



PRESS RELEASE

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Public policy evaluation

THE *TERRITOIRES D'INDUSTRIE* PROGRAMME

The *Territoires d'Industrie* Programme was launched in 2018 by the government to set up a cooperative framework to support industry outside metropolitan areas, around small and medium-sized towns and in rural areas. These areas are home to a large number of companies and production units, with a proportion of industry in local employment well above the national figure, at around 25 %. The aim of the programme was to reconcile industrial policy, centred on innovation and sector strategies, with regional cohesion objectives. The aim was to support local reindustrialisation projects by giving companies and local authorities priority access to the services and funding offered by the State. The programme also took account of the growing power of local authorities in the field of economic development and the simultaneous reduction in the resources of the State's *decentralised administrations*. Despite the lack of an overall assessment of the programme, the government decided in 2023 to extend *Territoires d'Industrie* until 2027, while at the same time developing it further. Against this backdrop, the Court carried out an evaluation of the 2018-2023 programme, the main lessons of which will need to be taken into account in this second phase.

An original programme combining industrial policy and regional planning, which has evolved with the recovery plan

The *Territoires d'Industrie* programme was based on three pillars: the definition of industrial basins (1), with the 149 "*Territoires d'industrie*" grouping together one or more inter-municipalities to form frameworks for cooperation between the various players; a "basket of services", including funding (2), managed by State departments and, above all, State operators such as *Bpifrance*, the *Caisse des dépôts*, *Business France* and *Ademe*; and specific governance (3) organised at the local, regional and national level. When the programme was launched, the government announced that €1.4 billion would be made available to the designated areas, corresponding to a range of measures under the ordinary law of the State and its operators. New actions, and therefore new funding, were marginal. This first phase was marked by the mobilisation of inter-municipal bodies to draw up action plans validated by the State's decentralised services, with a certain doctrinal and conceptual vagueness. The covid-19 epidemic ushered in a second phase in the implementation of the programme, during which its content changed significantly. The implementation of the action plans, most of which had just been adopted, slowed sharply. At the same time, additional measures were launched as part of the recovery plan, in particular direct subsidies to businesses through the Regional Industrial Investment Acceleration Fund (*Fonds d'accélération des investissements industriels dans les territoires*), which has been allocated €712m by the State and €242m by the *regions*.

Has the *Territoires d'Industrie* Programme helped to boost the industrial dynamism of the designated regions? Three evaluation questions with contrasting answers

Since its launch, the *Territoires d'Industrie* programme has mobilised players and created a forum for exchange. Its success depends on the voluntary commitment of local players, while the State plays a coordinating role. Launched in 2020, the Industrial Investment Acceleration Fund (*Fonds d'accélération des investissements industriels*) has built on the programme and strengthened its momentum thanks to the rapid mobilisation of local players: although *Territoires d'industrie* accounts for only 48 % of industrial companies, it represents more than two-thirds of the projects financed, a sign of increased local cooperation.

On the other hand, the prioritisation of funding announced by the government at €1.4bn in 2018 did not materialise, either in terms of the number or amount of interventions, as operators did not prioritise *Territoires d'industrie*. Their ability to pinpoint the projects they support should be improved. The programme suffered from inadequate financial monitoring and little involvement of the regions at the outset, even though their engagement increased with the covid-19 crisis, notably through co-financing. However, local authorities with the label have increased their spending on economic actions more than others.

Lastly, the impact on industrial employment and company trajectories is difficult to measure and requires more time. Many industrial regions have not managed to halt the decline of previous years and have continued to destroy industrial jobs: between 2018 and 2023, industrial regions accounted for 44 % of industrial job creation but 71 % of job destruction. On the other hand, the number of industrial companies is declining slightly less in areas with the label, and their financial situation is better on average, which could be linked to a modernisation of the industrial production base.

An evaluation framework to be developed with a view to renewing the programme

The new phase of *Territoires d'industrie* (2023-2027) was launched without any prior evaluation of the previous phase, and there is still no evaluation system or specific indicator to measure the achievement of the new objectives set by the State. The initial approach, which aimed to localise the State's industrial policies by relying on local cooperation and company initiatives, has proved effective, although significant adjustments are needed to mobilise operators more effectively. Decisions about the future of the programme should be based on an evaluation of its effects, which is virtually non-existent today. It is therefore essential that the assessment methodology, to be established, be robust and include all stakeholders, including private players. Such a development would be consistent with the programme's political guidelines and with the decentralisation of certain powers exercised by local and regional authorities.

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