

# **Study on the relevance and the effectiveness of ERDF and Cohesion Fund support to Regions with Specific Geographical Features – Islands, Mountainous and Sparsely Populated areas**

## **Second Intermediate Report**

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Study coordinated by ADE



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## 4.2 Corsica

### 1. Identification

#### 1.1. Identification of NUTS2 area and corresponding NUTS3 regions

Code	Name	Nuts level	Country
FR83	Corse	2	FR
FR831	Corse-du-Sud	3	FR
FR832	Haute-Corse	3	FR

Source: Eurostat, 2011.

#### 1.2. Identification of relevant programmes supported by ERDF or Cohesion funds:

Period	Programme	Progr. type	Ref. Code	EU Contribution (million Euros)				
				Total	ERDF	ESF	EAGGF	FIFG
00-06	Objective 1 Programme of transitional support for Corsica	ERDF	1999FR161 DO003	188	128	23	35	2
07-13	Operational Programme 'Corsica'	ERDF	2007FR162 PO009	150	150	-	-	-

Source: European Commission, 2011.

Up to 2006, Corsica benefited from the Objective 1 transitional support programme to promote growth-enhancing conditions and factors leading to convergence with the EU average by providing basic infrastructure whilst adapting and raising the level of trained human resources and encouraging investments in businesses. A total of 188 million Euros was allocated to Corsica over the 2000-2006 period, which included a major ERDF contribution.

The 2007-2013 period marked the exit of Corsica from the Objective 1 programme and a subsequent shift in priorities corresponding to the “Competitiveness and Employment” programme which aims at strengthening competitiveness, attractiveness and employment in the regions through innovation, the promotion of the knowledge society, entrepreneurship, the protection of the environment, and the improvement of accessibility whilst adapting the workforce by investing in human resources. A total of 150 million Euros was allocated to Corsica for this current period, which represents a decrease of 20% compared to the previous one.

The Corsican Competitiveness and Employment’ programme is part of larger development programme for the island. The Sustainable Development Plan of Corsica (Plan de Développement Durable de la Corse – PADDUC) guarantees the coherence of national and Community programming strategies. In addition, the Exceptional Investments Plan

(Programme Exceptionnel d'Investissements – PEI) concentrates on equipments, collective services while overtaking the handicaps of the region related to the relief and the insularity.

In this context, ERDF support in Corsica is characterised by a strategic breakthrough between the two periods. Whereas the Objective 1 programme enabled Corsica to make up its economic backwardness and to converge with the European average thanks to large infrastructure developments, the 2007-2013 Operational Programme privileges innovation strategies in coherence with the “Competitiveness and Employment” programme.

## **2. Regional features and Domestic Policy Responses**

### **2.1. Main characteristics of NUTS2 and NUTS3 regions**

The island of Corsica is the smallest of the French regions, with an area of 8.681 km<sup>2</sup>. The Corsican coastline (1.047 km, i.e. 14% of the total coastline of France) is unusual in its high proportion of stony terrain (71%). Corsica, a mountain in the sea, rises up to 2.710 meters, with an average altitude of 568 meters. Part of the old, primary continent which was worn down and then sedimented up to the folded mountains of the Alps, Corsica is made up of two mountain systems, crystalline in the west and schistous in the east, separated by a central depression known as the “sillon de Corte”.

Corsica's geographic isolation is thus doubled in its impact. Exchanges with the mainland are limited by the distance, and on the island itself movement is restricted by the relief. Topographical constraints and the lack of an efficient communication network have resulted in communes that are isolated enclaves. The subsequent difficulty to set up economic activities in these remote zones has led to a progressive exodus towards the coastline and towns where tourism and public services provide jobs.

On the other hand, its isolation and mountainous relief are also part of the “Island of Beauty's” strengths, with tourism being a real asset to Corsica. The real natural wealth of Corsica is namely in its water resources and its countryside. Corsica has been blessed with a high rainfall owing to its position on the Gulf of Genoa and its high mountain range. With mean annual rainfall of 950 mm, it has more water than other Mediterranean islands and more than most French regions. Where water quality is concerned, the situation is generally favourable, most of the island's water resources being of the best quality.

The absence of heavy industry and intensive agriculture in the interior of the island has preserved the island from pollution. Its rivers and streams are completely free of nitrates and phosphate. Most pollution is therefore of the domestic variety, which mainly affects the coastal areas where most of the population is concentrated and where the greatest pressure comes from tourists in the summer.

Corsica also has a wide range of flora and fauna, many of which are endemic, i.e. belonging to species unique in the world. This natural patrimony has been protected through an appropriate institutional framework. Corsica counts six natural reserves on sites presenting remarkable biological merits. Numerous other sites are also protected and benefit from regulations to maintain their visual aspect, their historic or scientific qualities. The Natural

Regional Park of Corsica covers 40% of the island's territory. Also the Coastal Conservatory owns nowadays more than 60 sites representing approximately 17.000 hectares.

## 2.2. Position, trends and dynamics

Representing only 0.4% of the French population, Corsica has the lowest population of the French regions (0.3 million people in 2010), after French Guiana.

### Population and demographic trends

Nuts code	Region name	Total Population (M)			Population density		
		2000	2007	Incr.	2000	2007	Incr.
EU27	EU27	n.a.	n.a.	—	112,3	115,5	2,85%
FR	France	60.547	63.645	5,12%	96	100,9	5,10%
FR83	Corse	0,264	0,299	13,26%	30,8	34,7	12,66%
FR831	Corse-du-Sud	0,120	0,139	15,83%	30,4	34,9	14,80%
FR832	Haute-Corse	0,144	0,160	11,11%	31,1	34,5	10,93%

Source: Eurostat, 2011.

Its population is growing more rapidly than on the mainland (13.26% for Corsica, 5.12% for France), mainly as a result of the influx of workers aged between 30 and 40 and retired persons over the age of 60. Its natural population growth is virtually nil. Migration flows are positive for all age groups, except for 18 to 25 year olds who leave the island to study or to find a first job. The population profile of Corsica thus remains relatively elderly.

Corsica has the second highest proportion of foreign population in metropolitan France, after Ile-de-France. In 1999, its foreign population accounted for 9.9% of the total population of the region (Eurostat). The foreign population is mainly composed of nationals coming from countries outside the European Union (70%), notably Moroccans who make up 53% of the island's foreign population.

With 34.7 inhabitants per km<sup>2</sup>, Corsica has a notoriously low population density, the weakest of Metropolitan France. The small rural communes are less populated and the population is concentrated around the two main towns, Bastia and Ajaccio, with these cities and their suburbs counting 45% of the island's population. This urban profile is supplemented by population growth in small cities, notably Porto-Vecchio and Calvi that benefit from their tourist attraction, and Corte instigated by the reopening of its university in 1981. Although these cities are quite attractive, 40% of the local population still lives in the rural areas. This proportion is the highest in France.

## Economic growth and structure

		GDP at current market prices		
Nuts code	Region name	2000	2007	Incr (%)
	EU27	19100	25100	31
FR	France	23700	29700	25
FR83	Corse	17800	23200	30
FR831	Corse-du-Sud	20000	26200	31
FR832	Haute-Corse	15900	20500	28

*Source: Eurostat, 2011.*

With a GDP per capita of Euro 23.200 in 2007, Corsica is still in last place among all the regions of France (78.1% of the national average in 2007). The gap is even greater if we consider the NUT3 level, where the GDP in Haute-Corse represents 78.2% of the regional average and only 69% of the national average whereas the GDP of Corse-du-Sud amounts to 88% of the national average.

In comparison with the DOMs, (Guadeloupe, Martinique, Guyana and Reunion), Corsica however demonstrates some economic dynamism. In 2007, the GDP per capita in the DOM amounted to 61% of the national average and 77,6% of the Corsican GDP.

In recent years Corsica has had a strong and sustainable GDP growth (30% between 2000 and 2007), higher than the national average (25% between 2000 and 2007) for both departments. Today, Corsica counts among the most dynamic economies in France. However, within a context of intense demographic growth, the GDP per capita is positioned within the last third of the regional classification in France.

The island's economy is very different from the rest of France. Corsica's GDP is heavily dependent on the tertiary sector. It is mainly accounted for by services (83% of GDP, compared with 72% for France as a whole), which reflects the considerable importance of public loans and tourism in its structure. The shortage of raw materials, a restricted local market, a lack of qualified managerial staff and a population mentally geared to the services sector are all obstacles to industrialisation. Hence, the manufacturing sector is particularly undersized.

The construction sector is relatively more important in Corsica than in other French regions. It represents 11% of the total added value and 12,5% of the business at the end of 2008. Industry is poorly developed (5% of the business in 2008) and remains concentrated on the processing of agricultural products and energy. The industry weights only 5% of the added value, which is two times less than the national average (14% in French provinces). Corsican industry is marked by a dominant energy sector, which contributes much more in the industrial added value than at national level and counts 1.600 employees, namely in the production and distribution of gas, electricity, water and waste treatment. The noteworthy development of renewable energies represents 19% of the energy consumption in 2007 whilst this figure amounts to 6% at national level.

Given the features of its productive fabric, the island's economy is mainly characterised by small businesses: Corsica is the region with the highest density of craft businesses. As well by the predominance of less well-paid sectors (construction, distribution, etc.), a high proportion of seasonal jobs, unskilled jobs and a low level of urbanisation.

### Employment per sector at NUTS 1, 2 ('000)

Nuts code	Region name	Agriculture, fishing			Services <sup>71</sup>		
		2000	2007	Incr.	2000	2007	Incr.
	EU27	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FR	France	910,6	817,7	-10%	17939,1	19634,2	9%
FR83	Corse	4,3	3,5	-19%	74,5	86,9	17%
FR831	Corse-du-Sud	1,6	1,4	-13%	35,9	41,8	16%
FR832	Haute-Corse	2,7	2,1	-22%	38,6	45	17%

Source: Eurostat, 2011.

The economic growth over the last years has stimulated employment growth, which has increased more rapidly in Corsica than in other regions (17% between 2000 and 2007 in Corsica against only 9% in France). The number of jobs has increased partly because of the growth of the services sector, both public and private, where jobs are still being created, and partly because tourism has boosted the island's economy.

According to ISEE figures, in 2009 the sectors concentrating the major part of the employment in Corsica are the construction (20.6%), wholesale and retail trade, transport, accommodation and food service activities accounting mainly for tourism and craft activities (26.6%) and arts, entertainment and other services activities (28.9). Not surprisingly, employment in the industry is largely underrepresented. Agriculture remains an important activity especially in the Eastern plain.

Besides this, employment data reveal a high proportion of self-employed on the island (the highest in Metropolitan France). Corsica is thus characterised by an exceptional dynamism in terms of business creation. Although as mentioned in most studies, this dynamism is mostly linked to the tourism sector and not enough to the industry or businesses services. This trend contributes to unbalance economic development in Corsica.

Nuts code	Region name	Unemployment rate % (15 or over years)			
		2000	2005	2010	Incr in %
FR	France	8,1	9	9,2	13,58%
FR83	Corse	11,2	9,3	9,3	-16,96%
FR831	Corse-du-Sud	11	8,9	9,3	-15,45%
FR832	Haute-Corse	11,4	9,7	9,3	-18,42%

Source: INSEE, 2011

<sup>71</sup> Services include (except extra-territorial organizations); Wholesale and retail trade; hotels and restaurants, transport; Financial intermediation; real estate, public administration and community services; activities of households

For several years the unemployment rate was about 3% higher than in the mainland. The situation improved considerably from 2004 to 2005, with the difference being only half a percentage point at the end of 2005/beginning of 2006. In ten years, the unemployment rate in Corsica has reached the national average without any difference between the two departments in the island.

#### *Tourism, accessibility and ICTs*

Tourism in Corsica is mainly European in origin (French in majority, Italian and German) as well as highly seasonal. Accessibility is favoured by an appropriate infrastructure both in terms of maritime navigation and air transport. Seven harbours and four airports guarantee the transit of passengers and merchandise. Passenger traffic is steadily increasing. In 2009, 7.8 million people transited through the island's harbours and airports. Road and railway infrastructures are less developed than in other French regions. The road network reaches 8.000 km with only 600 km of national roads and no highway. The ICT infrastructure is rather well developed. Several actions are now under way to favour a more intensive use of these technologies to foster the economic development of the island.

#### *The challenges*

Today, Corsica faces the main challenge of continuing the development of its infrastructure and (roads, railway, maritime, education, etc.) to overcome its natural handicaps whilst at the same time strengthening competitiveness, attractiveness and employment in the region through innovation, the promotion of the knowledge society, entrepreneurship, the protection of the environment, the improvement of accessibility and the adaptation of the workforce by investing in human resources.

With regard to this challenge, Corsica has a number of assets as well as obstacles to overcome:

- The insularity and a difficult relief versus the beauty and quality of its environment;
- A growing population thanks to the influx of workers aged between 30 and 40 as well as retired persons but a crucial lack of education infrastructure which has a negative impact and causes the 28-25 years to leave the island;
- An economy mostly tertiary relying on the tourism and the building sectors but lacking in business services;
- A poorly developed industrial sector namely due to the lack of raw materials and qualified managerial staff *versus* low levels of pollution and a high quality natural environment;
- A traditional and not very innovative economy mainly composed of small businesses but with high levels of entrepreneurship;
- Few research capacities that insufficiently relate to the productive fabric of the island;

### **2.3. Domestic Policy Responses**

To meet these challenges, Corsica set up in 2002 a sustainable development plan (le Plan de Développement Durable de la Corse – PADDUC) fixing the major orientations in terms of regional planning, transport and ICT infrastructures, management of energy resources and protection of its territory for the next 20 years. This Plan aimed namely to guarantee the coherence amongst regional, national and Community development strategies and plans. However, it must be noted that this framework document has a lot of opponents amongst

the Corsican population which has contributed to further delaying its adoption. The opponents consider that the population has not sufficiently been involved in the elaboration of this Plan which is based on the development of seasonal, mass tourism without taking into consideration sustainable environment issues (deterioration of the littoral, high concentration of populations in some places for short periods, property speculation, demographic and spatial unbalance between the coast and mountainous areas). After several years of confrontation, the Corsican regional government decided in December 2009 to withdraw the Plan in its original form. Today, this Plan is being reviewed with the objective to favour a balanced and harmonious system of regional planning; better territorial cohesion, social equity, environmental preservation; and sustainable economic development.

Besides this, three large programmes of regional development cover Corsica for the period 2007-2013, each of them concentrating on specific priorities:

- the “Plan Exceptionnel d’Investissement” - PEI, focusing on collective investments;
- the “Contrat de Projets Etat-Region” – CPER, centered on the patrimony and the territory;
- and the ERDF Operation Programme, focusing on innovation;

The PEI intends to recover the deficit in terms of equipment and collective services as well as to cope with the handicaps related to relief and the insularity of the island. This plan is articulated around three main axes:

1. strengthening basic infrastructures (roads, railway, education and training, water and waste treatment);
2. improving collective services (health, sports, culture, ICTs);
3. enhancing the ‘value’ of the territory (agriculture and rural development, urban development).

The CPER is articulated around four priorities:

- P1: competitiveness, attractiveness and employment : towards an innovation economy;
- P2: protecting and enhancing the value of the natural patrimony;
- P3: social cohesion and regional planning (networking territories);
- P4: the territorial issue.

The regional development programmes mentioned above are closely aligned to the 2007-2013 ERDF Operational Programme, which is an important strategic development with regard to the past periods, privileging innovative actions. Whereas between 2000-2006, the transitional Objective 1 Programme in Corsica was focused on employment, economic development of existing activities and improving accessibility. The 2007-2013 Operational Programme pursues significant ambitions in favour of the knowledge and innovation economy. Hence, it is articulated around three main axes:

1. developing and organising the innovation capacities of the island;
2. protecting and enhancing the value of a sustainable environment;
3. favouring the accessibility of the territories and their interconnections.

### 3. ERDF and CF Programme priorities and fields of intervention

#### *2000-2006 Objective 1 Programme of transitional support for Corsica:*

Between 2000 and 2006, structural funds assistance amounted to 181 million Euros out of a total budget of 447 million Euros.

This programme focused on the following priorities:

1. Facilitating greater access of Corsican SMEs to a wider range of financial support, promoting more positive attitude towards training and skills acquisition, promoting entrepreneurship and providing coordinated and focused business support and advice. This priority represented 40% of the total budget;
2. Encouraging the development of tourism and enterprises. Improving the quality of tourist facilities and diversifying the sector. Encouraging the diversification of financing sources and promoting competitiveness, applied research, innovation and technology transfer with special emphasis on companies, businesses and artisan activities in rural areas. This priority covered 19% of the total budget;
3. Enhancing agriculture through measures to train farmers, promote and improve product quality and stabilise conditions of land tenure. Encouraging the sustainable development of forestry through investments in equipment, afforestation and fire prevention measures as well as actions for rationalising harvesting and processing of forestry products. This priority represented 24% of the total budget;
4. Upgrading sea products through the fleet renewal and modernisation, equipping ports and protecting fishery resources. Encouraging an increase in aquaculture production and modernisation of production units. Only 1% of the budget was allocated to this measure;
5. Upgrading human resources and aid for integrating the jobless and excluded into the workforce. Promoting equality of opportunity, education and training (10% of the total allocated budget);
6. Protecting natural areas, tourism development and villages renovation (4% of the total allocated budget).

At sector level, the DOCUP concentrates on four large domains:

1. Waste treatment;
2. Agriculture and forests;
3. Training;
4. Tourism.

### Allocation by priority

Priority Area	Total Cost	In %
1 Consolidation of the foundations of development	179.826.627	40%
2 Building the future with development players	84.918.753	19%
3 Upgrading of products of the earth	108.964.293	24%
4 Upgrading of products of the sea	5.559.433	1%
5 Encouraging social cohesion and gender equality	45.895.544	10%
6 Territorial enhancement and promotion of local development	15.769.791	4%
7 Technical Assistance	6.204.583	1%
<b>Total</b>	<b>447.139.024</b>	

Source : European Commission, 2011.

In comparison with all reference territories, ERDF in Corsica is characterised by a high proportion of investment in basic infrastructure. Investment in transport amounted to 43.1% of the ERDF budget in Corse du Sud and 20.2% in Haute-Corse, whereas environmental infrastructure represented 23% in the former area and 36.8% in the latter.

*2007-2013 Operational Programme Corsica under the “Regional competitiveness and employment” objective:*

On 24 January 2008, the European Commission approved an Operational Programme for the region of Corsica in France, covering the period 2007-2013. This Operational Programme, under the “Regional competitiveness and employment” objective had a total budget of around 425 million Euros. The ERDF part amounts to approximately 150 million Euros, which represents about 1.1% of Community contributions in France under Cohesion Policy 2007-2013.

The programme objectives are as follows:

1. To develop and organise the island's innovation capacity and to make progress in the knowledge economy, both for its inhabitants and for the more competitive enterprises in their economic sector (55.7% of total investment);
2. To develop and organise a sustainable environment while preserving the quality of the island's natural assets with a view to environment-friendly energy and economic development (23% of total investment);
3. To promote the region's accessibility and interconnection by developing transport and the information technologies of the ecological networks which improve the islanders' quality of life by means of services linking them to one another and with the rest of Europe and the world (19% of total investment).

Priority Axis	Total Cost	
1. To develop and organise the island's innovation capacity	236.614.000	55,66%
2. To preserve and enhance a sustainable environment	97.665.000	22,98%
3. To promote the region's accessibility and interconnection	80.562.000	18,95%
4. Technical assistance	10.230.752	2,41%
<b>Total</b>	<b>425 071 752</b>	100,00%

Source: European Commission, 2011.

*Comparison between the former and the current programming period:*

The exit of Corsica from the Objective 1 programme represented a loss of Community funds of 17% (31 million Euros) for the second period. In addition, the OPs are based on different strategies. Between 2000 and 2006, the Objective 1 programme of Corsica focused on catching up in terms of infrastructure development as well as developing existing activities in traditional sectors of the island (e.g. agriculture, forestry and tourism). The current “Regional competitiveness and employment” programme aims at enhancing knowledge and innovation activities, based on the quality of the island's natural assets through a sustainable development policy and tends to favour the region's accessibility and interconnection by further developing road and railway transport together with ICT.

#### **4. ERDF and Cohesion Fund strategies and relevance**

Both Operational Programmes diagnose and deal with the geographical features of the Corsica. These specificities are at the core of the programmes with a view to tackle the handicaps related to insularity while taking advantage of the environmental quality and enhancing the value of its natural patrimony. The importance of the second dimension has largely increased in the second programming period (whereas it represented 3% of the total cost between 2000 and 2006, it has increased to 23% in the 2007-2013 OP).

Given the size of its territory and its population, both Corsican programmes are presented as regional development programmes at NUTS2 level exclusively. None of them takes into consideration any specificity at NUTS3 level, neither in the diagnostic, nor in the priority actions. They analyse the main challenges for the island taking into consideration the intrinsic problematic of coastal, rural and urban areas.

The 2000-2006 programme addresses the issues of specific geographical features mainly through the protection of the environment and the patrimony (more than 25% of the DOCUP against a national average of 14,8%) and transport infrastructures to compensate insularity and isolation (this represents more than 15% of the DOCUP against an average of 7.7% at national level).

Two axes of the DOCUP address more specifically these features:

- Axe 1. “Consolidate development basis” focuses on the development and modernisation of transport infrastructures (mostly road and railway for domestic mobility) and ICTs, the management of waste and water treatments, the support to innovative energy projects, the use of renewable energies, the preservation of natural resources. More than 55% of the budget is dedicated to catch up the delay in terms of regional planning equipments and infrastructures;
- Axe 6. “Enhance the value of the territory and promote local development approaches” focuses on the planning and management of Natura 2000 zones, protecting large touristic sites, integrating tourist infrastructures in the landscape, protecting natural reserves and rehabilitating the historic patrimony. This represents 5% of the total.

The geographic features are addressed quite similar over the 2007-2013 period although the differences appear in their respective weight in the overall budget. The weight of

infrastructures projects (transport and ICT's) has decreased whereas the share of measures related to environmental protection has significantly increased in comparison with the past period.

Two axis of the OP address more specifically these features.

- Axis 2. "Protect and enhance the value of a sustainable environment which follows 3 main objectives:

**1. Protecting sites and preventing risks:**

Protecting sites presenting a high ecological or landscape potential. This measure represents a budget of 12.5 million Euro (intervention rate amounting to 33%) and consists of strengthening the network of natural reserves; supporting activities related to protecting and/or restoring natural priority areas (Parc Natural Regional Corse, Natura 2000 areas, etc.); supporting networks of reserves (hunting and wild fauna reserves, fishing reserves); finalising the "Operations Grands Sites" promoted by the national government to prevent the degradation of major sites (listed sites confronted with issues related to tourism frequenting or conservation);

Defending forests against fire. This measure represents a budget of 7.625 million Euro (intervention rate amounting to 26%) and consists of standardising equipments; creating cleared zones between forests and urban areas; administrative and legal management of the equipment; environmental and landscape studies.

**2. Enabling the development of the island while mastering waste treatment of the various sectors on the basis of eco-responsible reflexes and an environmental management (41.5 million Euro)**

Preventing the waste quantity produced by businesses through a cluster organisation;

Encouraging eco-consumption and eco-production approaches;

Supporting environmental management, specifically in the construction sector;

Rehabilitating polluted sites and grounds;

**3. Promoting a significant development of renewable energies (36 million Euro, intervention rate: 44%)**

Master the demand for electricity (eco-construction, improve energy performance of businesses, encourage research in this field, etc.);

Increase the share of renewable energies (develop private investments, encourage the use of renewable energies, support R&D in the field).

- Axis 3. Favour the accessibility of territories and their interconnection through the diffusion of ITCs, the development of touristic poles and transport interconnections.

**1. About ICT:**

Develop ICT services in Corsica to improve its attractiveness (16.2 million Euro, intervention rate: 30%): reinforcing optic links with the Continent, structure a high speed communication network for the provision of added value services all over the island, reduce the digital gap in less developed areas;

Organise networks of ICT's operators to favour the coherence of projects in the field on the whole territory, support the diffusion of ICTs within the Corsican productive fabric, and support innovative projects. This measure represents a budget of 10.4 million Euro with an intervention rate of 48%;

Favour the emergence of digital platforms for regional development (6.3 million Euro, intervention rate of 48%): develop common digital platforms for economic competitiveness of the island; support the creation of a cluster of ICT's operators with the objective to stimulate the supply of added value services;

Set up a regional geomatic system (6.5 million Euro, intervention rate: 31%);

Diffuse ICTs in education and personal care systems (10 million Euro)

2. About the touristic poles (11.25 million Euro): encourage public-private partnerships and local cooperation networks among tourism operators to coordinate the use of the existing infrastructure and to set up regional information systems.
3. About transport interconnections (20 million Euro): improve railway connections between major cities, develop interconnections with other public transports around these cities (Ajaccio, Mezzana, Bastia, Casamozza), set up multimodal poles (Ponte Leccia, Calvi).

The need to comply with the objectives of the Lisbon Strategy has largely been taken into account when deciding on how to allocate the budget amongst the different priorities. The concentration on Lisbon objectives has contributed to direct 73.2% of the ERDF budget. This programme demonstrates a high priority towards these objectives with a view to accelerate its progress towards the knowledge society. The weight of measures related to innovation and environmental issues gives evidence to this new strategic approach. Taking into consideration all measures, 59% of the ERDF budget has been dedicated to R&D activities. This strategic change of the ERDF programming for the years 2007-2013 constitutes a real breakthrough in comparison with the previous period.

A continuous support to past activities is however guaranteed through the PEI and the EADRF. The PEI concentrates its provision on the finalisation of infrastructures and collective equipments partly initiated by the ERDF whilst the EADRF focuses on the economic, social and environmental development of rural territories.

## **5. Quantitative results of the ERDF/CF programme**

According to the Closure Report of the DOCUP produced in 2009, the realisation and utilisation rate accounted for 98% of the total budget.

In terms of results and impact, the available documentation (Evaluation Report, 2005 and Closure Report, 2009) provide general observations related to the overall achievements of the programme and very detailed quantitative information for each project.

Overall these reports argue that the 2000-2006 programme produced virtuous effects on several levels, including:

- A strong and sustainable GDP growth (30% between 2000 and 2007), higher than the national average (25%);
- The unemployment rate has decreased significantly over the period to shift below the national average in 2009 whereas employment increased by 12,5% between 2000 and 2007;
- Direct interventions towards enterprises resulting from the ERDF led to the creation of 260 jobs in the agriculture, fishing and craft sectors whereas 1174 jobs were mobilised in local craft and construction enterprises to achieve tourism equipments and infrastructure projects. These were mainly non-skilled jobs with short durations. Collective actions are considered as priorities to further improve the impact of these measures over the 2007-2013 period;
- There was good synergy and complementarity with other regional development programmes such as the PEI and the CPER, namely in the field of infrastructures development. In this respect, the DOCUP has accelerated and improved the security of the main roads of the Corsican territory; to rehabilitate the railway network and to accelerate the development of fibre optic equipment to help overcome geographic constraints. As a result of this complementarity, a considerable leverage effect can be observed through a total cost of realisation highly superior to the initial plan;
- The integration of an environmental approach with tangible results in the field of environmental protection through the acceleration of protection and management operations of natural reserves, and the reinforcement of fire preventing means;
- With regard to water, sanitation and waste treatment measures, the DOCUP has played an important role in developing appropriate infrastructures and fostering the cooperation of local collectivities on these issues. The creation of the SYVADEC for instance has helped very much to develop waste sorting and disposal on the Corsican territory. An energy policy focussing on the necessity to master energy consumption and to exploit renewable energy fields, namely the building of micro hydroelectric plants and the diffusion of solar water heaters;
- The progressive restructuring of main economic sectors, including:
  - o In tourism, efforts have led to improvements in the quality of infrastructure; the extension of the tourist season and the diversification of the customer base (for example, between 1998 and 2007, the summer traffic has increased by 1M passengers); as well as better match between the vocational training system and the local needs of business;
  - o The creation of the aeronautics industry pole and the regional innovation pole on renewable energies (CAPENERGIE) which has contributed to demonstrate that high added value activities have a potential to develop on the island;
  - o The restructuring of the agricultural industry focusing on a selection of local quality products (wines, organic products);

In terms of relevant programme indicators, the Tables below provide more information:

## Relevant programme's indicators

### Transport infrastructure (41 million Euros)

- No target value available – only output indicators available
- A high number of road infrastructure projects programmed and executed (twelve projects executed)
- two rail infrastructure projects executed
- 1 port infrastructure project executed

Measure	Theme	Type of indicator	Indicator	Unit	Target value	Achieved value	Year achieved
Modernise the transportation network by developing the intermodalities	Roads	Output	number of projects programmed	Number	n.a.	16	n.a
		Output	number of projects executed	Number	n.a	12	n.a
	Rail	Output	number of projects programmed	Number	n.a	4	n.a
		Output	number of projects executed	Number	n.a	2	n.a
	Ports	Output	number of projects programmed	Number	n.a	1	n.a
		Output	number of projects executed	Number	n.a	1	n.a

Source: ADE, 2008.

### Environmental infrastructure (38 million Euros)

- Two measures related to environmental infrastructure : i) Control the management of waste and create channels of treatment, ii) Continue the effort of sanitation and water management
- Most of target values are not achieved for the waste sector;
- Main achievements for waste sector: twelve sorting centres, 46 treatment centres realized, 214 treatment centres (Type II) realized, 25 municipalities engaged in selective collection of waste, six dumping sites rehabilitated, one dump created and one compost centre realized;
- No target value for the water sector;
- Main achievements for water sector: 2000 households concerned by the increase in the capacity of transfer, 3.5 million m<sup>3</sup> increase of the stocking capacity, 4.66 million m<sup>3</sup> increase in the transfer capacity, 1.50 million m<sup>3</sup> increase in the mobilised resource, increase of 70 hectar of rural surface served, 653 delivery sites to individuals or communities realized, 114 rural delivery points created, twelve industrial delivery points created.

Measure	Type of indicator	Indicator	Unit	Target value	Achieved value	Year achieved
Control the management of waste and create channels of treatment	Output	number of projects executed	Number	5	0	n.a.
	Output	number of sorting centres	Number	15	12	n.a.
	Output	number of dumps created	Number	2	1	n.a.
	Output	number of compost centres realised	Number	7	1	n.a.
	Output	number of channel centres realised	Number	1	0	n.a.
	Output	number of treatment centre realised	Number	150	46	n.a.
	Output	number of municipalities engaged in the selective collection of waste	Number	30	25	n.a.
	Output	number of dumping sites rehabilitated	Number	60	6.53	n.a.
	Output	share of population served by a transfer centre	%	1	0	n.a.
	Output	number of waste treatment centers (Type II) realised	Number	n.a.	214	n.a.
	Output	number of projects programmed	Number	50	1.15	n.a.
	Output	rate of population served by a dump	%	70	47.47	n.a.
	Output	rate of population served by the selective collection of waste	%	5	0	n.a.
	Output	increase of the rural surface served in ha	hectare	n.a.	70	n.a.
Continue the effort of sanitation and water management	Output	quantity of resource / improvement of the management	million of m <sup>3</sup>	n.a.	58.3	n.a.
	Output	increase number of industrial delivery points	Number	n.a.	12	n.a.
	Output	Area used	hectare	n.a.	900	n.a.
	Output	increase of the stocking capacity	million of m <sup>3</sup>	n.a.	3.5	n.a.
	Output	increase in the transfer capacity	million of m <sup>3</sup>	n.a.	4.66	n.a.
	Output	increase in the mobilised resource in millions of cubic meters	million of m <sup>3</sup>	n.a.	1.50	n.a.
	Output	concerned population (household) by the increase in the capacity of transfer	Number	n.a.	2000	n.a.
	Output	increase number of delivery sites to individuals or communities	Number	n.a.	653	n.a.
	Output	increase number of rural delivery points	Number	n.a.	114	n.a.
	Output	management tools set up	Number	n.a.	4	n.a.

Source: ADE, 2008.

### 2007-2013

The 2007-2013 programme dedicates 37% of the ERDF credits to innovation and 11% to entrepreneurship with a clear objective to support employment in the region. The target is to create 1000 jobs (1% of total employment in the region), the half of it being highly skilled and sustainable jobs (three years at least). Taking advantage of the innovation and R&D dimension of the programme, the ambition now bears on the quality of the jobs created and less than on the number of jobs. This strategy aims at rebalancing the structure of regional employment in Corsica with a view to promote its economic development in the long run.

With 26% of its budget dedicated to environmental protection measures and renewable energies, the second expected impact mentioned in the OP lies on the reduction of greenhouse gas. The target in Corsica is more ambitious than European directives, it amounts to a reduction of 15.8% of these gases (290.000 tons) over the period. This objective requires acting on road transport and the production of electricity which represent 80% of the emissions. These emissions are mostly related to the growing

population on the island and the evolution of the tourism sector rather than its industrial development.

## **6. ERDF Governance and complementarities with other sources of funding**

Corsica traditionally been characterised by close cooperation amongst institutional actors, socio-economic representatives and other groups. This cooperation is facilitated by the size of its territory and the limited number of stakeholders who meet regularly in the different consultative bodies related to the implementation of regional development programmes of the island. Corsican institutions associate active working groups to the design of regional development programmes. Public consultations are also organized on specific items. Generally speaking, the governance of these programmes is thus facilitated by these local characteristics although it must be mentioned here that the implementation of these programmes can often face resistance from the local population, as illustrated by the controversy surrounding the approval and implementation of the PADDUC.

In comparison with other French regions, Corsica has gained the necessary autonomy for the implementation management of local development programmes. The CTC (Commission Territoriale Corse) has played an active role in this respect. Today, this Commission is the only French region to be the managing authority of the EAFRD for the 2007-2013 period.

The Prefect of the Region is the Managing Authority of ERDF programmes, coordinating all those involved in implementing the programme and organising meetings of the Monitoring Committee. Representatives of local, economic and social partners appointed by the managing authority attend the meetings with an advisory capability.

The Secretariat General for Corsican Affairs (SGAC) of the Prefecture of Corsica provides programme management and follow-up. The State's territorial services, operating through the sub-prefectures, are closely involved in the management of the programme.

To manage the different measures, the SGAC can appoint “instructing services” (or “one-stop-shops”) or contract with intermediary bodies for the management of specific subventions. These instructing services and intermediary bodies are responsible for projects reviews, credits allocation, monitoring and evaluation of the implementation of the projects. The ADEC (Agence pour le développement économique de la Corse) has been in charge of most part of economic development measures. The MITIC (Mission TIC de la collectivité territoriale Corse) runs the ICTs related measures of the programmes. The OEC (Office de l'Environnement de la Corse) is responsible for some specific environmental measures. The ATC (Agence du Tourisme de la Corse) takes care of the implementation of the tourism projects.

The close cooperation among Corsican actors seems to positively impact on the complementarities and synergies with other programmes. This has been facilitated by the fact that both ERDF programmes were designed through larger regional development plans: the “stratégie de l'Etat et de la Collectivité Territoriale de Corse” in 1999 and the “Plan de Développement Durable de la Corse – PADDUC” in 2002. These programmes

tend to provide a strategic vision of development priorities for the region and to guarantee a coherent utilisation of available funding.

As mentioned in the Evaluation report of the Objective 1, the 2000-2006 DOCUP benefits from the synergies of the following programmes:

- The ESF for training actions;
- The PEI (Programme Exceptionnel d'Investissement) for the infrastructure projects (roads, railway, water and sanitization, training and education) and social cohesion dimensions;
- The CPER (Contrats de Plan Etat-Région) concentrates on agriculture and forests, engineering and sustainable development, environment and coastal protection. This programme complements the DOCUP on a series of measures: financial support to businesses, tourism, agriculture and forests, fishing. Some difficulties are however mentioned with regard to the coexistence of different programmes on the same objectives, each of them being ruled by a specific legal and financial framework (e.g: the beneficiaries consider that ERDF funds are more difficult to mobilize than the CPER);
- The rural development programme (LEADER+) which aims at fostering local products as well as enhancing the value of natural, cultural and water resources. These projects are in line with the DOCUP measures related to the agrofood tourism and the defense of the natural, cultural and agricultural patrimony;
- The URBAN II programme focusing on several areas of Bastia;
- INTERREG III A favouring cross-border cooperation with Italy and a better integration of Corsica in the Mediterranean area was centered on improving accessibility, developing tourism and cross-border exchanges.

Following the same logic, the 2007-2013 OP follows common objectives with other regional development programmes on the island (ESF, EAFRD, PEI, CPER, INTERREG) thereby contributing to common or complementary actions on the following grounds:

- Build the economic development of the island on the human potential and innovation;
- Promote a sustainable development of Corsica in its environmental, territorial and human dimensions;
- Focus on the potential and the specificities of the Corsican territory;

Programming and evaluation studies for the three regional development programmes (ERDF, CPER, PEI) and for the PADDUC were performed on the same period and reached converging conclusions. These documents thus demonstrate a sound coherence. The difficulty lied in the elaboration of coherent strategies for each programme which had to complement the others while covering all the needs detected through the diagnostics and taking into consideration the specificities of each programme.

In particular, the 2007-2013 OP focuses on the following programmes.

The CPER concentrates on 4 main priorities which are very close to the axis of the ERDF OP:

- Competitiveness and employment: towards an innovation economy;
- The environmental dimension of development: protect and enhance the value of the natural patrimony;
- Social cohesion and regional planning: linking territories;
- The territorial issue;

To foster better synergies between the 2 programmes, it has been decided to concentrate interventions related to Innovation within the ERDF OP and to create a common evaluation committee for both programmes.

The PEI contributes to funding the restructuring required for the development of the Corsican economy. On the other side, this OP has its own specificities: innovation, economic development and the diffusion of ICT. Throughout its implementation phase, a multi-funds committee, a common monitoring committee as well as specific technical working groups have been set up to guarantee the coherence and to avoid any overlaps among the actions generated by these programmes.

The EARDF 2007-2013 (83 million Euro) focuses on rural territories by improving the competitiveness of the agricultural and forestry sectors, the environment and the countryside, the quality of life in rural areas and the diversification of the rural economy. This programme is managed by the “Collectivité Territoriale Corse”, the unique region of France enabled to run it independently of the central administration.

## 7. Conclusion

Overall, it can be said that ERDF/CF programmes for 2000-2006 and 2007-2013 programming periods are relevant to the specific geographical features of Corsica: its insularity, its relief and the high quality of its environment.

Both Operational Programmes clearly address these features which figure at the core of their strategy. The 2000-2006 OP mainly aims at compensating disadvantages: insularity and relief through more performing infrastructures. Whereas the 2007-2013 programme concentrates its efforts on seizing opportunities: enhancing the value of environment and its natural patrimony throughout all its measures.

The breakdown of budgets among the different axes illustrate this statement. For the 2000-2006 programming period, a comparison of the main axis with the national averages shows some gaps that are explained by the specificities of the Corsican territory.

Priority axes	Corsica	National average
Axis 1. Economic development	40%	49%
Axis 2. Environment and patrimony	25%	15%

Axis 3. Infrastructures and transport	15%	8%
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*Source: Evaluation Report Obj.1 2000-2006  
(Nov.2005)*

Whereas the OP objectives related to economic development, innovation and training are relatively smaller compared with the national average (40% against 49 at national level), the budgets dedicated to the second and third axis, i.e. the protection of the environment (25% against 15% at national level) and the development of infrastructures and transport (15% against 8% at national level), demonstrate the concentration of efforts to address the specific geographic features of the island.

For the 2007-13 OP, attention on environmental issues has increased significantly. The environmental evaluation report estimates that 58% of the OP measures relate to the large environmental challenges whereas a 26% of the OP budget consists of environmental measures (E2 and F1). The share dedicated to transport has decreased to 7% whereas an axis has been set aside for the development of ICTs with quite a reasonable portion of the budget amounting to 15%. Also, as detailed throughout this report, the strategic breakthrough of this OP ("competitiveness and employment programme) with the previous period (Objective 1) is compensated by the regional PEI which concentrates on the completion of infrastructures development on the island.

Priority axes	OP Budget	in % of total
A. Innovation & RTD (1-4;7;9)	56.000.000	37%
B. Entrepreneurship (6-7;8)	15.850.000	11%
C. Information society (10-15)	22.300.000	15%
D3. Transport - Other (Multimodal, air, boats) (24-32)	10.000.000	7%
E2. Energy - Renewable (39-43)	16.000.000	11%
F1. Environment protection and infrastructure (44-52;54)	22.200.000	15%
<b>Grand Total</b>	<b>150.165.676</b>	<b>100%</b>

*Source: European Commission, 2011.*

With regard to the effectiveness of the programmes and to what extent this has been successful to address specific geographical features, this would certainly require further investigation. The final evaluation report indicates that the success of OP 2000-06 is rather satisfying but with some reserves regarding the achievement rate of the projects. As for the current programming period, it would be hard to come up with any conclusion at this stage since not much information has been found in this respect yet. Also, such an evaluation should take into consideration the collateral effects of complementary programmes such the PEI or the CPER.

Given its specific geographic features, Corsica has indeed prioritised for several years investments based on the quality of its environment and it has certainly made some progress in this field in comparison with other regions. In particular, the competitiveness pole "Capénergies" for the development of renewable energies (wind, solar, wood, biomass, photovoltaic) is built on public-private partnerships and associate research capacities to training activities with a view to strengthen the industrial development in these

sectors. In parallel with the relatively rapid development of the tourism sector, ecological measures and related projects (waste, water treatment, eco-construction, eco-tourism, protecting its natural patrimony, etc.) certainly deserve a similar attention in this respect.