: to clean up the land and to develop economic activity there. By end-2011, a total of eight agreements with project promoters had been signed. These will clean up around 100,000 sq. m. of land which was the target set for the programming period. The projects are expected to create about 2,200 jobs.

Source: AIRs and OP – CEP of the Brussels region 2007-2014

In the Brussels region the “Brussels Greenfields” project aimed at soil decontamination of polluted land and returning it to use by businesses was progressing satisfactorily and the first phase of the project was finalised in 2011 (see Box above). None of the infrastructure projects approved as regards territorial development in the PIZ had been finalised by end-2011 but the AIR reports progress in all. Modest progress was also made to increase the supply of childcare facilities. Out of the 7 projects approved, one was completed in 2011 in addition to the one completed in 2010. Together these provide care to 76 children.

EnergyVille

The project is carried under the Flemish region CEP and receives EUR 2 million from the ERDF with a total budget of over EUR 18 million.

EnergyVille is a knowledge centre focused on renewable energy and intelligent networks. The centre is located at the former mining site at Waterschei in Genk. Its founding fathers are the KULeuven and VITO (Flemish Institute for Technology Research). EnergyVille started out with 30 researchers but the team is expected to grow to 200. Both fundamental and applied research is carried out and support for business development in renewable energy is provided. The projects are aimed at developing new technologies in renewable energy, and testing the technologies developed in collaboration with companies.

Source: “Tussentijdse evaluatie van het Doelstelling 2-programma 'Regionaal concurrentievermogen en werkgelegenheid 2007-2013” (2011) (Mid-term evaluation of the CEP of the Flemish region)

In the Flemish region, territorial development is assisted through support to transport and logistics, improving business sites, strengthening regional attractiveness and promoting integrated urban development in the main cities. Overall the expenditure undertaken had led to a better transport system for over 2,000 people at end 2010 and this number was the same in 2011 (final target: 3 thousand), 4.2 sq. km. of building land and business places (4 sq. km. at

end-2009; final target: 7.5 sq. km.) and over 20 thousand sq. m. of renovated commercial areas in cities (16,000 at end-2009; final target: 20-30,000). Several “leverage projects” were completed (including EnergyVille, summarised in the Box).

Aggregation

As last year, a table of aggregate indicators has been prepared (Table 4). It is important to emphasise that the figures presented need to be interpreted with much caution, since the indicators have been developed independently by the regions concerned without any attempt at coordination and in many cases are not directly comparable because of this. It should also be noted that these kinds of deficiency in the data available are not unique to the Belgian programmes but are present in for most of the CPs and CEPs across the EU.

Table 4 - Indicators for assessing aggregate achievements of the Belgian ERDF programmes

Policy area	Main indicators	Other physical indicators
Enterprise support and RTDI (58.2% of ERDF allocation)	<ul style="list-style-type: none"> • <u>1,117 start-ups supported (end-2010: 762; final target: 2,552)</u> • 3,989 direct jobs created (end-2010: 2,565; final target: 12,274) in Wallonia, Hainaut and Brussels • 11,184 direct <i>and indirect</i> jobs created and maintained (end-2010: 9,824; final target: 15,000) in Flanders according to the AIR (NOTE: 5,388 direct and indirect jobs created in the Flemish region according to the mid-term evaluation) 	<ul style="list-style-type: none"> • EUR 791 million of investment induced (end-2010: 748; final target: 1,630) in Wallonia and Hainaut • 1,021 SMEs receiving direct support for investment (end-2010: 635; final target: 2,691) (Brussels not covered) • <u>575 RTD projects supported (end-2010: 404; final target: 904)</u> • 45 R&D cooperations between companies and public research centres / universities (end-2010 45; final target: 200) (Brussels not covered) • 343 research jobs created (end-2010 312; final target: 280) in Wallonia and Hainaut • 77 new products and processes developed (end-2010: 51; final target: 2012) in Wallonia and Hainaut
Transport and telecommunications (5.6% of ERDF allocation)	<ul style="list-style-type: none"> • 2,077 additional persons benefitting from sustainable better transport (end-2010: 2,077; final target: 3,000) in the Flemish region 	<ul style="list-style-type: none"> • 8 supported infrastructure investments to strengthen the logistics network (end-2010: 5; final target: 38) (Brussels not covered)
Environment and energy (10.5% of ERDF allocation)		<ul style="list-style-type: none"> • 3,172 sq. m. of photovoltaic panels installed on public buildings (end-2010: 2,619; final target: 17,000) in the Walloon region and Hainaut
Territorial development (22.9% of ERDF allocation)	<ul style="list-style-type: none"> • <u>5.8 sq. km. of rehabilitated land (end-2010: 4.1; final target: 10.8)</u> • 46 businesses located in newly renovated / created activity space (end-2010:26; final target: 228) in Wallonia and Hainaut 	<ul style="list-style-type: none"> • 37 supported infrastructure investment in tourism (end-2010: 37, final target:23) in Wallonia and Hainaut • <u>73 supported infrastructure investments to improve sustainability and urban attractiveness (end-2010: 67; final target: 157)</u>

Note: Underlined indicators are those which are available for all Belgian Programmes and can be aggregated.

3. EFFECTS OF INTERVENTION

Main points from previous country report:

- As by October 2011, there was no evaluation evidence on the contribution so far of the projects supported to the development of the regions in Belgium because no evaluation on this had been carried out since the programmes were adopted in 2007.
- It was equally emphasised in the report that in reality at this stage of policy implementation an evaluation of the wider effects would not provide much insight because the programmes have not yet generated sufficient expenditure to produce such effects.

Developments in 2011

The situation has not changed much since the 2011 report was produced. As at October 2012, there is still no evaluation evidence available either on the effects of the programme on main economic indicators, such as GDP or employment, or on the wider effects of the policy in terms of the quality of life or the capacity of regions to respond to major long-term challenges such as the increased competition resulting from globalisation, demographic change, climate change and energy security.

The main reason for the absence of evaluation evidence is that it is still far too early for these effects to be assessed in a meaningful way because by end-2011 just one third of the funding had been paid out. But beyond this, it should be noted that it is extremely difficult to disentangle the effects produced by Cohesion policy from other influences, including the effects of national expenditure to support the development of regions. Note in this regard that the payments made since 2007 to the CP and the three CEPs by the end of 2011 represented just a little over 1% of national development expenditure³³ in the same period, i.e. a very marginal share. It is not sure at all, therefore, that an evaluation of the wider effects of Cohesion policy in Belgium will ever be carried out.

In 2011 two mid-term evaluations have been finalised (see next section) one for the Flemish region CEP³⁴ and the other for the Brussels-Capital region CEP³⁵.

The estimates of the effect by May 2011 of the Flemish region CEP on employment are:

- Direct effects: 3,197 additional (FTE) jobs mainly in services and construction;
- Indirect net effects: 2,191 additional jobs in the upstream supply chain.

The evaluators draw attention to the fact that the estimates are very approximate at this stage and that a proper and more meaningful evaluation can only be carried out when the programme

³³ Measured by the amount of government capital transfers and gross fixed capital formation.

³⁴ IDEA Consult (2011), "Tussentijdse evaluatie van het Doelstelling 2-programma 'Regionaal concurrentievermogen en werkgelegenheid 2007-2013" report on behalf of Agentschap Ondernemen Afdeling Europa Economie.

³⁵ IDEA Consult (2011), Evaluation à mi-parcours du programme opérationnel Compétitivité régionale et emploi de la Région de Bruxelles-Capitale intitulé "Objectif 2013 : « Investissons ensemble dans le développement urbain» report on behalf of the Ministère de la Région de Bruxelles-Capitale, Cellule de Coordination et Gestion du FEDER 2007-2013.

is fully implemented. They nevertheless concluded that the employment effects estimated are below the expected effects (15,000 direct and indirect jobs).

There are also estimates of jobs created in the mid-term evaluation of the Brussels-Capital region CEP. These are, as at the end of 2010:

- Direct effects: 39 additional jobs;
- Indirect effect: 257 additional jobs.

The evaluation mentions that these jobs mainly employ people with low qualifications and skills.

4. EVALUATIONS AND GOOD PRACTICE IN EVALUATION

Main points from previous country report:

Evaluations covered in the country reports of previous years were:

- A thematic evaluation on the value added of project portfolios supported by the Hainaut CP and the Walloon region CEP – First part (in 2011 report);
- An evaluation of advanced support services to companies and entrepreneurs co-financed by the ERDF in the CP Hainaut and the CEP of the Walloon region – First part (in 2011 report);
- Summary of four evaluations on the impact of investment grants in the Walloon region in previous programming periods (in 2010 report);
- Summary of two main evaluations of the cluster and poles of competitiveness policy in the Walloon region of 14 individual cluster assessments (in 2010 report).

The evaluations announced as upcoming in the 2011 country report were:

- Mid-term evaluation of the Flemish CEP;
- Mid-term evaluation of the CEP of the Brussels-Capital region.

The strategy in place for evaluating the effects of intervention may be summarised as follows:

- The process for evaluating the effects of intervention is decentralised and managed by the three MAs responsible for the implementation of Cohesion policy in Belgium. They decide on the number, type and frequency of evaluations.
- There is no coordination between the three MAs of the evaluation strategy and there is no formal exchange of experience in this regard. Lessons learned from evaluations carried out in one region are not formally shared with the MAs of other regions.
- Evaluations are carried out by independent evaluators which are either private consulting companies or university academics.

Developments in 2011

As mentioned earlier, two new evaluations have been carried out since the 2011 country report was produced. Both were announced as upcoming in the 2011 country report. The main features of these are briefly summarised below (see also Table 5).

Mid-term evaluation of the CEP of the Brussels-Capital region³⁶

The evaluation was intended to give an overview of the situation by 2010 of the programme in terms of:

- *progress* made in implementation by appraising the state of financial and physical execution;
- *pertinence* of the programme by examining whether the objectives pursued still meet the specific needs of the PIZ;
- *coherence* of the strategy by analysing its consistency with other EU priorities and other programmes of urban renewal in the Brussels region;
- *efficiency* of interventions by assessing whether the distribution of funding is in line with the main priorities and by identifying the factors which had a (positive or negative) influence on the efficiency of the programme (at both the overall level and the level of priority axes or groups of measure)
- *effectiveness* of the expenditure by assessing whether the targets are being met and whether the effects are in line with the intended objectives;
- *value-added* by identifying the leverage effect and the contribution of the programme to several cross cutting themes;
- *expected impact*;
- *organisation, monitoring and communication*.

Although it was not possible to evaluate several of these points on the basis of tangible evidence because most projects had not been completed at the time when the study was carried out (and have still not been) and because there are no sufficiently recent socio-economic statistics available for the PIZ³⁷, several recommendations were made which deserve consideration in the preparation of the 2014-2020 programme. Some of these are summarised briefly below:

- Restore a better balance between different types of project: The current programme mainly finances infrastructure projects. By nature these are less flexible and require long planning. There should be more room in the programme for “softer” projects (e.g. enterprise support).
- Attract more project “promoters” with diversified profiles: As in the 2000-2006 programme, the current programme is “dominated” by a few (public) “key actors” who were involved in programme design and who are now major beneficiaries often of more than one project and in some cases, of up to four. It would be beneficial to find a better balance between these “experimented” project promoters and new ones (preferably from the private sector) who could bring in new ideas.
- Restore a better balance between specific and transversal priorities: The priority axes should be defined less broadly to ensure that the specific needs of the intervention zone

³⁶ IDEA Consult (2011), Evaluation à mi-parcours du programme opérationnel Compétitivité régionale et emploi de la Région de Bruxelles-Capitale intitulé "Objectif 2013 : « Investissons ensemble dans le développement urbain » report on behalf of the Ministère de la Région de Bruxelles-Capitale, Cellule de Coordination et Gestion du FEDER 2007-2013.

³⁷ Many of the underlying data of the «updated» SWOT refer to 2007/2008 which is clearly not satisfactory when it comes to judge whether the programme is still adequate to meet the main socio-economic needs of the PIZ.

are best addressed. Calls for projects should equally be better targeted and there should be a more efficient communication on these to a wider public.

Mid-term evaluation of the CEP of the Flemish region³⁸

The evaluation analysed the same questions as those listed above in respect of the Brussels-Capital region CEP³⁹. In other words it assessed the progress made in implementing the Flemish CEP since the programming period began, the pertinence of the programme and its coherence with EU priorities and other development programmes in the region, the internal coherence of the programme, the efficiency and effectiveness of the expenditure carried out and their value-added, the expected impact of the programme as well as organisational aspects including monitoring and communication strategy.

Some of the main findings and recommendations of the evaluation are summarised here below but these are not exhaustive:

- There are weaknesses as regards the internal coherence of the programme in that the overall objectives of the programme are so broadly defined that it is not possible to see how and to what extent the priority axes are actually contributing to these.
- There was a lack of coherence between the objectives of the priority axes and the financial allocation to these. The choice of distributing an equal share of ERDF funding to each of the four priority axes was not appropriate. Projects under priority 3 “Improving the basis for economic structuring and spatial planning” are mainly infrastructure projects. These have much larger sizes and costs than projects under priorities 1 “Knowledge economy and Innovation” and 2 “Entrepreneurship”. For this reason the funding for priority 3 was quickly exhausted, while there was too much money allocated to priorities 1 and 2. This required funding to be shifted which could have been avoided if the appraisal of the resources needed under each priority given the objectives pursued were more appropriate.
- The implementation of the programme via the call for project approach runs the risk of divergence from the objectives of the priority axes. An example is the call as regards energy efficiency in social housing under the priority axis “Knowledge economy and Innovation”. It is important in the future to demonstrate that project calls are consistent with the objectives of the axis under which they are carried out and that they contribute efficiently and effectively to achieving the goals set.
- The synergy of projects (within priorities or between priorities) should be improved especially at the local level. A portfolio approach could help in this regard because it requires project promoters to formulate a joint and integrated project proposal. As early as during the preparation stage, promoters of different projects need to work together. The approach would encourage interaction and exchange between promoters and lead to a better synergy of projects carried out within and between priority axes.

³⁸ IDEA Consult (2011), “Tussentijdse evaluatie van het Doelstelling 2-programma 'Regionaal concurrentievermogen en werkgelegenheid 2007-2013” report on behalf of Agentschap Ondernemen Afdeling Europa Economie.

³⁹ This is not really surprising because the studies are carried out by the same evaluator.

- Targets are not meaningfully estimated. In the next programming period a serious effort needs to be made in this regard. In order to set targets in a more meaningful way and more in relation to the budget available, using external expertise.

Table 5 - Evaluations (published between October 2011 and October 2012)

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Main findings	Method used (*)	Link to publication
Evaluation à mi-parcours du programme opérationnel Compétitivité régionale et emploi de la Région de Bruxelles-Capitale intitulé "Objectif 2013 : «Investissements ensemble dans le développement urbain» report on behalf of the Ministère de la Région de Bruxelles-Capitale, Cellule de Coordination et Gestion du FEDER 2007-2013 December 2011	Mid-term evaluation of the CEP of the Brussels-Capital region (9)	Assess progress in implementing the programme, re-assess pertinence and coherence of the programme, evaluate efficiency, effectiveness and value added of the interventions financed, apprise expected impact, evaluate functioning of programme monitoring and management (2)	No major adjustments of the programme necessary. Recommendations (points below not exhaustive): - Better balance recommended between project kinds (big infrastructure projects versus smaller soft projects). - Enlarge the range of projects promoters by increasing the share of private businesses among beneficiaries. - Define priorities less broadly so to best tackle the need of the supported area.	Desk research, interviews, case studies (3)	On demand
"Tussentijdse evaluatie van het Doelstelling 2-programma 'Regionaal concurrentievermogen en werkgelegenheid 2007-2013" report on behalf of Agentschap Ondernemen Afdeling Europa Economie October 2011	Mid-term evaluation of the CEP of the Flemish region (9)	As above (2)	No major adjustments of the programme necessary. Recommendations (points below not exhaustive): - Improve internal coherence: Objectives of the priorities and of the thematic are not always coherent (e.g. Supporting energy efficiency of housing under priority Innovation). - Consult external expertise for setting the targets in a meaningful way. - Improve the synergy of the projects by considering the possibility of a portfolio approach.	As above (3)	Available at DG REGIO http://ec.europa.eu/regional_policy/

Note: (*) Legend:

Policy area and scope: 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

Main objective and focus: 1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives

Method used: 1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative

It can be assumed that the results and recommendations of the mid-term evaluation summarised above feed into improving the programmes of the two regions in the next programming period at least⁴⁰.

As regards the two evaluations carried out last year on the Hainaut CP and the Walloon region CEP on the value-added of the project portfolio approach and on advanced support services to SMEs, there is clear indication that the recommendations have already fed into policy. More precisely, the MA is currently reorganising the structure of services in place to better target the main needs of companies and to force the operators responsible for providing the services to collaborate more effectively. The second parts of these studies are currently being carried out. Their focus is on the achievements.

Two additional studies are being carried out in Hainaut and in the other parts of the Walloon region and should become available in 2013. The first is on evaluating ERDF co-financed support to R&D and Innovation and the second on co-financed support to urban development.

5. FURTHER REMARKS - NEW CHALLENGES FOR POLICY

Main points from previous country report:

- The absence of cooperation and consultation between the regions in designing and implementing their regional development policies is likely to be source of inefficiency and to work against a critical mass being achieved.

The point remains valid. It can be added in this regard that lessons learned from evaluations are generally not shared among regions and this is another source of inefficiency.

- The information contained in the AIRs of the ERDF co-financed programmes in Belgium is not appropriate for aggregating data on physical indicators across programmes.

The point remains valid.

- Last year's report also briefly mentioned that the country had been without a government since June 2010 and emphasised the urgency of building a coalition because financial markets had begun to increase borrowing costs in response and because the issue of refinancing- the Brussels-Capital region could not wait any longer.

This point is no longer valid. A new government took office on 6 December 2011 and agreement was reached at Federal level on the proper funding of the Brussels-Capital region.

⁴⁰ According to the MA of the Flemish CEP, all the recommendations of the mid-term evaluation will be taken into account for the next programming period. The setting of meaningful targets will receive particular attention.

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ACKNOWLEDGEMENTS

The author is most grateful for information and feed-back from:

- Wouter Borremans, Deputy director of Agentschap Ondernemen Afdeling Europa – EFRO;
- Corentin Dussart, Coordinator of Cellule de Coordination et de Gestion du FEDER 2007-2013 Ministère de la Région de Bruxelles-Capitale;
- Jean Janss, Inspector general of Département de la Coordination des Fonds structurels, Secrétariat general, Service Public de Wallonie;
- Sylvie Borm, Director i. a. of Département de la Coordination des Fonds structurels, Secrétariat general, Service Public de Wallonie.

ANNEX 1 - EVALUATION GRID FOR EXAMPLES OF GOOD PRACTICE IN EVALUATION

None of the evaluations carried out in 2011 of Belgian programmes exemplify good practice in evaluation. The grid is therefore not filled out.

BASIC INFORMATION	
Country:	
Policy area: (Enterprise support, RTDI, Transport, etc.)	
Title of evaluation and full reference:	
Intervention period covered (2000-2006; 2007-2013; specific years):	
Timing of the evaluation (when it was carried out):	
Budget (if known): EUR	
Evaluator: (External evaluator, internal evaluator, EC)	
Method: (counterfactual analysis, process analysis, case study, econometric model, etc. indicate if a mix of methods)	
Main objectives and main findings: (very short description - 3-4 lines)	
Appraisal: (Why you consider the evaluation an example of good practice: - 3-4 lines)	
CHECK LIST	
Score each item listed below from 0 to 2 as follows: 0: No; 1: Yes, but not fully; 2: Yes	
Report	
Are the objectives, methods and findings of the evaluation clearly set out?	
Are the findings and recommendations clearly supported by the analysis?	
Are the methods used suitable given the objectives of the valuation and have they been well applied?	
Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation?	
Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account?	
Is a serious attempt made to distinguish the effects of the intervention from these other factors?	

ANNEX 2 - TABLES

See Excel Tables 1 -4:

Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 3cbc - Financial allocation by main policy area – cross border cooperation

Excel Table 4 - Commitments by main policy area (by end-2011)

Excel Table 4cbc - Commitments by main policy area (by end-2011) – cross border cooperation

Annex Table A – Allocation of ERDF by policy area – end 2011

	Flemish region CEP	Walloon region CEP	Brussels region CEP	Hainaut CP	Total Belgium	Flemish region CEP	Walloon region CEP	Brussels region CEP	Hainaut CP	Total Belgium
	ERDF allocation end-2011 (EUR million)					distribution end-2011 (%)				
1. Enterprise environment	103	162	32	280	577	51	57	55	62	58
1.1 RTDI and linked activities	31	64	16	72	182	15	23	27	16	18
1.2 Support for innovation in SMEs	64	28	5	47	143	32	10	8	10	14
1.3 Other investment in firms	4	70	12	161	247	2	25	20	36	25
1.4 ICT and related services	5	0	0	0	5	2	0	0	0	1
2. Human resources	0	0	7	0	7	0	0	13	0	1
2.1 Education and training	0	0	5	0	5	0	0	8	0	0
2.2 Labour market policies	0	0	3	0	3	0	0	5	0	0
3. Transport	11	22	0	22	56	6	8	0	5	6
3.1 Road	0	7	0	7	14	0	3	0	2	1
3.2 Rail	0	0	0	0	0	0	0	0	0	0
3.3 Other	11	15	0	15	42	6	5	0	3	4
4. Environment and energy	33	24	5	42	104	16	9	9	9	11
4.1 Energy infrastructure	9	6	4	12	31	4	2	7	3	3
4.2 Environmental infrastructure	24	18	1	30	74	12	6	2	7	7
5. Territorial development	45	71	11	101	228	22	25	19	22	23
5.1 Tourism and culture	1	21	0	41	63	0	7	0	9	6
5.2 Planning and rehabilitation	44	42	9	53	148	22	15	16	12	15
5.3 Social infrastructure	0	8	2	7	17	0	3	3	2	2
5.4 Other	0	0	0	0	0	0	0	0	0	0
6. Technical assistance	8	3	2	5	18	4	1	4	1	2
Total Objective	201	283	58	449	990	100	100	100	100	100

Source: own calculations based on DG REGIO data

Annex Table B – Planned and actual implementation rates (AIRs 2009, 2010, 2011)

	2007	2008	2009	2010	2011	2012	2013
"planned" implementation rate: planned expenditure in percentage of total allocation							
Hainaut	26	48	67	82	92	98	100
Walloon region	13	26	40	54	69	84	100
Brussels region	13	27	41	55	70	85	100
Flemish region	13	27	41	55	70	85	100
<i>Total Belgium</i>	<i>19</i>	<i>37</i>	<i>53</i>	<i>67</i>	<i>80</i>	<i>91</i>	<i>100</i>
CBC-Vlaanderen-Nederland	13	27	40	55	69	84	100
CBC-France-Wallonie-Vlaanderen	13	27	40	55	69	84	100
"actual" implementation rate: actual expenditure in percentage of total allocation							
Hainaut			18	22	43 (30)		
Walloon region			14	17	24		
Brussels region			7	11	26		
Flemish region			7	26	46		
<i>Total Belgium</i>			<i>14</i>	<i>21</i>	<i>36 (31)</i>		
CBC-Vlaanderen-Nederland			10	15	42		
CBC-France-Wallonie-Vlaanderen			7	20	36		
impelentation "gap": difference between "planned" and "actual implementation rate							
Hainaut			49	60	49 (62)		
Walloon region			26	37	45		
Brussels region			34	44	44		
Flemish region			34	29	24		
<i>Total Belgium</i>			<i>39</i>	<i>46</i>	<i>44 (49)</i>		
CBC-Vlaanderen-Nederland			30	40	27		
CBC-France-Wallonie-Vlaanderen			33	35	33		

Source: own calculations based on DG REGIO data

Note: in brackets adjusted values taking account of the cut-back in national public co-funding for the CP Hainaut

Annex Table C - Broad policy areas and correspondence with fields of intervention (FOI)

Policy area		Code	Priority themes	
1. Enterprise environment	RTDI and linked activities	01	R&TD activities in research centres	
		02	R&TD infrastructure and centres of competence in a specific technology	
		05	Advanced support services for firms and groups of firms	
		07	Investment in firms directly linked to research and innovation (...)	
		74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	
	Innovation support for SMEs	03	Technology transfer and improvement of cooperation networks ...	
		04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	
		06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	
		09	Other measures to stimulate research and innovation and entrepreneurship in SMEs	
		14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	
		15	Other measures for improving access to and efficient use of ICT by SMEs	
	ICT and related services	11	Information and communication technologies (...)	
		12	Information and communication technologies (TEN-ICT)	
		13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	
	Other investment in firms	08	Other investment in firms	
	2. Human resources	Education and training	62	Development of life-long learning systems and strategies in firms; training and services for employees ...
			63	Design and dissemination of innovative and more productive ways of organising work
			64	Development of special services for employment, training and support in connection with restructuring of sectors ...
72			Design, introduction and implementing of reforms in education and training systems ...	
73			Measures to increase participation in education and training throughout the life-cycle ...	
Labour market policies		65	Modernisation and strengthening labour market institutions	
		66	Implementing active and preventive measures on the labour market	
		67	Measures encouraging active ageing and prolonging working lives	
		68	Support for self-employment and business start-up	
		69	Measures to improve access to employment and increase sustainable participation and progress of women ...	
		70	Specific action to increase migrants' participation in employment ...	
		71	Pathways to integration and re-entry into employment for disadvantaged people ...	
		80	Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders	
3. Transport	Rail	16	Railways	
		17	Railways (TEN-T)	

Policy area		Code	Priority themes
		18	Mobile rail assets
		19	Mobile rail assets (TEN-T)
	Road	20	Motorways
		21	Motorways (TEN-T)
		22	National roads
		23	Regional/local roads
		24	Cycle tracks
	Other transport	25	Urban transport
		26	Multimodal transport
		27	Multimodal transport (TEN-T)
		28	Intelligent transport systems
		29	Airports
		30	Ports
		31	Inland waterways (regional and local)
32		Inland waterways (TEN-T)	
4. Environment and energy	Energy infrastructure	33	Electricity
		34	Electricity (TEN-E)
		35	Natural gas
		36	Natural gas (TEN-E)
		37	Petroleum products
		38	Petroleum products (TEN-E)
		39	Renewable energy: wind
		40	Renewable energy: solar
		41	Renewable energy: biomass
		42	Renewable energy: hydroelectric, geothermal and other
	43	Energy efficiency, co-generation, energy management	
	Environment and risk prevention	44	Management of household and industrial waste
		45	Management and distribution of water (drink water)
		46	Water treatment (waste water)
		47	Air quality
		48	Integrated prevention and pollution control
		49	Mitigation and adaption to climate change
		50	Rehabilitation of industrial sites and contaminated land
		51	Promotion of biodiversity and nature protection (including Natura 2000)
		52	Promotion of clean urban transport
53		Risk prevention (...)	
54	Other measures to preserve the environment and prevent risks		
5. Territorial development	Social Infrastructure	10	Telephone infrastructure (including broadband networks)
		75	Education infrastructure
		76	Health infrastructure
		77	Childcare infrastructure
		78	Housing infrastructure
		79	Other social infrastructure
	Tourism and culture	55	Promotion of natural assets
		56	Protection and development of natural heritage

Policy area		Code	Priority themes
		57	Other assistance to improve tourist services
		58	Protection and preservation of the cultural heritage
		59	Development of cultural infrastructure
		60	Other assistance to improve cultural services
	Planning and rehabilitation	61	Integrated projects for urban and rural regeneration
	Other	82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
		83	Specific action addressed to compensate additional costs due to size market factors
6. Technical assistance		84	Support to compensate additional costs due to climate conditions and relief difficulties
		81	Mechanisms for improving good policy and programme design, monitoring and evaluation ...
		85	Preparation, implementation, monitoring and inspection
		86	Evaluation and studies; information and communication