

# European Cohesion Policy in France

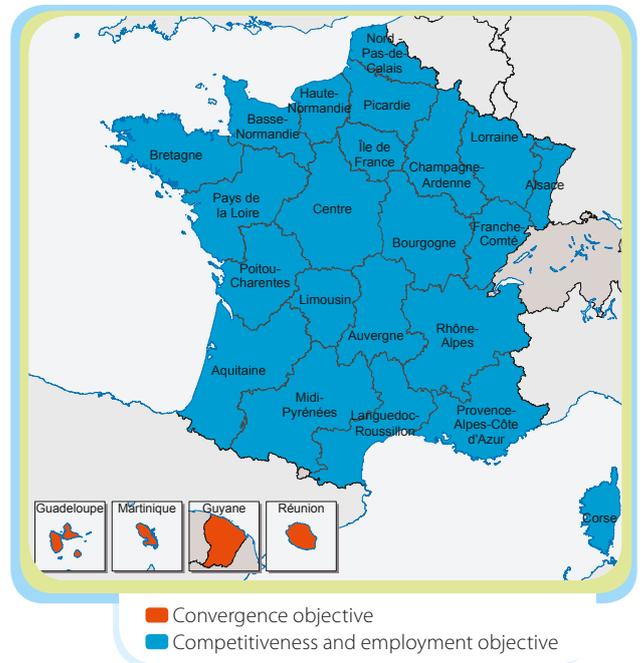
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The European Union (EU) comprises 27 Member States forming a community and single market of 493 million citizens. However, great economic and social disparities still remain among these countries and their 271 regions. European Cohesion Policy is at the centre of the effort to improve the competitive position of the Union as a whole, and its weakest regions in particular.

Through the European Regional Development Fund (ERDF) and the European Social Fund (ESF), otherwise known as the Structural Funds, as well as the Cohesion Fund, it invests in thousands of projects across all of Europe's regions to achieve its primary task: to promote economic and social cohesion by reducing these disparities between Member States and regions. With a budget of **€347 billion** for 2007–13, Cohesion Policy represents the single largest source of financial support at EU level for investment in growth and jobs, designed to enable *all regions* to compete effectively in the internal market.

However, as the challenges facing Europe's regions have changed over time, so too has the policy. Against a background of momentous change in the Union as a result of enlargement and of increasing globalisation, concerns about energy supplies, demographic decline, climate change and more recently, world recession, the policy has evolved, in step, as a key part of the response to meet these new realities.

## Cohesion Policy 2007–13



### IMPACT AND RESULTS OF COHESION POLICY IN FRANCE

- Between 2000 and 2006, Europe co-financed around 140 000 projects in regions throughout France.
- The support that Cohesion Policy brought to regions undergoing economic and social restructuring led to the creation of around 200 000 jobs between 2000 and 2006.
- In the regions of Martinique, Guadeloupe, La Réunion and French Guyana, the gross domestic product (GDP) per inhabitant increased by an average of 1.5% between 2000 and 2006. Cohesion Policy has contributed to these regions

being able to catch up economically with their fellow citizens on the mainland.

- The impact of European investments on French regions is all the more obvious in so-called 'structuring' projects, particularly the following: 'Port 2000' in Le Havre (new harbour designed for container traffic); Euroméditerranée in Marseille (town planning, economic and cultural development project); the Grande Halle d'Auvergne (multi-purpose site with an exhibition hall, concert halls and sports gym etc.); and DORSAL, in the field of information and communication technologies for the whole Limousin region.

### A SNAPSHOT OF ACHIEVEMENTS

- Creation of around 200 000 jobs
- 140 000 projects in regions throughout France
- GDP per inhabitant increased by an average of 1.5% in the regions of Martinique, Guadeloupe, La Réunion and French Guyana between 2000 and 2006



European Union  
Cohesion Policy

## EUROPEAN INVESTMENT IN FRANCE – 2007–13

In the period 2007–13, France will benefit from European regional aid of more than **€14 billion**, of which €3.2 billion under the Convergence Objective<sup>1</sup>, €10.3 billion under the Regional Competitiveness and Employment Objective, and €860 billion under the European Territorial Cooperation Objective. This investment will be implemented through 36 programmes, of which 31 are funded by the European Regional Development Fund (ERDF) and five by the European Social Funds (ESF).

All four overseas departments (Martinique, Guadeloupe, La Réunion and French Guyana) benefit from aid granted under the Convergence Objective. All metropolitan French regions benefit from aid from the Regional Competitiveness and Employment Objective.

### FUNDS FOR FRANCE IN BILLION € 2007–13

Objective	Fund	EU	National Public	National Private	Total
Convergence	ERDF	2.3	1.9	0.6	4.8
	ESF	0.9	0.3	0.05	1.3
<b>Total Convergence</b>		<b>3.2</b>			
Regional Competitiveness and Employment	ERDF	5.8	8.4	3.7	17.9
	ESF	4.5	3.3	1.2	9
<b>Total Regional Competitiveness and Employment</b>		<b>10.3</b>			
Total European Territorial Cooperation*	ERDF	0.9	-	-	0.9
<b>TOTAL</b>		<b>14.4</b>	<b>13.9</b>	<b>5.6</b>	<b>33.9</b>

Figures have been rounded up

\* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

## DELIVERING THE LISBON STRATEGY FOR GROWTH AND JOBS

The relaunch of the Union's Lisbon Strategy in 2005 aimed to bolster the competitive position of EU regions in the world economy by placing growth, jobs and competitiveness at the top of the Union's agenda. For the 2007–13 period, European Cohesion Policy has attached increasing importance to delivering the so-called 'Lisbon objectives'.

France has therefore aligned its priorities with those identified at European level. In financial terms, during the period 2007–13, 63% of Structural Funds invested in 'Convergence regions' and 79% of funds allocated to the Regional Competitiveness and Employment Objective will be dedicated to the Lisbon priorities, with a particularly striking increase in investment dedicated to the areas of **R&D and innovation**.

<sup>1</sup> The Convergence Objective concerns regions characterised by low levels of GDP and employment, where GDP per head is less than 75% of the EU average as it stood between 2000 and 2002. It applies to 99 regions representing 35% of the EU-27 population and aims to promote conditions conducive to growth and ones which lead to real-time convergence in the least-developed Member States and regions. The Regional Competitiveness and Employment Objective is applicable to the rest of the EU, or to 172 regions, representing 65% of the EU-27 population. It aims to enhance the competitiveness and attractiveness of regions, as well as boost their employment levels. It should be noted that the rural development and fisheries policy are separate and do not form part of this brochure.

## MAIN PRIORITIES OF COHESION POLICY IN FRANCE, 2007–13

**Promoting R&D and innovation** as an engine for growth and productivity is the main priority for France throughout the period 2007–13, with an allocation of €4.2 billion. France has committed to strengthening its innovation policy in order to achieve the community objective of research activity equivalent to 3% of the GDP of the European Union by 2010.

Another key strategic priority is **promoting entrepreneurship and small and medium enterprises (SMEs)**, which benefits from European aid of nearly €1.4 billion.

France will invest some €1.1 billion in Structural Funds for **transport and accessibility**. The main recipients will be the 'lagging behind' regions and remote areas. Developing sustainable transportation modes and promoting 'inter-modality' are essential to improving the quality of services for users, road safety and the fight against pollution and noise.

France will invest some €1 billion in **building a more skilled and adaptable workforce**. This investment will lead to increased access to professional training programmes, promote lifelong training, and help support the development of professional networks. Internships and workplace training for young people, employment prospects for older workers and promoting entrepreneurship also feature amongst these priorities.

France will also invest €636 million in **developing the information society**, with a focus on increasing access to broadband networks particularly in remote, peripheral and sparsely populated areas, and developing very high-speed networks in industrial areas. The aim is to increase the use of information and communication technologies (ICT) in rural or underprivileged urban areas, and to create better public services through use of these new technologies.

### THE ESSENTIALS 2007–13

- €4.2 billion for R&D and innovation
- Nearly €1.4 billion for promoting entrepreneurship and SMEs
- €1.1 billion for transport and accessibility

## ASSISTING THE OUTERMOST REGIONS

The European Union takes into consideration the specific circumstances of the outermost regions and the difficulties they face<sup>2</sup>. European Cohesion Policy 2007–13 foresees specific measures for the four French overseas departments:

- level of aid from Structural Funds (ERDF and ESF) increased by 85%;
- specific allocation to compensate for the added costs related to the circumstances of the outermost regions, representing €481.6 million for all four overseas departments: or €120.3 million for Guadeloupe, €107 million for Martinique, €206 million for La Réunion and €48.3 million for French Guyana.

<sup>2</sup> Outermost regions (the Azores, Madeira, the Canary Islands and all four French Overseas territories) are confronted with specific problems that are listed in the treaty: distance, insularity, small surface area, difficult terrain and climate and financial dependency on a small number of products.

## ■ BUILDING BRIDGES BETWEEN NEIGHBOURS

In Europe today, economic success is often dependent on a region's capacity to develop networks with other regions. Cooperation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process. The EU has an important role to play in brokering and supporting such partnerships, both between regions within the Union, and with neighbouring regions outside. Thousands of projects developed over many years under the INTERREG initiative have demonstrated the benefits for regions of working in partnership, sharing ideas and charting new and innovative ways of harnessing European investment.

The **European Territorial Cooperation Objective** is financed through the ERDF for the period 2007–13 and supports cross-border, transnational and interregional cooperation programmes to encourage regions and cities across the EU and further afield to work together and learn from each other.

France is involved in 20 territorial cooperation programmes:

- **Eight cross-border cooperation programmes:**

- France/ United Kingdom (Manche/English Channel);
- France/United Kingdom/Belgium/Netherlands (Deux Mers);
- France/Belgium;
- France/Germany/Belgium/Luxemburg (Grande Région);

- France/Germany/Switzerland;

- France/Italy (Alps);

- France/Italy (Maritime);

- France/Spain;

- The country is also involved in five transnational cooperation programmes within mainland France: the 'Northwest Europe', 'Atlantic', 'Southwest Europe', 'Alpine' and 'Mediterranean' programmes.

- The overseas departments participate in the following three programmes:

- Caribbean area (country of the CARICOM: Caribbean Community and Common Market);

- La Réunion participates in the 'Indian Ocean' programme (Madagascar, Mauritius, Comoros, Seychelles, etc.);

- French Guyana participates in the 'Amazonia' programme (Brazil, Surinam).

- Furthermore, all French regions (ERDF funding: €860 million) participate in all four interregional cooperation programmes (total budget for all the 27 EU Member States: €443 million)<sup>3</sup>: INTERACT II, URBACT II, ESPON/ORATE and INTERREG IV C.

<sup>3</sup> INTERREG IVC promotes exchange of experience and good practices among the regions, URBACT – thematic city networks, INTERACT – support for cooperation programme management organisation, ESPON – an observation network for spatial planning.

## ■ THE EU ON CALL

The **European Union Solidarity Fund** was created after the floods which hit Central Europe in summer 2002. It grants emergency aid to Member States and acceding countries in the event of a major natural disaster.

France has benefited from this aid on several occasions: in 2002, following the floods in the Gard (€21 million), in 2004 following the floods in the Rhône delta (€19.6 million), in 2007 following the passing of the Gamede hurricane in La Réunion (€5.29 million) and in 2008 to repair damage caused by hurricane Dean in Guadeloupe and Martinique (€12.78 million).



*The European Solidarity Fund helps cover the cost after flooding and hurricanes*

# France

**€14.4 billion**  
for 2007–13

**Boosting growth, jobs  
and competitiveness**

# Regional Policy on the ground

## THE ENERGIVIE PROJECT IN ALSACE, WINNER OF A 2008 'REGIOSTARS' AWARD

This regional programme, which was launched in 2003, promotes the demand for equipment linked to renewable energies in Alsace. It contributes to improving the skills of professionals in the sectors of solar energy, dendro-energy and construction, and supports projects for buildings with low energy consumption. Surveys on biofuels, biogas and geothermal energy are also conducted within the framework of this project. In its first phase, the *Energivie* project (€4.2 million) was co-financed by the European Development Fund (up to €1.9 million), the Alsace Region and the ADEME (Agence de l'environnement et de la maîtrise de l'énergie).

The project specifically enabled:

- implementation of a network of 'project supervisors' to encourage investment in equipment linked to renewable energies;
- development of a major communication campaign to reinforce the benefits of renewable energy in relation to services and equipment.



*Energivie: supporting renewable energy*

At the end of 2007, the Alsace Region could count 143 shared wood-burning boilers, almost 200 000 m<sup>2</sup> of shared solar installations and around 45 000 m<sup>2</sup> of individual solar water heaters. It represents a fivefold increase in equipment between 2003 and 2007.

This project will continue to benefit from the support of the European Union between 2007 and 2013. It was commended in the '2008 RegioStars', a prize awarded by the European Commission to the most innovative regional projects in Europe.

For further information, please visit: <http://www.energivie.fr>

## OTHER EXAMPLES OF PROJECTS

From the thousands of projects in France supported by European Cohesion Policy for the period 2000–06, here are a few more examples:

'Cybermassif' is a network of 'cybersites' that enable small businesses in the Massif Central to maximise use of ICT. These centres provide companies with free high-speed Internet access, online databases, software demos, training fora, case studies and still, services of study for company projects and legal advice (ERDF contribution of €571 000).

The *Ploufragran zoopôle* (Saint-Brieuc region). The objective of the project is to develop the growth of the food industry in Brittany. The 20 000 m<sup>2</sup> science park brings together specialists in animal health, biotechnologies, food hygiene and environment. Since was created in 1989, the *zoopôle* has benefited from a total contribution from the ERDF of over €17 000.

With European support, the site of the explosion at the former AZF plant in Toulouse has been developed into the 'canceropôle'. The centre brings together private and public research laboratories and a large hospital that aims to become the European leader in the fight against cancer within the next 10 years. The ERDF contribution is €4 million.

The Fort-de-France maternity hospital is one of the beneficiaries of Cohesion Policy. Studies have shown that the death rate in Martinique is twice as high (or around seven deaths per thousand births) as the French or European average. A new paediatric surgery targeting high-risk pregnancies and an intensive care unit for newborn babies, built with the support of the ERDF (€21.6 million), should help tackle this problem.

For further examples of projects, please go to: <http://projetsdeurope.gouv.fr/>



## More information

EU Regional Policy

[http://ec.europa.eu/regional\\_policy/](http://ec.europa.eu/regional_policy/)

Cohesion Policy in France

[http://ec.europa.eu/regional\\_policy/atlas2007/france/index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/france/index_en.htm)

National website

<http://www.projetsdeurope.gouv.fr/>

European Social Fund

<http://ec.europa.eu/social/>