MID-TERM EVALUATION OF THE 2021-2027 REGIONAL PROGRAMME FOR PROVENCE-ALPES-COTE D'AZUR ET MASSIF DES ALPES

SUMMARY

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IN PARTNERSHIP WITH :

CONTEXT OF THE EVALUATION

With an EU allocation of **€615 million**, the 2021-2027 Provence-Alpes-Côte d'Azur ERDF-ESF+ regional programme was validated by the European Commission in November 2022.

It was drawn up in a context of complex socio-economic and environmental transition (health crisis, transitions, impacts of climate change on the territory, etc.) and **started with a 2-year delay** due to various factors : delayed adoption of the regulatory framework, overlap with the closure of the 2014–2020 programming period, and the management of the recovery plan linked to the COVID-19 crisis (REACT-EU, SAFE, CRII initiatives).

Despite all these contextual challenges, Region SUD achieved a dynamic start to the programming period and ensured a relatively satisfactory "catch-up effect", bringing the overall programming rate to 34% of the program's funding.

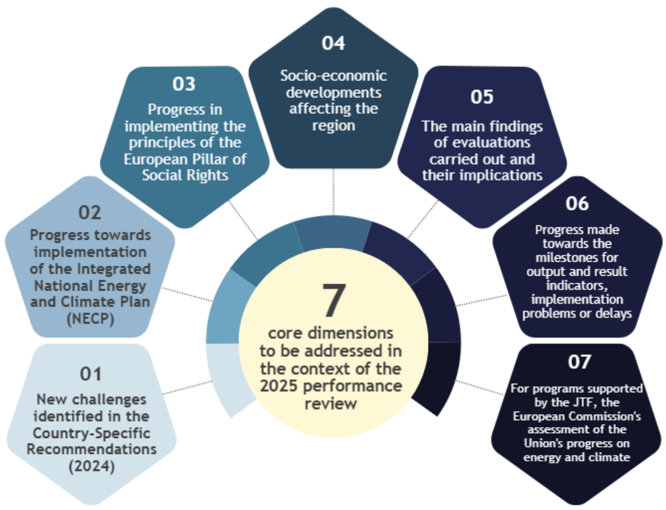
Purpose of a mid-term evaluation

The evaluation pursued 3 main objectives:

- **Measure program performance as of 12/31/2024 and reach the regulatory expectations for the rest of the program:** Provide data and supporting arguments to justify the program's level of progress.
- **Anticipate the constraints of decommitment rules for the coming years:** Identify obstacles and success factors and analyze the progress of indicators regarding the 2024 and 2029 targets.
- **Suggest improvements** to optimize implementation of the 2021-2027 program: Integrate a forward-looking vision of the program trajectory into implementation practices.

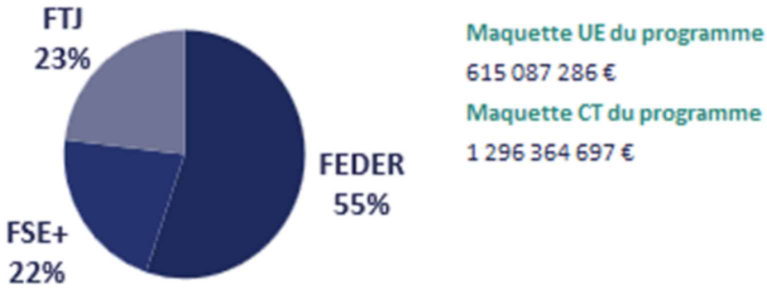
INFORMATION-GATHERING AND ANALYSIS TOOLS

- **1 Analysis of external factors** (Production of a note on the evolution of the socio-economic and environmental context)
- **1 Review of achievements** (commitment of funds as of December 31, 2024, approved projects, certification rate…)
- **19 Interviews with key stakeholders** (operational departments, support functions, partners …)
- **20 Interviews with project leaders** & scenario-building for program revision
- **5 group discussion sessions** (COTECH, COPIL, workshops with the Monitoring Committee, and Regional Departments)



1 PROGRESS REPORT AND KEY FINDINGS ON THE PROGRAMMING DYNAMIC

THE PROGRAM LAYOUT



At the program level, around **one-third** of EU funds are programmed as of 12/31/2024.

A certification dynamic has begun but is not yet significant (only 4% of expenditures certified as of 12/31/2024).

Despite a two-year delayed start, there has been a strong programming momentum since 2023 and a relatively well-managed "catch-up effect".

PROGRAMMING DYNAMIC (EU AMOUNTS)

Dynamique de programmation à l'échelle de la priorité, au 31/12/2024

<u>A positive dynamic, but significant disparities between funds:</u>

- ERDF: 30.5% programmed and an intervention rate higher than expected (53.9%).
- ESF+: Very good state of progress with 70.1% programmed and €47.9 million already certified.
- JTF: Slower start (8.9% programmed), due to the specific nature of the supported actions, but an encouraging dynamic with a promising second call for projects.

	EU programming		EU intervention rate		Certification
	en k€	% prog	Scheduled	Realised	
Fund	209 712 K€	34,1%	47,4%	50,0%	47 879 K€
ERDF	103 460 K€	30,5%	50,4%	53,9%	0 K€
ESF	93 602 K€	70,1%	50,0%	47,6%	47 879 K€
JTF	12 650 K€	8,9%	40,0%	40,9%	0 K€

PRIORITY 1: DEVELOP AN INNOVATIVE AND COMPETITIVE REGIONAL ECONOMY

EU funds allocated	Nb of projects	Programmed EU amounts	Programming rate
135,7 M€	**11**	**43 M€**	**32 %**

Données au 31/12/2024

This priority aims to support projects in three key sectors: **Research, Digital Technology**, and **SME Growth and Competitiveness.**

- A roughly positive dynamic: Regarding **research**, 9 public R&D projects have already been supported (averaging €1.2 million in ERDF funding per project), managed by key national research institutions such as the National Center for Scientific Research (CNRS) and universities. On the **private R&D side**, 90 proposals have been submitted, and the first projects are scheduled for programming by the end of 2024. In terms of **private investment**, the €32 million contribution from 2 financial instruments, and the prospect of a 3rd tool — a zero-interest loan — in 2025 should allow to exceed the certification targets for that year.
- A progress with some caveats: However, a delay in programming is noted in certain areas, particularly in **digital technology**, where no project has been programmed by 12/31/2024. Nevertheless, 33 public digital projects have already been submitted (representing a total of €22.5m in ERDF funding). The mid-term review of the program, scheduled for the first half of 2025, suggests reallocating funds which were initially dedicated to private-sector digital projects.

PRIORITY 2: PRESERVE REGIONAL RESOURCES BY SUPPORTING THE ENVIRONMENTAL AND ENERGY TRANSITION

EU funds allocated	Nb of projects	Programmed EU amounts	Programming rate
100,8 M€	**12**	**16,4 M€**	**16 %**

This priority aims to support projects in four key sectors: **energy efficiency, renewable energy, climate change adaptation and the circular economy.**

- An actual start for two focus areas: Energy efficiency shows a decent level of programming, with 11 public building renovation projects representing 38% of committed ERDF funds. However, no expenditure claims had been submitted by the end of 2024. As for climate change adaptation, an initial call for projects met a limited success, but a second call launched in 2024 with a broader target offers more promising prospects.
- Renewable energy and circular economy projects have been delayed due to enabling conditions that were only approved in December 2024 at the national level. Calls for projects are planned for early 2025.

PRIORITY 3: PROMOTE SUSTAINABLE AND LOW-CO2 URBAN MOBILITY

EU funds allocated	Nb of projects	Programmed EU amounts	Programming rate
19,9 M€	**-**	**- €**	**- %**

Données au 31/12/2024

In order to contribute to the **2050 carbon neutrality target, reduce greenhouse gas emissions and improve air quality**, the Region has redirected EU funds toward two main areas: the **support of cycling infrastructure projects** for everyday mobility on one hand, and the **development of infrastructure and** equipment for the distribution and **use of alternative fuels** on the other hand. A call for projects on cycling infrastructure has been launched in the first half of 2025. Interest from local authorities in this type of development has grown since the health crisis. Then, the experience gained during the implementation of

REACT-EU now facilitates the roll-out of such projects. The evaluation also highlights the possibility that **the allocated budget may be insufficient to cover the scope of needs.**

PRIORITY 4: ACCESS TO EMPLOYMENT / QUALITY TRAINING AND CAREER GUIDANCE

EU funds allocated	Nb of projects	Programmed EU amounts	Programming rate
133,5 M€	**79**	**93,6 M€**	**74 %**

Données au 31/12/2024

This priority aims to support projects in four key sectors: **entrepreneurship support, career orientation and equal access to employment, lifelong learning, and healthcare**.

- Good progress in programming, largely explained by March 2024 programming of professional training program implemented by the Regional Council, representing **€65.4 million in ESF+ funding. Two key thematic areas stand out as strong levers to support the current momentum:**
  - **Entrepreneurship**: 64 operations have been programmed (mainly business incubators, such as *"Mon projet d'entreprise"* initiative), representing **€16.8 million in ESF+ funding**, i.e. 70% of the EU envelope allocated to this topic.
  - **Training for job seekers**: Thanks to the large operation launched in March 2024 and a call for projects on "educational innovation", this area has reached 80% of EU programming.
- Lagging progress in specific areas which involve a partial reallocation of the ESF+ envelope towards the most dynamic thematic areas at mid-term in order to optimize the territorial impact of the program.
  - **Career guidance and the promotion of equal opportunities** have shown good momentum at the start of the program, with 52% of the EU envelope allocated. However, budgetary uncertainties weigh on the sustainability of these schemes, considering restrictions on regional and national budgets.
  - **Health:** As a new focus of the 2021-2027 program, this thematic remains underdeveloped at mid-term, with only 8% of the envelope used. Nevertheless, there are prospects for supporting health mediation initiatives during the rest of the programming period.

PRIORITY 5: PROVIDE AN INTEGRATED RESPONSE TO THE SPECIFIC NEEDS OF THE TERRITORIES

EU funds allocated	Nb of projects	Programmed EU amounts	Programming rate
50 M €	**34**	**24,8 M €**	**49 %**

Données au 31/12/2024

This priority aims to support projects in favor of **urban and rural development:**

- Good programming momentum and favorable prospects for achieving the 2029 targets show a concrete impact on the territories:
  - **On the rural development:** introduced in the 2021-2027 programming period, this thematic has met with a notable success, with 82% of the envelope used under the first call for projects. The supported projects mainly involve the rehabilitation of infrastructure and the development of public spaces.
  - **On the urban development:** it is based on a direct partnership with four major inter-municipal authorities: the metropolitan areas of Aix-Marseille, Toulon Provence Méditerranée, Nice Côte d'Azur, and the Greater Avignon urban community. These local authorities are implementing integrated development strategies approved by the Region. At the end of 2024, 12 projects have been selected, with €8.3 million in ERDF funding committed (28% of the EU envelope). The funds have mainly been used to support projects aimed at improving public facilities and quality of life in urban areas.

- Payment progress remains slow: The nature of the projects (investments requiring long timelines) and the project selection schedule (on the urban development actions) explain why no payment has been registered so far. However, the evaluation **highlights the need to provide active support to project promoters** to guarantee a ramp-up in payment requests from 2025 onward.

PRIORITY 6: SUPPORT THE DEVELOPMENT OF THE INTERREGIONAL TERRITORY OF THE ALPS MASSIF

EU funds allocated	Nb of projects	Programmed EU amounts	Programming rate
32,8 M€	**74**	**19 M€**	**58 %**

Données au 31/12/2024

This priority supports interregional projects on strategic sectors for the Alps territory: **Biodiversity, Forestry management, Mobility, Risk management and Tourism.**

This is the most active priority in terms of the number of supported projects, all of which are local, targeted initiatives tailored to the Alps territory (with an average grant amount of around €260,000 per project).

- Well-balanced programming across the five selected thematics: **Tourism**: 30 projects for €8 million in ERDF funding, focused on cultural and natural sites enhancement**. Natural risks**: 14 projects for €3.8 million, including prevention works. **Biodiversity**: 10 projects for €3.25 million. **Forestry management**: 17 projects for €3.4 million, mainly supporting the local wood industry. **Mobility**: 3 projects for €666,000.
- Some points to watch to secure the performance trajectory: **Certification must start no later than the first half of 2025** and should be accompanied by a **strengthening of appraisal teams**. This may handle the volume of applications to be assessed and monitored. The mobility theme, weakened by the reduction of the Green Fund, could justify an upward adjustment of ERDF funding to compensate for these national disinvestments.

PRIORITY 7: SUPPORT THE TRANSFORMATION OF INDUSTRIAL ACTIVITIES (JUST TRANSITION)

JTF funds allocated	Nb of projects	Programmed EU amounts	Programming rate
142 M €	**6**	**12,6 M €**	**9 %**

Données au 31/12/2024

This priority aims to support the **transition of high greenhouse gas-emitting industrial sectors** in the Bouches-du-Rhône area. It focuses on projects that **reduce emissions, preserve employment, and promote economic diversification toward sustainable sectors**. It mobilizes **€142 million from the Just Transition Fund (JTF)** and is structured around three strands: **material recycling, energy transition, and industrial ecology.**

- A priority with a slow start but recent improvements which reflects the challenges of a deep transformation of the industrial and territorial model in the Bouches-du-Rhône area.
  - The first call for projects (2023) had a **high dropout rate (62%)** and a **low programming rate (8.9%).** The projects lacked maturity, and the project holders —often very small enterprises — had limited administrative capacity to follow-up funding applications.
  - The second call for projects (2024) was more dynamic: **34 projects submitted,** with an expanded scope to include large enterprises and certain expenditures in the field of R&D.
- A priority showing early signs of territorial transformation, but with a still limited impact: The programmed projects mainly aim to **diversify the sustainable economy**: bio-based materials, green chemistry, biomass recovery and recycling. Some structuring projects show **strong potential in terms of job creation and national visibility**. However, performance indicators are partially achieved: the number of businesses involved in these sectors is on track, but recycling capacity and renewable energy production remain more uncertain.

2 IMPLEMENTATION ANALYSIS

Notable lessons learned from the 2014-2020 programming experience

EFFECTIVE AND WELL-RECEIVED SUPPORT MEASURES FOR PROJECT HOLDERS

Project leaders widely praise the quality of the support provided by the Region, particularly during the application phase, where they could discuss their project with a designated officer. The added value of having a **direct "human" interaction** around a project is unanimously highlighted and **often considered decisive for the quality** of the submitted project.

New external support methods have been successfully tested, particularly on the "urban development" and "rural development" strands.

However, this support remains unevenly accessible, as it is **mainly focused on territorial development priorities**. Some project promoters regretted not having been informed of this opportunity, or not having the resources to finance it themselves, if necessary.

Simplifying project call frameworks

The Region Sud has undertaken an ambitious strategic initiative to improve the accessibility of its calls for projects during the 2021-2027 period. This includes **clearer presentation, more transparent criteria, better-defined indicators, and stronger alignment with regional priorities.**

Project holders' insights:

Introduced for the new programming period, the educational tools developed by the Region (guides, factsheets, tutorials) are of high quality but remain little known by the project leaders. Their limited visibility reduces their impact, despite the recognized benefit of their content.

> *« I found out the guide after submitting my application… too late. »*
> *(Excerpt from an interview with a project promoter)*

However, the support provided by program managers during the application process was a key added value for project holders. They highlighted the quality of the interactions and stated that the application forms and evaluation criteria became much clearer after speaking with a manager.

> *« After the advisor pointed us in the right direction, everything became much easier to understand.*
> *(Excerpt from an interview with a project promoter)*

These efforts are generally welcomed, particularly by experienced project holders who can compare current practices with the previous programming period. However, first-time applicants for European funds continue to face **difficulties with the administrative or legal terminology**, often seen as "intimidating". The **tight application timelines** may lead to the submission of insufficiently mature projects, which might be rejected during the evaluation phase.

Though, the introduction of new communication tools (webinars, application kits, guides, etc.) has been well received by project leaders, especially because they were directed to these resources through one-to-one support. **Human support**, especially for first-time applicants, **remains a crucial element to overcome barriers** and help them better understand the requirements of the calls for projects.

Strong commitment to streamlining fund implementation

SUCCESSFUL IMPLEMENTATION OF SIMPLIFICATION MEASURES PROVIDED BY EUROPEAN REGULATIONS

The European Commission has launched an ongoing effort to simplify the implementation of EU funds. At the same time, it has strengthened the regulatory framework to ensure the proper allocation of resources. These measures include financial instruments for project promoters and simplified cost options for the Region as Managing Authority.

Spotlight on financial instruments

The SUD Region has chosen to mobilize the ERDF under SME support to deploy financial instruments. Two financial instruments have been deployed with €21.3 million and €10.6 million of ERDF funding respectively.

The use of this type of scheme is simpler than a grant request for small businesses and is now well adopted by the region’s economic stakeholders.

The upcoming deployment of a third financial instrument, a *“zero-interest innovation loan”* amounting to €20 million in ERDF funding, will further enhance the range of support available in the region.

Spotlight on simplified cost options (SCO)

Simplified Cost Options (SCOs), in the form of flat rates, lump sums, or unit costs, reduce the amount of supporting documentation and improve the transparency of expenditure. Their wider use has had positive effects on reducing the administrative burden for beneficiaries. They also help on speeding up processing times for managing authorities.

However, these tools require significant investment in preparation, as well as in training and communication to support their deployment.

PROCESS OPTIMIZATION IS UNDERWAY, BUT NEEDS TO BE STRENGTHENED

Numerous efforts have been made to simplify funding applications for project promoters. In particular, procedures have been harmonized through simplified call templates, checklists of required documents, and public procurement guidance kits. This optimization has also been implemented within the managing authority staff. New tools have been introduced, such as methodological guides and financial capacity assessment grids for companies. These tools have been essential to improve the quality of project evaluations. However, the evolving nature of these tools requires regular updates. Centralizing the updated versions internally will help to better share good practices and support teams in improving their tools.

GOOD USE OF PAST EVALUATIONS

The 2021-2027 programming period is qualified by a satisfying use of the lessons learned from the 2014-2020 generation, considering the recommendations from past evaluations :

- **Clearer calls for projects**
- **Educational tools implemented**
- **Improved support for small organizations**
- **Streamlined project processing through funds advances and digitalization.**

Spotlight on risk-based management checks :

The Region Sud is testing an innovative control method based on risk assessment of irregularities in project files.
Introduced by the 2021-2027 regulatory framework, this type of tool uses a combination of several criteria (total cost, type of beneficiary, type of action, presence of public procurement, regulatory constraints, etc.). Then, it’s used to determine the appropriate level of verification to apply. This system is designed to adjust the intensity of controls to the complexity and specific risks of each project. The aim is to reduce the administrative burden of EU funds and shorten processing times.

3 RECOMMANDATIONS AND OUTLOOK

Looking ahead the rest of the 2021-2027 programming period and beyond 2027

The mid-term evaluation conducted in 2024-2025 concludes with a set of recommendations aimed at improving the implementation of EU funds and anticipating key priorities beyond 2027. These are intended to **inform the reflections of the Managing Authority and regional stakeholders**.

INTERNAL ORGANISATION STRATEGY

1 **Organize and support the steering and monitoring of procedure optimization**

Actions to be implemented : Deploy tools to improve the sharing of procedures and methodological guidelines ; Ensure the systematic collection and sharing of internal documents, including those specific to each department.

2 **"Annual Procedure Review" and Procedure Optimization Action Plan**

Actions to be implemented : Organize an annual seminar to review procedures based on risk mapping, involving both project officers and certifiers; Update an action plan for optimization with a focus on simplification.

3 **Strengthen and update risk management and its implementation in procedures, in order to ensure proportionality**

Actions to be implemented : Strengthen the coordination between project assessment and certification; Make use of feedback from certification and audit processes to encourage knowledge sharing and optimizing procedures ; Establish a procedure for handling audit findings.

COOPERATION WITH OPERATIONAL DEPARTMENTS

4 **Strengthen and formalize the partnership between EU Funds Directorate and operational departments**

Actions to be implemented : Structure and formalize the roles of "EU" advisors within the operational departments; Share a schedule of planned calls for projects and update the timeline on a regular basis.

5 **Deepen and systematize cooperation reviews and project monitoring**

Actions to be implemented : Better involve advisors in the qualitative assessment of projects (through preliminary discussions, joint reviews, and shared meetings with project promoters between EU project officers and operational departments).

COMMUNICATION / OUTREACH

6 **Improve communication on the programme**

Actions to be implemented : Improve the overall user-friendliness of the *"L'Europe en région SUD"* website and strengthen links between information sources (including the Regional Aid platform); Structure internal communication related to EU funds.

RESOURCES FOR IMPLEMENTATION

7 **Adapt the resources and management approaches to match the program's ambitions**

Actions to be implemented : The resources deployed appear unbalanced in relation to the program's thematic and qualitative level of ambition. Possible levers for adjustment include the program's scope, management choices (particularly the use of calls for projects), and human resources.

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TÉRRITOIRES EN MOUVEMENT

EN PARTENARIAT AVEC :

ASTER Europe Conseil