

November 1994 - EN

Summary of the SPD for Guadeloupe (Objective 1)

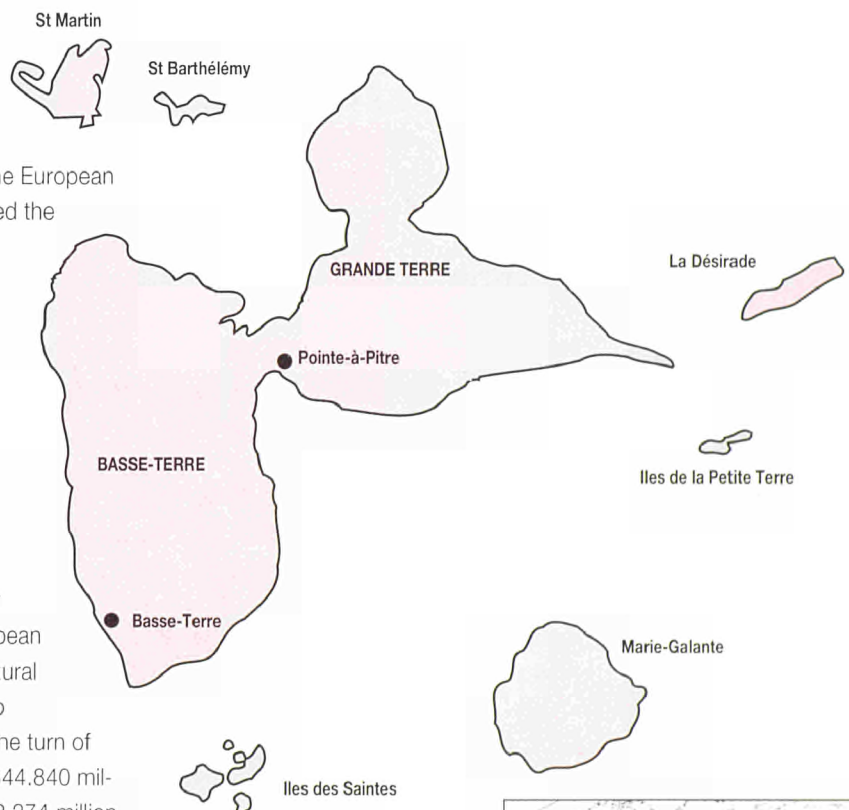
# The Structural Funds to the development of Guadeloupe, 1994-1999

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On 29 July 1994, the European Commission adopted the Single programming document (SPD) for Guadeloupe, one of France's four overseas départements, which is summarised in this brochure.

The document gives indications for the use of the European Community's Structural Fund contribution to Guadeloupe up to the turn of the century - ECU 344.840 million, or around FFr 2,274 million.

The EC contribution is intended to support the national and regional authorities in their efforts to reduce the region's development gap.



## Guadeloupe and Europe

Geographical distance - 4,000 km - is not all that separates Guadeloupe from the European continent: its socio-economic indicators are still trailing behind the Community average. Per capita gross domestic product (GDP) stands at less than 40% of the Community average, and unemployment (26.1%) is two and a half times the average rate for the EU.

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 their draft SPD, setting out their development priorities for the département and details of corresponding measures. This formed the basis of the single decision adopted by the Commission on Structural Fund assistance for Guadeloupe 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 addresses

Information regarding the operational programmes can be obtained from the national and regional authorities responsible for implementing the SPD:

### MEDETOM

27 rue Oudinot  
F-75007 Paris CEDEX 07  
Tel.: +33 1 47 83 01 23  
Fax: +33 1 43 06 19 27

### Cellule de Suivi des Fonds européens

Impasse Majoute  
F-97100 Basse-Terre  
Guadeloupe  
Tel.: +590 99 05 41  
Fax: +590 81 17 22

## Economic weaknesses

Guadeloupe remains affected by structural imbalances and the disadvantages inherent in its geographical isolation. Its remoteness, unpredictable climate, small domestic market and lack of natural resources further inhibit a production system already limited to the confines of the local market.

High demographic growth rates on the islands pose a major obstacle to efforts to stem unemployment, which, at 26.1% (March 1993), is two and a half times the Community average; average economic growth of 7.2% per annum until 1999 will be required to bring it under control.

The tourist sector is experiencing some difficulty, despite the archipelago's strong position in the Caribbean. Support structures in need of modernisation, the high cost of living and sometimes less than ideal climatic conditions compound the effects of competition between Guadeloupe and the neighbouring islands.

The local industrial sector is also beset with difficulties owing to the total lack of raw materials, excessively high production costs (in relative terms), and limited domestic market.

In addition, tax reductions have directed investment away from economically and socially useful projects towards those offering high returns.

The fisheries sector is having to contend with major deficiencies in onshore and marketing facilities, prompting an increase in imports and large-scale retailing, to the detriment of local production.

Social disparities remain acute; the chief signs are a breakdown in traditional family structures and population concentration in coastal urban areas.

# Priorities

The single programming document sets out four priorities for integrated action in Guadeloupe:

## 1 Establishing a social balance - Human resource development

The Single programming document provides for sustained action to support job creation and the development of education, training and employment structures and science and technology, in response to the mass unemployment and high rates of population growth in Guadeloupe. In addition, to reduce the region's substantial development gap in terms of healthcare, further aggravated by the fact that it is an archipelago, extension and restructuring of the technical facilities of a number of existing institutions will be a priority. Similar measures will be implemented to improve training facilities.

## 2 Establishing an economic balance

The aim is to facilitate the adjustment of production systems by means of assistance for businesses (physical and intangible investment aids, industrial estates, financial engineering, etc.), support and structure the priority sectors of the economy (agriculture, fisheries, construction/public works, tourism, and trade and crafts), and encourage the emergence of new activities (R&D, technology transfers, etc.). A number of assistance measures are planned for the fisheries sector, ranging from equipment to distribution activities. Efforts will be made to increase productivity in the sugar cane/sugar/rum and banana industries with the aim of meeting the authorised production quota (104,000 tonnes). Investment is vital to increase the value-added

of products in the agri-foodstuffs sector. And in the tourist trade, the priority will be the qualitative, rather than quantitative improvement of hotel capacity.

## 3 Establishing a regional balance

The restoration of a regional balance is the key to all the economic and social issues facing Guadeloupe (mobility, access to healthcare and training facilities, exchanges between production sectors, etc.). Efforts to reduce isolation must continue, the island's international standing must be improved and land use must become more efficient. Rural development will aim to stabilise population levels in the countryside and promote areas of complementarity between activities through the establishment of economic centres of excellence and measures to upgrade basic infrastructure. A multi-fund approach to the development of the archipelago will ensure that the needs of the individual islands are met.

## 4 Establishing an ecological balance

Despite Guadeloupe's low relative level of development, there are numerous signs of environmental damage, particularly in terms of household and industrial pollution. The quality of water resource management is also declining. Natural and architectural features of interest for tourists need to be protected and developed. Renewable sources of energy should be developed to bridge the widening gap between energy supply and demand. Commitments to pollution prevention in environmentally sensitive sectors will be enshrined in a series of charters to complement existing structures (environment/development plans, etc.)

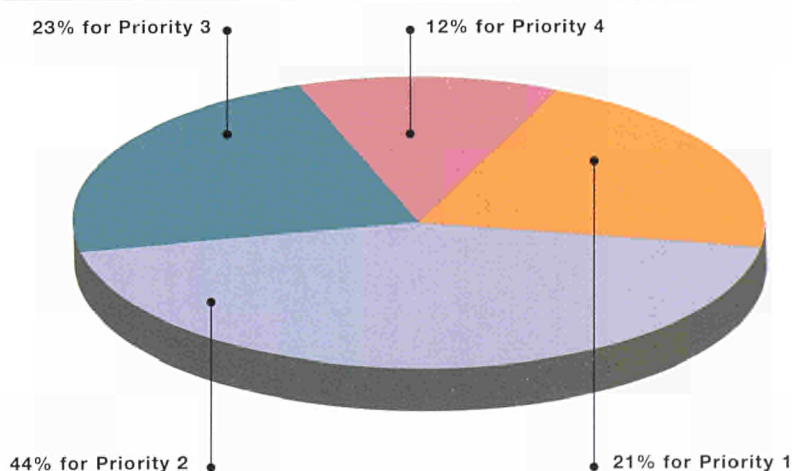
## Quantified objectives

Interim quantified objectives are given for each of the measures set out in the SPD, with the combined aim of achieving an average annual growth rate of around 7.2% from 1994 to 1999, i.e. between 4.5% and 5.5% above the Community average.

Other aims include:

- the creation of 2,500 jobs and stabilisation of unemployment at 26%
- an increase of between 35% and 45% in the number of businesses on Basse-Terre
- a 20% increase in fish catches
- annual energy savings of 6,000 t of oil equivalent
- increase of per capita GDP to FFr 60,000

**Division of Structural Fund resources by priority**



# Financing the investment

(ECU x million)

Priorities	Structural Funds Total 1 = 2+3+4+5	Structural Funds				EIB/ECSC loans 6	Nat./govt financing 7	Private-sector financing 8	Total cost 9 = 1+7+8
		ERDF 2	ESF 3	EAGGF - Guidance 4	FIGG 5				
<b>1 Social balance</b>	<b>71.894</b>	<b>18.000</b>	<b>53.894</b>				<b>61.954</b>		<b>133.848</b>
<b>Economic and social integration</b>	<b>53.894</b>		<b>53.894</b>				<b>29.530</b>		<b>83.424</b>
Measures to improve the skills base	31.515		31.515				16.970		48.485
Assistance and support for training and employment systems and structures	2.197		2.197				1.742		3.939
Integration of people at risk of exclusion from the labour market	20.182		20.182				10.818		31.000
<b>Infrastructure</b>	<b>18.000</b>	<b>18.000</b>					<b>32.424</b>		<b>50.424</b>
Modernisation of training structures and facilities	12.000	12.000					17.424		29.424
Upgrading of sanitary facilities	6.000	6.000					15.000		21.000
<b>2 Economic balance</b>	<b>149.167</b>	<b>48.200</b>	<b>46.315</b>	<b>48.576</b>	<b>6.076</b>		<b>113.650</b>	<b>79.591</b>	<b>342.408</b>
<b>Economic development, business support</b>	<b>65.315</b>	<b>19.000</b>	<b>46.315</b>				<b>39.456</b>	<b>20.555</b>	<b>125.326</b>
Employment support and adjustment, promotion of competitiveness	40.606		40.606				21.882		62.488
Business start-up and recruitment aids	5.709		5.709				3.076		8.785
Aids for corporate intangible investment	4.700	4.700					2.802	7.691	15.193
Aids for corporate physical investment	3.800	3.800					2.575	12.864	19.239
Development of business support structures	5.000	5.000					5.076		10.076
Support for local community action to assist businesses	2.500	2.500					2.045		4.545
Improvement of businesses' financial engineering methods	3.000	3.000					2.000		5.000
<b>Tourist activities</b>	<b>20.000</b>	<b>20.000</b>					<b>22.045</b>		<b>42.045</b>
Regeneration and development of the tourist industry	20.000	20.000					22.045		42.045
<b>Agri-foodstuffs sectors</b>	<b>48.576</b>			<b>48.576</b>			<b>38.023</b>	<b>54.195</b>	<b>140.795</b>
Development of the sugar cane/sugar/rum sector	11.455			11.455			9.484	11.667	32.606
Further development of the banana sector	13.939			13.939			10.070	10.786	34.795
Development of the fruit, vegetable and horticultural sector	0.909			0.909			1.273		2.182
Development of the livestock sector	1.970			1.970			1.363		3.333
Structural adjustment in the agricultural and foodstuffs sectors	20.303			20.303			15.833	31.743	67.879
<b>Fisheries development</b>	<b>9.676</b>	<b>3.600</b>			<b>6.076</b>		<b>8.520</b>	<b>4.840</b>	<b>23.036</b>
Fishing port developments	3.600	3.600					3.000		6.600
Support for the development of fishing-related activities	6.076				6.076		5.520	4.840	16.436
<b>Research, development, new technologies</b>	<b>5.600</b>	<b>5.600</b>					<b>5.606</b>		<b>11.206</b>
Support for research and measures to facilitate technology transfers	5.600	5.600					5.606		11.206
<b>3 Regional balance</b>	<b>78.409</b>	<b>66.500</b>	<b>1.818</b>	<b>10.091</b>			<b>117.852</b>	<b>2.000</b>	<b>198.261</b>
<b>Infrastructure, reduction of isolation, large-scale projects</b>	<b>54.500</b>	<b>54.500</b>					<b>88.409</b>		<b>142.909</b>
Completion of the large-scale development project for Le Raizet airport	22.000	22.000					40.848		62.848
Modernisation of secondary air transport infrastructure	1.500	1.500					1.061		2.561
Development of a new port-airport link	19.000	19.000					28.500		47.500
Improvement of road infrastructure	3.000	3.000					4.500		7.500
Development of shipping infrastructure	9.000	9.000					13.500		22.500
<b>Regional planning and development, structuring and stimulation of the local economy</b>	<b>23.909</b>	<b>12.000</b>	<b>1.818</b>	<b>10.091</b>			<b>29.443</b>	<b>2.000</b>	<b>55.352</b>
Continuation of land reforms	5.303			5.303			6.349	0.909	12.561
Development of alternative centres of tourist and other economic activity	5.000	5.000					7.576		12.576
Rural planning and development	3.576			3.576			5.818	1.091	10.485
Assistance for the development of the islands / ERDF programme	7.000	7.000					7.000		14.000
Assistance for the development of the islands / ESF programme	1.818		1.818				1.000		2.818
Assistance for the development of the islands / EAGGF programme	1.212			1.212			1.700		2.912
<b>4 Ecological balance</b>	<b>39.633</b>	<b>24.800</b>		<b>14.833</b>			<b>56.049</b>	<b>15.985</b>	<b>111.667</b>
<b>Environmental protection, prevention of natural hazards</b>	<b>39.633</b>	<b>24.800</b>		<b>14.833</b>			<b>56.049</b>	<b>15.985</b>	<b>111.667</b>
Waste disposal plant	8.000	8.000					12.909	12.424	33.333
Anti-pollution measures	6.700	6.700					10.455		17.155
Improvements in water resource management	8.100	8.100					14.912		23.012
Continuation of the major irrigation project	14.833			14.833			14.849		29.682
Measures to reduce energy dependency	2.000	2.000					2.924	3.561	8.485
<b>Technical assistance</b>	<b>5.737</b>	<b>2.340</b>	<b>2.273</b>	<b>1.000</b>	<b>0.124</b>		<b>2.278</b>	<b>8.015</b>	<b>21.767</b>
Multi-regional assistance	0.320	0.320					0.107		0.427
Assistance for ERDF regions	2.020	2.020					0.673		2.693
Assistance for ESF regions	2.273		2.273				1.124		3.397
Assistance for EAGGF regions	1.000			1.000			0.333		1.333
Assistance for FIGG regions	0.124				0.124		0.041		0.165
<b>Total</b>	<b>344.840</b>	<b>159.840</b>	<b>104.300</b>	<b>74.500</b>	<b>6.200</b>		<b>351.783</b>	<b>97.576</b>	<b>794.199</b>
Of which Objectives 3 and 4	89.280		89.280				48.074		137.354

## Level of financing

Structural Fund part-financing for the planned strategic priorities will range from 40% for infrastructure to reduce isolation to 65% for agriculture and local development.

# Measures

The single programming document sets out four specific strategic priorities, divided into 10 sub-programmes and 38 measures (the Structural Fund contribution and target group or beneficiaries are given in brackets for each category of measure, where the information is available).

## 1 Social balance

### Sub-programme:

#### Training and measures to combat exclusion, economic and social integration

- measures to improve the skills base (ECU 31.515 million - the long-term unemployed, young people aged between 16 and 25, and job-seekers)
- assistance and support for training and employment systems and structures (ECU 2.197 million - intermediate groups such as teachers and careers advisers, and job-seekers)
- socio-economic integration of people at risk of exclusion from the labour market (ECU 20.182 million - young people at risk of exclusion, people on the minimum integration income (RMI), the long-term unemployed, etc.)

### Sub-programme:

#### Support infrastructure, basic facilities

- modernisation of training structures and facilities (ECU 12.000 million - students in higher and secondary education, students of vocational subjects on training placements, teachers)
- upgrading of sanitary facilities (ECU 6.000 million - public institutions and associations)

## 2 Economic balance

### Sub-programme:

#### Economic development, business support

- employment support and adjustment, promotion of competitiveness (ECU 40.606 million - researchers, senior management staff, employed and unemployed technical and engineering personnel, craft sector, shopkeepers, employees in businesses, etc.)
- business start-up and recruitment aids (ECU 5.709 million)
- aids for corporate intangible investment (ECU 4.700 million - SMLs)

- aids for corporate physical investment (ECU 3.800 million - SMLs)
- development of business support structures (ECU 5.000 million - SMEs and SMLs)
- support for local government action to assist the business community (ECU 2.500 million - SMEs and SMLs)
- improvement of businesses' financial engineering methods (ECU 3.000 million - businesses)

### Sub-programme:

#### Tourism and tourist activities

- regeneration and development of the tourist industry (ECU 20.000 million - tourist office, departmental and municipal authorities, associations of municipal authorities, businesses)

### Sub-programme:

#### Agriculture, agri-foodstuffs sectors

- further development of the sugar cane/sugar/rum sector (ECU 11.455 million - farmers via their organisations)
- further development of the banana sector (ECU 13.939 million - banana producer groups and banana planters)
- development of the fruit, vegetable and horticultural sector (ECU 0.909 million - farmers and sectoral organisations)
- development of the livestock sector (ECU 1.970 million - livestock farmers)
- structural adjustment in the agricultural and foodstuffs sectors (ECU 20.303 million - local authorities, businesses in the agri-foodstuffs industry and farmers who comply with assistance criteria)

### Sub-programme:

#### Fisheries development

- fishing port developments (ECU 3.6 million - fisheries and pleasure boat operators)
- support for fisheries development (ECU 6.076 million - businesses in the private sector, co-operatives, small-scale fisheries, farmers, producer and consumer groups)

### Sub-programme:

#### Research, development, new technologies

- support for research and measures to facilitate technology transfer (ECU 5.600 million - research institutes such as INRA, CIRAD and CRITT, and the BAC, the UAG and the Pointe-à-Pitre CCI)

### 3 Regional balance

#### Sub-programme:

##### Infrastructure, reduction of isolation, large-scale projects

- completion of the large-scale development project for Le Raizet airport (ECU 22.000 million - air transport users, airlines and freight carriers)
- modernisation of other air transport infrastructure (ECU 1.500 million - air transport users)
- development of a new port-airport link (ECU 19.000 million)
- improvement of road infrastructure (ECU 3.000 million - entire population)
- development of shipping infrastructure (ECU 9.000 million - shipping users and operators)

#### Sub-programme:

##### Regional planning and development, structuring and stimulation of the local economy

- continuation of land reforms (ECU 5.303 million - farmers)
- development of alternative centres of tourist and other economic activity (ECU 5.000 million - workers in the affected areas and the tourist industry)
- rural development (ECU 3.576 million - residents and visitors)
- development of the islands / ERDF programme (ECU 7.000 million - rural island residents)
- development of the islands / ESF programme (ECU 1.818 million - rural island residents)
- development of the islands / EAGGF programme (ECU 1.212 million - rural island residents)

### 4 Ecological balance

#### Sub-programme:

##### Environmental protection, prevention of natural hazards, environmental awareness

- incineration plant (ECU 8.000 million - 240,000 residents)
- anti-pollution measures (ECU 6.700 million - local authorities, local residents and tourists)
- improvements in water resource management (ECU 8.100 million - entire population of mainland Guadeloupe)
- continuation of major irrigation projects (ECU 14.833 million - farmers on Grande-Terre and Côte au Vent)
- energy efficiency (ECU 2.000 million - local authorities, public institutions and the population as a whole)

## Technical assistance

Technical assistance finance has been earmarked to facilitate implementation of the Single programming document and assessment of its impact on the development of Guadeloupe.

The finance may be used to meet the needs of any of the partners (regional/national authorities and the Commission).

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

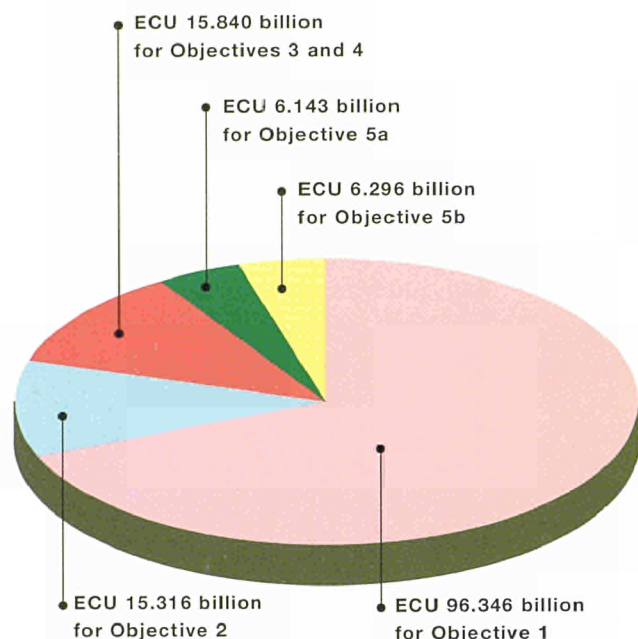
Structural adaptation of agriculture and fisheries

### 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).



European Commission  
Directorate-General for Regional Policies

CX-87-95-814-EN:C