



## **WP1: Synthesis report**

*Ex post evaluation of Cohesion Policy programmes  
2007-2013, focusing on the European Regional  
Development Fund (ERDF) and the Cohesion Fund (CF)*

# **Task 3 Country Report Belgium**

**September 2016**



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**WP1: Synthesis report  
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*Ex post evaluation of Cohesion Policy programmes  
2007-2013, focusing on the European Regional  
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**Task 3 Country Report  
Belgium**

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### List of abbreviations

AIR	Annual Implementation Report
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
EU	European Union
GDP	Gross Domestic Product
GDFCF	Gross Domestic Fixed Capital Formation
MC	Management Committee
MA	Managing Authority
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
R&D	Research and Development
RTD	Research and Technological Development
SME	Small and Medium Enterprise



## List of programmes and link to beneficiaries of ERDF and Cohesion Fund support

CCI	Name of OP	Link beneficiaries	Number of projects
2007BE161PO001	OP 'Convergence' Hainaut	<a href="http://europe.wallonie.be/?q=node/24">http://europe.wallonie.be/?q=node/24</a>	984
2007BE162PO001	OP 'Compétitivité régionale et emploi' de la Région de Bruxelles	<a href="http://be.brussels/a-propos-de-la-region/bruxelles-internationale/feder-obtenir-une-aide-europeenne/projets">http://be.brussels/a-propos-de-la-region/bruxelles-internationale/feder-obtenir-une-aide-europeenne/projets</a>	34
2007BE162PO002	OP 'Regionaal concurrentievermogen en Werkgelegenheid' van Vlaanderen	<a href="http://www.agentschapondernemen.be/artikel/overzicht-van-goedgekeurde-projecten">http://www.agentschapondernemen.be/artikel/overzicht-van-goedgekeurde-projecten</a>	449
2007BE162PO003	OP 'Compétitivité régionale et emploi' - Wallonie (hors Hainaut )	<a href="http://europe.wallonie.be/?q=node/24">http://europe.wallonie.be/?q=node/24</a>	1 438

Note: The web links above are to websites of the respective Managing Authorities who, under the rules governing the 2007-2013 programmes were required to publish the names of the beneficiaries of the funding allocated. The number of projects supported has been estimated on the basis of the information published on the website at the time when the data were downloaded. In the meantime the data concerned may have been updated. It may also be that the data have been moved to another part of the website, in which case the link may not work. If this is the case, those who wish to locate the data concerned will need to go to main OP website, as indicated by the beginning part of the link and search from there.



**Map 1 Belgium and NUTS 2 regions, GDP/head (PPS), 2014**



Belgium: GDP/head (PPS) by NUTS-2 region, 2014

- Index, EU-27 = 100
- < 50
  - 50 - 75
  - 75 - 90
  - 90 - 100
  - 100 - 125
  - >= 125
- ∕∕ NUTS2 boundaries

Sources: Eurostat, DG REGIO



## **Preliminary note**

*The purpose of the country reports is to provide for each Member State a short guide to the findings of the ex post evaluation of Cohesion policy programmes 2007-2013 undertaken by DG Regional and Urban Policy and an overview of the context in which the programmes were carried out. It is based on information produced by Task 1 and Task 2 of WP1 and on the country specific findings from the various WPs that form the ex post evaluation. These are listed below with an indication in brackets of the case studies carried out in the Member State concerned, if any.*

*WP0 – Data*

*WP1 – Synthesis*

*WP2 – SMEs, innovation and ICT*

*WP3 – Venture capital, loan funds*

*WP4 – Large enterprises*

*WP5 – Transport*

*WP6 – Environment*

*WP8 – Energy efficiency*

*WP9 – Culture and tourism*

*WP10 – Urban development and social infrastructure*

*WP11<sup>1</sup> – European Territorial Cooperation*

*WP12 – Delivery system*

*WP13 – Geography of expenditure*

*WP14 – Impact modelling*

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<sup>1</sup> The findings from WP11 – European Territorial Cooperation are summarised in a separate report as part of Task 3 of WP1.





## Executive summary

Belgium experienced a slow recovery after the economic recession in 2008-2009 and from 2010 growth of GDP was well below the rates in the pre-crisis period. This adversely affected job creation. Unemployment was 1% higher in 2015 than in 2007 while the employment rate remained unchanged at around 67% - far below the Europe 2020 target of 75%. Throughout the programming period, public debt remained high at close to 100% of GDP or above, pushed up by the crisis. A series of fiscal consolidation measures to contain the debt were taken in the later years of the period.

Although Belgium is a small country, there is a distinct North-South divide between the Flemish and Walloon regions. In the Flemish regions, GDP per head is roughly a third higher than in the Walloon region, which includes Hainaut, the only Phasing-out region in the 2007-2013 period. There was no real change in this divide over the period.

The funding from the ERDF amounted to EUR 987 million over the period, which was equivalent to just over 1% of Government capital expenditure and EUR 13 per head of population a year. In the course of the period, the EU co-financing rate was increased from an average of 41% to 51% in order to reduce national co-funding requirements, especially in the Phasing-out region of Hainaut, and to relieve the pressure on public finances. As a result, the overall funding for programmes was cut by over 20% as compared with initial plans.

The rate of implementing programmes, as reflected in payments from the EU in relation to the funding available, was slow during the first half of the programming period, mainly in the Walloon region and in Brussels. The payments rate increased after 2011 to 94% by the end of March 2016, suggesting that all the funding available was spent by the end of 2015 as required.

In both categories of region - Competitiveness and Phasing-out - ERDF support went mainly to investment in RTD and innovation, as well as to support of SMEs. Funding also went to support of culture, tourism and integrated urban development. The division of funding between policy areas changed relatively little over the period.

Overall, the co-financed measures resulted in the direct creation of over 25 000 full-time equivalent jobs, 3 263 business star-ups, 698 RTD projects and 54 cooperation projects between enterprises and research centres.

The investment supported is estimated to have increased GDP in Belgium by 0.1% in 2105 over what it would be in the absence of Cohesion policy and to raise GDP by 0.2% by 2023, even allowing for the contribution made by Belgium to the financing of the policy.



## 1. The policy context and background

### 1.1. Macroeconomic situation

After a period of almost continuous growth over the years 2000-2007, GDP declined during the global recession between 2007 and 2009 – although slightly less than in other Member States – but recovered over the next two years (Table 1). After 2011, GDP growth was barely positive up to 2013 and in the following two years averaged only just over 1% a year.

**Table 1 GDP growth, employment and unemployment, Belgium and the EU, 2000-2015**

	2000-07	2007-09	2009-11	2011-13	2013-2014	2014-15
<b>GDP growth</b>	(Annual average % pa)					
Belgium	2.1	-0.8	2.2	0.1	1.3	1.3
EU average	2.3	-2.0	1.9	-0.1	1.4	1.9
	2000	2007	2009	2011	2013	2015
<b>Employment rate (% 20-64)</b>						
Belgium	66.3	67.7	67.1	67.3	67.2	67.2
EU average	66.5	69.8	68.9	68.6	68.4	70.1
<b>Unemployment rate (% lab force)</b>						
Belgium	6.6	7.5	7.9	7.1	8.4	8.5
EU average	9.2	7.1	8.9	9.6	10.8	9.3

Source: Eurostat, National accounts and Labour Force Survey

As a result of weak economic growth, the employment rate in 2015 was slightly lower than in 2007, at only around 67%, and unemployment was 8.5% of the labour force, higher than 8 years earlier.

**Table 2 Government budget balance, accumulated debt and investment, Belgium and the EU, 2000-2015**

	2000	2007	2009	2011	2013	2015
<b>Public sector balance</b>	(% GDP)					
Belgium	-0.1	0.1	-5.4	-4.1	-3.0	-2.6
EU average	0.0	-0.9	-6.7	-4.5	-3.3	-2.4
<b>Public sector debt</b>						
Belgium	108.8	87.0	99.6	102.3	105.2	106.0
EU average	60.6	57.9	73.1	81.1	85.5	85.2
<b>General Govt investment</b>						
Belgium	2.4	2.0	2.3	2.4	2.4	2.3
EU average	2.9	3.2	3.7	3.3	3.0	2.9

Source: Eurostat Government financial accounts

The government budget changed from being in balance in 2007 to consistently being in deficit from 2009 onwards, with values significantly above the 3% ceiling set by the Stability and Growth Pact (Table 2). The deficit was initially the result of the measures taken by the government to increase public expenditure to counter the effects of the crisis. The deficit<sup>2</sup> was accompanied by rising public sector debt, which was already high, pushing this up to well above 100% of GDP and reversing the reduction which occurred during the growth years before the global recession hit (Table 2).

### 1.2. Regional Disparities

Although Belgium is a small and relatively wealthy country with 11 million inhabitants and GDP per head 18% above the EU average, there is a clear North-South divide. In the Flemish region in the North, GDP per head is roughly a third higher than that of the Walloon region in the South, which also includes Hainaut, the only Convergence region in the country (with Phasing-out status) in the 2007-2013 period. This mainly

<sup>2</sup> The deficit led the Council to open an Excessive Deficit Procedure against Belgian authorities in December 2009 and to give notice in June 2013 that they had not taken effective action in compliance with the Council's recommendations.



reflects the different nature of the principle economic activities in the two regions. R&D and advanced service activities are concentrated in the Flemish region and the Walloon region is undergoing a transition from heavy industry, which is far from complete (particularly in Hainaut). The capital city region of Brussels, which is mainly oriented towards business and financial services, has a GDP per head much higher than in the other regions and nearly twice as high as the national average (see Country folder for Belgium). This is due to inward commuting as many people who work in Brussels live in neighbouring regions (and are not included in the figures of heads of population). GDP per head adjusted for commuting in Brussels is, therefore, significantly lower than in the neighbouring Flemish Brabant region, equally adjusted for (outward) commuting.

There were no real changes in the main socio-economic imbalances over the programming period. In the Phasing-out region Hainaut, GDP per head in PPS terms grew slightly more slowly than in the Competitiveness regions as a whole during the 2007-2014 period. However, this average hides the decline in GDP per head in the Brussels region (from 129% of the national average in 2007 to 126% in 2015 on a commuter-adjusted basis). In particular, the recovery after the crisis was slower in the capital city region than in other Competitiveness regions.

Flanders had a better performance than Brussels and Wallonia in terms of employment and unemployment rates. The situation was of most concern in Brussels, where the unemployment rate reached nearly 20% in 2013. Since then it has fallen back to 17% (in 2015) but this is still over twice the country average. This was much the same before the crisis, reflecting in part the significant proportion of the workforce living in the region (as opposed to commuting in from outside) with relatively low education levels and the lack of low skilled jobs to employ them. (Although a relatively high proportion have tertiary education, around a third of the population aged 25-64 have only basic schooling.)

## **2. Main features of Cohesion Policy implementation**

### **2.1. Nature and scale of Cohesion Policy in the country**

Due to the Belgian institutional set up, the Cohesion policy complemented the priorities of the development policy pursued in each region. There were four ERDF OPs: one for each of the three regions (Brussels Capital, Flanders and Wallonia) under the Competitiveness and Employment Objective and one for the province of Hainaut under the Convergence Objective with Phasing-out status. The priorities were: strengthening territorial cohesion and maintaining competitiveness in the Brussels OP; promoting the knowledge economy and innovation, stimulating entrepreneurship and encouraging urban development in the Flanders OP; and, boosting business and job creation, developing human capital, knowledge, know-how and research, and ensuring balanced and sustainable territorial development in the Wallonia and Hainaut OPs.

The ERDF allocation for Belgium for the period amounted initially to EUR 990.3 million but was reduced slightly over the period to EUR 986.6 as a result of de-commitments (i.e. MAs failing to comply with the n+2 rule, which stipulates that tranches of funding should be spent within two-years). The ERDF funding corresponded to less than 0.04% of GDP over the 7-year period and just over 1% of government capital expenditure (Table 3). Overall, ERDF support was equivalent to EUR 13 a year per head of population, though the funding going to the Phasing-out region of Hainaut was nearly 4 times as much.



**Table 3 ERDF and national co-financing for the 2007-2013 period in Belgium, initial (2007) and last (April 2016)**

	2007				2016			
	EU funding	National public funding	National private funding	Total	EU funding	National public funding	National private funding	Total
EUR million								
Convergence	449.2	620.7	-	1 070.0	449.2	299.5	-	748.7
Competitiveness	541.1	710.9	82.0	1 333.9	537.4	551.9	82.0	1 171.3
Total	990.3	1331.6	82.0	2 403.9	986.6	851.4	82.0	1 920.0
<i>Change, 2007-2014</i>								
Convergence					-	-321.3	-	-321.3
Competitiveness					-3.6	-159.0	-	-162.6
Total					-3.6	-480.2	-	-483.9
% GDP	0.04	0.05	0.00	0.09	0.04	0.03	0.00	0.07
% Govt. capital expend	1.1	1.4	0.1	2.6	1.1	0.9	0.1	2.1
Per head (EUR) pa	13.1	17.5	1.1	31.7	13.0	11.2	1.1	25.3
of which:								
Convergence	49.0	67.7	-	116.7	49.0	32.7	-	81.7
Competitiveness	8.1	10.7	1.2	20.0	8.1	8.3	1.2	17.6
<b>EU15</b>								
% GDP	0.13	0.09	0.01	0.24	0.13	0.06	0.01	0.21
% Govt. capital expend	3.1	2.0	0.3	5.5	3.1	1.4	0.3	4.8
Per head (EUR) pa	40.7	26.4	4.3	71.4	40.5	18.2	4.3	63.0
of which:								
Convergence	145.3	74.8	9.6	229.7	145.3	41.6	8.7	195.6
Competitiveness	16.1	15.0	3.1	34.1	15.9	12.6	3.2	31.8

Note: EU funding relates to decided amounts as agreed in 2007 and as at 14 April 2016. The figures for % GDP and % Govt. capital expenditure relate to funding for the period as % of GDP and General Government capital expenditure aggregated over the years 2007-2013. Govt. capital expend is the sum of General Government gross fixed capital formation and capital transfers. The EU15 figures are the total for the EU15 countries for comparison.

Convergence and Competitiveness categories for EU15 include the Phasing-out and Phasing-in regions, respectively. For Belgium, the Phasing-out region of Hainaut is included in the Convergence category.

Source: DG Regional and Urban Policy, Inforegio database and Eurostat, national accounts and Government statistics

## 2.2. Division of funding between policy areas and changes over the period

The division of ERDF funding between broad policy areas was similar in the Competitiveness regions and Hainaut. In both, funding went primarily to support enterprises and innovation, although in the latter it was larger in relative terms. This reflects the priority given in all OPs to supporting innovation and RTD, as well as investment in companies, except in the Brussels Capital OP which was more focused on the territorial dimension. In both categories of regions, the main share of the remaining funding went to the broad policy area of social, culture and territorial development (Table 4).

**Table 4 Division of ERDF financing for the 2007-2013 period in Belgium by broad category**

	Convergence		Competitiveness	
	EUR mn	% total	EUR mn	% total
1. Enterprise support, innovation	279.6	62.2	288.2	53.6
2. Transport, energy, ICT	41.1	9.1	69.8	13.0
3. Environmental	45.4	10.1	50.2	9.3
4. Social, culture+territorial dimension	78.1	17.4	108.8	20.2
5. Human capital - Labour market	0.0	0.0	7.1	1.3
6. Technical assistance, capacity building	5.0	1.1	13.2	2.5
Total	449.2	100.0	537.4	100.0

Note: Division of decided amounts of funding as at 14 April 2016. Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.

Source: DG Regional and Urban Policy, Inforegio database



In more detail, 25% of the total funding available was allocated to innovation and RTD, while a third went to supporting investment in enterprises and to promoting entrepreneurship. The remaining resources went to the territorial dimension, environment and, to a lesser extent, transport (Table 5)<sup>3</sup>.

Over the programming period, there were a few changes to the division of funding between policy areas, though the broad pattern of priorities remained much the same. Accordingly, funding continued to be concentrated on the long-term regional priorities and there was only a limited change in funding over the period.

The main shift was from 'Innovation and RTD' and 'Entrepreneurship' to the 'Environment' and 'Other investment in enterprise' in the form of Financial Instruments (FIs). To a large extent, these shifts were carried out in response to the national regulation requiring investment decisions to be taken before the end of 2013. In practice, most unused funding at that time was shifted into FIs.

**Table 5 Division of financial resources in Belgium for 2007-2013 by category, initial (2007) and last (April 2016) and shift between categories**

Category	EUR million					% Total	
	2007	2016	Added	Deducted	Net shift	2007	2016
1. Innovation & RTD	264.3	242.1	12.8	-34.9	-22.1	26.7	24.5
2. Entrepreneurship	72.1	64.1	0.3	-8.3	-8.0	7.3	6.5
3. Other investment in enterprise	252.9	261.7	14.7	-6.0	8.7	25.5	26.5
4. ICT for citizens & business	5.5	8.0	4.0	-1.4	2.6	0.6	0.8
5. Environment	85.6	95.6	10.0	-	10.0	8.6	9.7
6. Energy	25.8	27.9	5.0	-2.9	2.1	2.6	2.8
7. Broadband	15.2	15.2	-	-	-	1.5	1.5
8. Road	14.2	14.2	-	-	-	1.4	1.4
9. Rail	-	-	-	-	-	-	-
10. Other transport	43.5	45.5	2.0	-	2.0	4.4	4.6
11. Human capital	4.6	7.1	2.5	-	2.5	0.5	0.7
12. Labour market	-	-	-	-	-	-	-
13. Culture & social infrastructure	32.6	33.8	1.2	-	1.2	3.3	3.4
14. Social Inclusion	-	-	-	-	-	-	-
15. Territorial Dimension	155.6	153.1	-	-2.5	-2.5	15.7	15.5
16. Capacity Building	-	-	-	-	-	-	-
17. Technical Assistance	18.3	18.2	0.5	-0.6	-0.1	1.9	1.8
<b>Total</b>	<b>990.3</b>	<b>986.6</b>	<b>53.1</b>	<b>-56.7</b>	<b>-3.6</b>	<b>100.0</b>	<b>100.0</b>

Note: 'Added' is the sum of additions made to resources in OPs where there was a net increase in the funding going to the category. 'Deducted' is the sum of deductions made to resources in OPs where there was a net reduction in funding. 'Social inclusion' includes measures to assist disadvantaged groups and migrants. 'Territorial dimension' includes support for urban and rural regeneration and tourist services and measures to compensate for climate conditions.

Source: DG Regional and Urban Policy, InfoREGIO database, April 2016

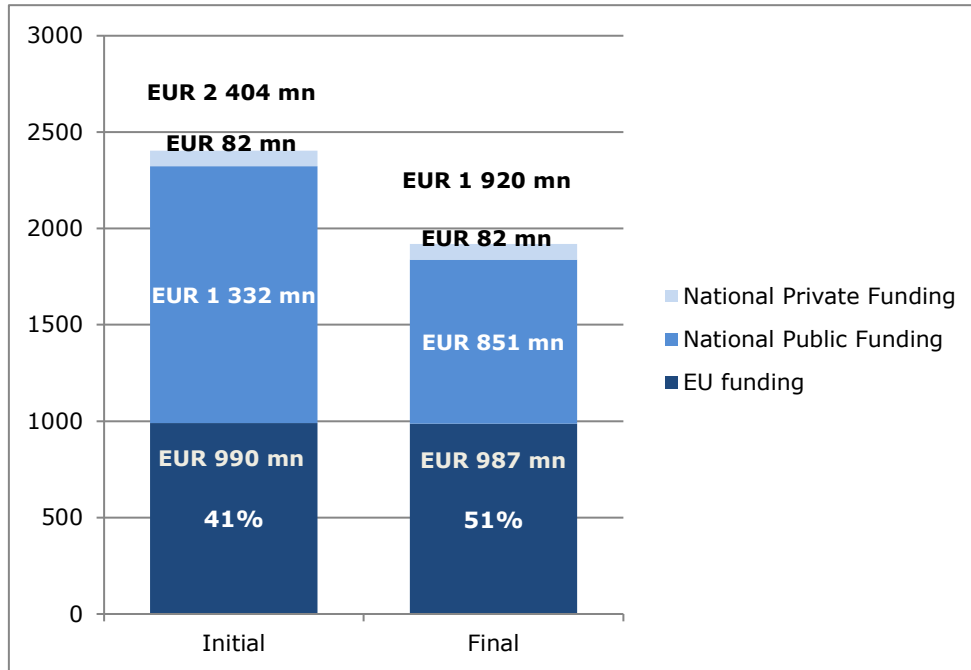
### 2.3. Policy implementation

In the course of the programming period, there was a reduction of EUR 233 million in the total investment initially planned, mainly as a consequence of the cut in the national co-financing for the Hainaut OP (by over a third). This was a result of the increase in the EU co-financing rate, from 41% to 51% on average, which was made in order to reduce the pressure on public finances at a time when fiscal consolidation measures were being implemented (Figure 1). The amount of the ERDF was also reduced a little because of de-commitments, as noted above.

<sup>3</sup> The 17 categories shown in the table are aggregations of the more detailed 87 categories into which expenditure was divided in the period for reporting purposes.



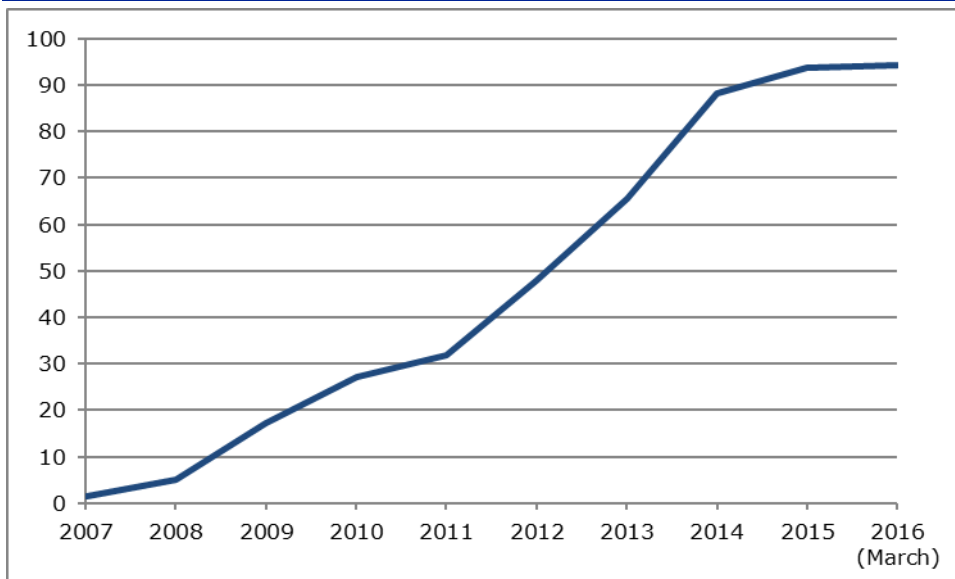
**Figure 1 Total funding going to expenditure on Cohesion policy programmes for the 2007-2013 period, initial planned amount and final amount (EUR mn)**



Source: DG Regional Policy financial data, 14 April 2016

Taking the time profile of Commission payments of ERDF as a proxy, programme implementation was slow in the first half of the programming period, most especially in the Walloon region and Brussels. The pace of spending accelerated in 2011, in part because more funding was shifted towards FIs. At the end of March 2016, payments from the ERDF to Belgium, to cover the expenditure incurred, amounted to 94% of the total available (Figure 2). Given the lag between expenditure on the ground and payments for it being claimed and made and the fact that 5% of funding is held back until all the expenditure is approved, this suggests that all the funding was spent by the end of 2015, in line with the regulations.

**Figure 2 Time profile of payments from the ERDF to Belgium for the 2007-2013 period (% of total funding available)**



Source: DG Regional Policy financial data, end-March 2016



### 3. The outcome of Cohesion Policy programmes – main findings from the ex post evaluation

The main findings summarised here come from the evaluations carried out under the Work Packages (WPs), into which the overall *ex post* evaluation was divided which covered in detail the following policy areas:

- Support to SMEs – increasing research and innovation in SMEs and SME development (WP2);
- Financial instruments for enterprises (WP3);
- Support to large enterprises (WP4);
- Transport (WP5);
- Environment (WP6);
- Energy efficiency in public and residential buildings (WP8);
- Culture and tourism (WP9);
- Urban development and social infrastructure (WP10);
- European Territorial Cooperation (WP11);
- Delivery system (WP12);
- Geography of expenditure (WP13);
- The impact of cohesion policy 2007-2013: model simulations using Quest III and Rhomolo (WP14).

All of these are relevant for Belgium, except the evaluation of large enterprises (WP4), which focused only on those countries which allocated significant amounts of funding to large enterprises, which was not the case for Belgium. The evaluation of ETC (WP11) is the subject of a separate report. The evaluation on the delivery system (WP12) did not cover Belgium in any detail, while the estimates produced by WP13 on the allocation of funding and of expenditure between regions are not considered here<sup>4</sup>.

#### 3.1. Enterprise support and innovation (WP2, WP3 and WP4)

Over the programming period, a total of EUR 568 million, or nearly 60% of the ERDF available, was set aside for projects in this policy area. This amount went, for the main part, to supporting RTD and innovation (43%) and to other investment in enterprises (46%).

According to the data reported by MAs, by the end of 2014, the funding helped to start 3 263 new businesses and to supporting investment in 3 038 SMEs projects. In addition, 698 RTD projects were launched, along with 54 cooperation projects between enterprises and research institutions. Overall, 25 511 gross full-time equivalent jobs were directly created, as a result of the support provided, 10 153 of which were in SMEs and 375 in R&D.

#### SME support, R&D and innovation (WP2<sup>5</sup>)

Despite the economic and financial crisis, there was an increase in employment in SMEs in Belgium over the programming period, while in many other Member States it

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<sup>4</sup> They are available at: [http://ec.europa.eu/regional\\_policy/en/policy/evaluations/ec/2007-2013/#1](http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/2007-2013/#1).

<sup>5</sup> The approach of the *ex post* evaluation for WP2 was to examine in detail 50 OPs which were selected for their importance to SMEs and innovation of which 1 concerned Belgium, namely the OP Hainaut. See Support to SMEs – Increasing Research and Innovation in SMEs and SME Development, WP2, first intermediate report, volume I, [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp2\\_1st\\_intermediate\\_report\\_1.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp2_1st_intermediate_report_1.pdf).



declined<sup>6</sup>. By shifting the policy focus on measures aimed at improving access to finance and providing SMEs with working capital during the credit crunch, jobs were safeguarded in the short term. Specific measures were put in place to help counter the effects of crisis, such as FIs in the Hainaut OP which were targeted specifically at micro enterprises<sup>7</sup>. However, the corollary was a shift of funding away from research and innovation, which is important for strengthening competitiveness in the long-term, even if this was on relatively small scale.

### **Financial Instruments for enterprises (WP3)**

Belgium has a long tradition of using Financial Instruments (FIs) for enterprises support, which dates back to the 1994-1999 period. In the 2007-2013 period, EUR 159 million from the ERDF, or 28% of the amount for enterprise support, had gone into FIs by the end of 2014, though not all of this had reached final recipients (73%).

Support went into FIs in response to credit rationing and the difficulty of SMEs to find collateral. Three of the four Belgian OPs implemented at least one FI. The exception was the Flanders OP. In Wallonia, on the other hand, over 20% of the ERDF went into FIs, including ones targeting innovative firms (NOVALIA) and microenterprises (SOCAMUT). Altogether, 9 specific funds were set up. The prevalent form of support was loans on a fixed rate basis and a repayment period from 5 to 20 years. No funding went into venture capital.

### **3.2. Transport (WP5)**

Transport was not a major priority of Cohesion policy in the 2007-2013 period. EUR 60 million, or 6% of the total funding available, went to investment in this policy area, mainly to transport services and logistics in the Walloon region (to the "Logistics in Wallonia" programme).

### **3.3. Environmental infrastructure (WP6)**

Environmental projects accounted for some EUR 96 million of the ERDF in the 2007-2013 period (or 10% of the total available). Of this, only EUR 4.4 million was invested in waste management and EUR 1 million in water supply and wastewater treatment, which were the focus of WP6. This is similar to other EU15 Member States, reflecting their broad compliance with EU Directives in these areas and the limited need of new investment.

### **3.4. Energy efficiency in public and residential buildings (WP8)**

Support for investment to improve energy efficiency amounted to some EUR 16 million, or just 2% of the total funding available. The schemes supported were at housing, to a large extent at the renovation of social housing in Flanders through grants.

### **3.5. Culture and tourism (WP9)**

Although culture and tourism were not major priorities of Cohesion policy in Belgium over the period, three of the four OPs allocated funding amounting to EUR 86.3 million to these, equivalent to 9% of the total ERDF support available (as against an average

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<sup>6</sup> The European Innovation Scoreboard 2016 also indicates that the innovation performance in Belgium gradually increased over time and then declined in 2015. Performance relative to that of the EU has improved to almost 116% in 2015, see [http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards\\_en](http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en).

<sup>7</sup> They combined micro-loans (lower than EUR 38 000) and had minimal bureaucratic requirements with direct guarantees to the banks that provided the credit. See Support to SMEs – Increasing Research and Innovation in SMEs and SME Development, WP2, final report, p. 87, [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp2\\_final\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp2_final_en.pdf).





of 5% in the EU27). The funding was fairly evenly divided between tourism - specifically to tourist services - (53%) and cultural projects (47%). Unlike many other Member States, where the focus was on urban areas, the funding in Belgium went exclusively to rural and intermediate areas. Support took the form of non-repayable grants.

According to a survey carried out among Managing Authorities as part of the evaluation, the rationale for supporting culture and tourism was to increase economic diversification, innovation and social cohesion<sup>8</sup>. In the Hainaut OP for example, the motivation for investment in culture was to increase economic diversification, while it was innovation for investment in tourism. In the Walloon OP, social cohesion also represented a major reason for providing support for investment in culture and tourism.

### **3.6. Urban development and social infrastructure (WP10)**

While no funding went to support of social infrastructure in Belgium, 14% of the ERDF, EUR 141 million, went to investment in integrated urban development projects in Hainaut, Wallonia and Flanders. In the last, it represented around a quarter of the total available and, much of going to 'genuinely' integrated urban development in Antwerp. In Wallonia it went to the cleaning up of brownfield sites and the support of investment in transport and other physical infrastructure<sup>9</sup>.

Tangible indicators of achievements are limited. The only core indicator reported by the Managing Authorities relates to areas of rehabilitated land which amounted to 6 square km to the end of 2014, over 70% of this in Flanders.

### **3.7. ETC (WP11)**

Belgium was involved in three Interreg programmes financed under the ETC Objective. These were, respectively, with the Netherlands, Germany and France. The ETC-funded programmes are the subject of a separate report.

### **3.8. Impact on GDP (WP14)**

Investment supported by Cohesion and rural development policies over the 2007-2013 period is estimated to have increased GDP in Belgium in 2015, at the end of the programming period, by around 0.1% above the level it would have been in the absence of the policies, even after taking explicit account of the contribution made by Belgium to the financing of the policy<sup>10</sup>. The net gain comes largely from the investment in regions outside of Belgium, mainly Convergence ones which benefited the country through trade. By 2023, GDP is estimated to be 0.2% above what it otherwise would be without the policies.

### **3.9. Overview of achievements**

Up to the end of 2014, one year before the end of the programming period in terms of the expenditure which could be carried out, the investment co-financed by the ERDF for the 2007-2013 period resulted in the direct creation of over 25 000 jobs in gross terms (Table 6). This, it should be emphasised is based on the data reported by MAS,

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<sup>8</sup> Culture and Tourism, WP9, final report, p. 39, see [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp9\\_final\\_report.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_final_report.pdf).

<sup>9</sup> See Urban development and social infrastructures, WP10, final report, p. 115, [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp10\\_final\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp10_final_en.pdf).

<sup>10</sup> Estimates by the Quest model, a new-Keynesian dynamic general equilibrium model in kind widely used in economic policy research, developed by DG Economic and Financial Affairs to assess the effects of policies. See The impact of Cohesion Policy 2007-2013: model simulations with Quest III, WP14a, final report, [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp14a\\_final\\_report\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp14a_final_report_en.pdf).



which are not necessarily complete since reporting of this and other core indicators was not compulsory in the period.

**Table 6 Values of core indicators for ERDF co-financed programmes in Belgium for 2007-2013 period, as at end-2014**

Core Indicator Code	Core indicator name	Value up to end-2014
1	Jobs created	25 511
4	Number of RTD projects	698
5	Number of cooperation projects enterprises-research institutes	54
6	Number of research jobs created	375
7	Number of direct investment aid projects to SMEs	3 038
8	Number of start-ups supported	3 263
9	Number of Jobs created in SMEs (gross, full time equivalent)	10 153
29	Area rehabilitated (km2)	6

*Note: The figures in the table are those reported by MAs in Annual Implementation Reports. Core indicators for which no data were reported by the Member State are not included.*

*Source: Annual Implementation Reports, 2014 and DG Regional Policy post-processing of these, August 2016*

