



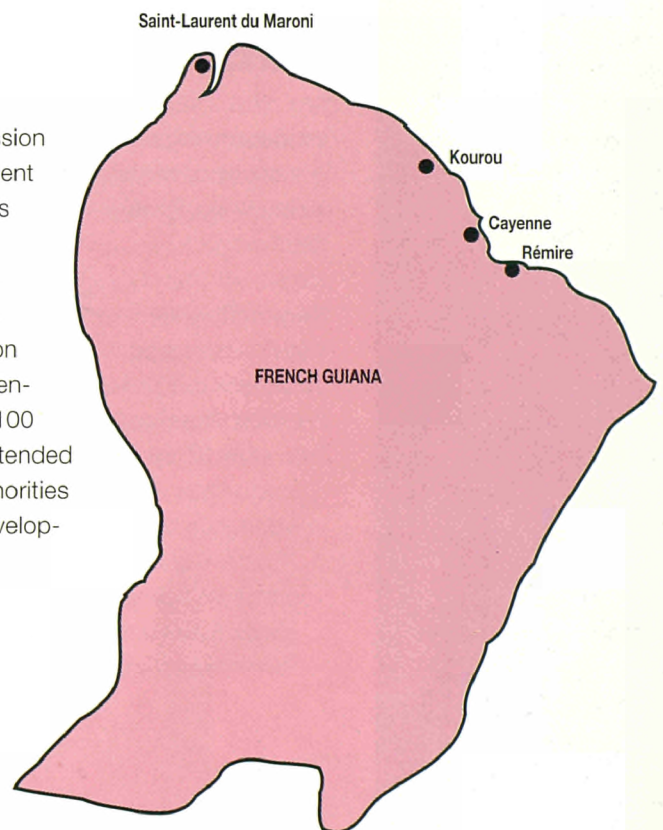
November 1994 - EN

Summary of the SPD for French Guiana (Objective 1)

The Structural Funds and the development of French Guiana, 1994-1999

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On 29 July 1994, the European Commission adopted the Single programming document (SPD) for French Guiana, one of France's four overseas départements, which is summarised in this brochure. The document gives indications for the use of the Community's Structural Fund contribution to French Guiana up to the turn of the century - ECU 165 million, or around FFr 1.100 billion. The Community contribution is intended to support the national and regional authorities in their efforts to reduce the region's development gap.



French Guiana and Europe

Since the start of the 1990s, French Guiana, the only region of the European Union in South America, has experienced extremely high rates of population growth coupled with a contraction of domestic demand. Per capita gross domestic product (GDP) stands at 58% of the Community average, and the unemployment rate (24.1%) is two and a half times that of the EU as a whole.

In view of the region's development gap, the EU Council of Ministers decided in July 1993 to keep it on the list of areas eligible for assistance under Objective 1 (regions whose development is lagging behind) for the 1994-1999 period.

The Single programming document

On 21 December 1993, the French authorities submitted to the European Commission a regional development programme (RDP) for French Guiana, setting out their development priorities and details of corresponding measures. This formed the basis of the single decision adopted by the Commission on Structural Fund assistance for the département between 1994 and 1999.

The Single programming document contains the development strategy and plans for financing assistance measures; it is thus operational immediately. Development project promoters wishing to apply for Community financing should contact the authorities responsible for implementing the SPD.

Useful address

Information regarding the operational programmes can be obtained from the regional authority responsible for implementing the SPD:

Région Guyane

Hôtel de la Région
66 avenue du Général de Gaulle
F-97305 Cayenne CEDEX
Tel.: +584 30 55 55

Economic weaknesses

French Guiana is in a most unusual position in demographic terms. Its population of 135,000, over half of them young people, grew rapidly (+5.7% a year) between 1989 and 1993, and immigrant communities (from Haiti, Brazil, Suriname, Guyana and Laos) account for around 30% of the total. The result is strong demographic pressure on jobs, over-representation of men and a poor skills base.

The slow-down in the economy since the start of the decade has had serious effects in all production sectors, and matters worsened in 1993. Like all France's overseas départements, French Guiana has the disadvantages of a small, low-wage local market, an overdeveloped tertiary sector and weak industrial base, and a persistently high degree of dependence on imports.

Private enterprise remains limited, and action to encourage entrepreneurial spirit and risk-taking is urgently needed to stem the rise in unemployment.

The fisheries sector - one of the region's few productive activities - suffers from inadequate organisation, owing to a lack of logistical resources and port facilities, and the concentration of processing factories around Kourou and Cayenne.

Gold, the one commercially viable mineral resource available, is extracted using methods which are environmentally harmful and entail unacceptable working conditions, and must therefore be changed.

Basic infrastructure in French Guiana is alarmingly underdeveloped, which greatly jeopardises the prospects for sound economic development.

Priorities

The Single programming document contains the six development priorities set out in the regional development plan put forward by the French authorities:

1 Human resource development

Strong population growth in French Guiana calls for a sustained strategy of job creation and development of the education, training and employment systems, science and technology in line with the White Paper on Growth, Competitiveness and Employment. The priority must be to adapt training structures to the jobs market, improve the quality of training provision for the working population, and bring about a sharp reduction in partial and complete illiteracy.

2 Cohesion in a pluralistic society

The alarming underdevelopment of basic infrastructure in French Guiana is getting worse. In remote areas, such as the isolated valleys of the Maroni and Oyapock rivers, the provision of facilities is essential to ensure population stability. More generally, in view of the region's demographic expansion, a balanced town and country planning policy is a prerequisite for sound economic development.

3 Environmental management and protection

In recent years, research has focused on two areas: humid tropical ecosystems and coastal ecosystems. They should be more efficiently exploited through improvements in production tools, with a view to efficient and sustainable use of the region's resources. French Guiana also needs to make urgent and radical public health improvements as regards the collection and treatment of waste water and solid waste and action to prevent pollution. Anti-pollution measures will be implemented in environmentally sensitive sectors (forestry, agriculture, tourism, transport, gold mining, etc.).

4 Support infrastructure for development

French Guiana's position as one of the EU's most remote regions could be turned into an advantage provided transport and communications links with continental Europe are improved. Other measures necessary to reduce the region's isolation are the development of the road system, inland waterways and domestic aerodromes. The telecommunications sector also needs to be expanded to strengthen ties between inland municipalities and promote rural development.

5 Promotion of private enterprise

Industry in French Guiana is clearly underdeveloped and in need of modernisation. Measures will be implemented to improve support services and access to advice, to generate economies of scale by grouping businesses within municipal structures, and to encourage R&D and technology transfer. A strategic development fund is to be set up to support project promoters and supply them with the necessary instruments.

6 Adjustment of production sectors

The agricultural sector, at an economic and geographical disadvantage in many respects, needs improvement through the development of local markets, better targeting and management of exports, and rural land use planning. French Guiana's forest, the largest on "European" soil, covers 90% of the surface area, and has great potential for furniture and ornamental woodcrafts and for green tourism. The planned strategy for organising the fisheries sector focuses on the provision of port facilities and public infrastructure. Leisure tourism should be developed, along with a sound policy of communication and promotion centred on key tourist sites. Finally, the (gold) mining sector must open up to the international market.

Quantified objectives

Quantified interim objectives are given for each of the measures set out in the SPD, including:

- construction of between 40 and 60 vessels for small-scale fisheries
- increase of over 100% in the surface area under irrigation
- increase in fishery production of 5,000 tonnes, generating 65 jobs

Table of financing by sub-programme and by measure

(in millions of ecus)

Priorities	Structural Fund total 1 = 2+3+4+5	Structural Funds				EIB/ECSC loans 6	National/government financing 7	Private sector financing 8	Total cost 9 = 1+7+8
		ERDF 2	ESF 3	EAGGF 4	FIGG 5				
Reducing isolation	33.000	33.000					30.000		63.000
Roads	24.000	24.000					24.000		48.000
Ports	4.500	4.500					3.000		7.500
Airports	4.500	4.500					3.000		7.500
Industry, crafts and services	19.800	19.800					10.862		30.462
Aids for industry	2.000	2.000					1.077		3.077
Aids for the craft sector	1.500	1.500					0.808		2.308
Aids for business services	2.600	2.600					1.400		4.000
Local development; urban development	6.700	6.700					3.608		10.308
Craft and industrial parks	6.300	6.300					3.392		9.692
Financial engineering	0.700	0.700					0.377		1.077
Tourism	0.700	0.700					0.647		1.347
Development of tourist potential	0.700	0.700					0.647		1.347
Agriculture and rural development	27.400			27.400			18.263	2.493	48.156
Agricultural development	6.272			6.272			3.985	0.377	10.634
Development of the agri-foodstuffs sector	3.182			3.182			1.666	1.516	6.364
Forestry	2.879			2.879			1.970	0.600	5.449
Rural development	14.612			14.612			10.490		25.102
Technical assistance	0.455			0.455			0.152		0.607
Fisheries	9.500				9.500		8.150	14.760	32.410
Fleet modernisation	4.000				4.000		2.650	9.020	15.670
Inland fish farming	0.180				0.180		0.450	1.130	1.760
Fishing port facilities	4.570				4.570		3.260	3.700	11.530
Processing and marketing of products	0.750				0.750		1.740	1.590	4.080
Support infrastructure	37.300	37.300					34.766		72.066
Water	9.200	9.200					6.133		15.333
Energy	2.400	2.400					2.933		5.333
Environmental protection and improvements	9.700	9.700					9.700		19.400
Training facilities	16.000	16.000					16.000		32.000
Human resource development	35.800		35.800				19.268		55.068
Developing employment and improving vocational skills	25.500		25.500				13.730		39.230
Measures to combat exclusion from the labour market	9.300		9.300				5.000		14.300
Technical assistance	1.000		1.000				0.538		1.538
Technical assistance	1.408	1.408					0.469		1.877
Total	164.908	92.208	35.800	27.400	9.500		122.225	17.253	304.386
Of which Objectives 3 and 4	28.810		28.810				15.510		44.320

Level of financing

Structural Fund part-financing for the implementation of strategic measures will range from 45% for energy to 65% for aids to industry and the craft sector.

Measures

1 Human resource development

Sub-programme:

Human resource development

- developing employment (ECU 25.5 million - job-seekers and employees in the corporate sector, unskilled young people)
- measures to combat exclusion from the labour market (ECU 9.3 million - job-seekers)
- technical assistance (ECU 1 million - all beneficiaries of ESF assistance)

2 Cohesion in a pluralistic society

See measures under sub-programmes for basic infrastructure and facilities to promote population stability.

3 Environmental management and protection

Sub-programme:

Support infrastructure

- water management (ECU 9.2 million - population of French Guiana, municipal authorities)
- energy efficiency (ECU 2.4 million - municipal authorities, businesses and associations)
- environmental protection and improvements (ECU 9.7 million - local authorities, businesses, associations, population)
- training facilities (ECU 16 million - groups in need of training: young people in outlying districts, pupils in secondary education, adults in vocational training)

4 Support infrastructure for development

Sub-programme:

Reducing isolation

- roads (ECU 24 million - population as a whole)
- port facilities (ECU 4.5 million - users, fisheries, population)
- airports (ECU 4.5 million - airport users)

5 Promotion of private enterprise

Sub-programme:

Industry, crafts, services

- aids for industry (ECU 2 million - SMLs, SMEs, all areas except commercial activities)
- aids for the craft sector (ECU 1.5 million - craft sector)
- aids for services (ECU 2.6 million - primarily the production sector)
- local development (ECU 6.7 million - local authorities and the population, particularly the most disadvantaged)
- craft and industrial parks (ECU 6.3 million - SMLs, SMEs, retailing and the craft sector)
- financial engineering (ECU 0.7 million - any production company regardless of its legal status, SMLs, SMEs, businesses in the craft sector, specific business support services)

6 Adjustment of productive sectors

Sub-programme:

Tourism

- development of tourist potential (ECU 0.7 million - local authorities, economic operators)

Sub-programme:

Promotion of agricultural resources and rural development

- agricultural development (ECU 6.272 million - farmers, organisations in the agricultural sector)
- development of the agri-foodstuffs sector (ECU 3.182 million - farmers, municipal authorities, businesses, cooperatives)
- forestry (ECU 2.879 million - State, regional and municipal authorities, logging companies)
- rural development (ECU 14.612 million - municipal authorities, farmers)
- technical assistance (ECU 0.455 million - all Community fund beneficiaries)

Sub-programme:

Fisheries

- fleet modernisation (ECU 4 million - fishing industry)
- inland fish farming (ECU 0.18 million - private-sector businesses)
- fishing port facilities (ECU 4.570 million - commercial fisheries, municipal authorities, trade organisations)
- processing and marketing of products (ECU 0.75 million - fishing industry)

Sub-programme:

Technical assistance

(ECU 1.408 million - all Structural Fund beneficiaries)

The full text of the Single programming document is available from:

Service des publications
des Communautés
européennes
26 rue Desaix
F-75727 Paris Cédex 15
Tél: +33 1 40 58 77 01/31
Fax: +33 1 40 58 77 00

For more information

In order to promote overall harmonious development, the Community has adopted a policy focusing on economic and social cohesion with concentration on non-repayable financial assistance on five priority objectives.

Objective 1

Structural adjustment of regions whose development is lagging behind

Objective 2

Economic conversion of areas seriously affected by industrial decline

Objective 3

Combating long-term unemployment and facilitating the integration into working life of young people and those threatened with exclusion from the labour market

Objective 4

Preventive measures to combat unemployment associated with industrial change

Objective 5a

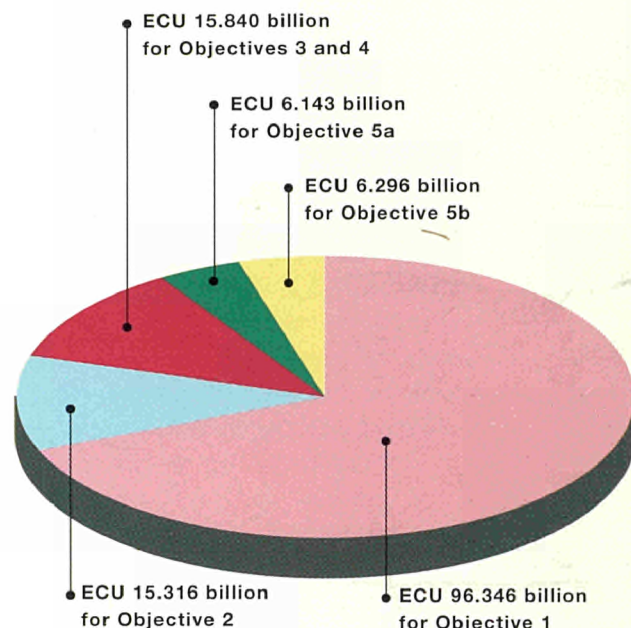
Structural adaptation of agriculture and fisheries

Objective 5b

Economic diversification of vulnerable rural areas

Objectives 1, 2 and 5b are regionally targeted and give rise to measures part-financed by the Structural Funds in certain regions, or parts of regions, recognized as eligible. For Objectives 1 and 5b the lists of eligible regions and areas are fixed for 1994-1999. For Objective 2 the list is fixed for 1994-1996. Measures part-financed by the Structural Funds under Objectives 3, 4 and 5a may be implemented throughout the Community.

During the period 1994-1999, the Structural Funds - European Regional Development Fund (ERDF), European Social Fund (ESF), Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG) - will have at their disposal a total appropriation of ECU 141.471 billion.



«Part-financing» is the operative term because, in most cases, the Structural Funds can meet only part of the total cost of projects:

- up to 85% in the remotest regions and certain Greek islands
- up to 80% in the Objective 1 regions of Spain, Greece, Ireland and Portugal
- up to 75% in the other Objective 1 regions
- up to 50% for Objectives 2, 3, 4 and 5b.

Other Community sources of financing are available, such as grants from the Cohesion Fund and the EFTA countries for the four eligible countries (GR, ES, IRL and PT), and EIB and ECSC loans.

Complementary national financing may be of private or public origin (national, regional or local).

