

## DG V, DG VI and DG XVI

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### THE STRUCTURAL FUNDS

The European Community has a number of programmes aimed at the development of disadvantaged areas and sectors within the territories of the European Member States. These exist to promote the overall harmonious development of the Member States of the European Union, and to encourage their 'convergence' in economic terms. The most important of the programmes brings together four separate funds, known collectively as the Structural Funds. These are the European Regional Development Fund (ERDF); the European Social Fund (ESF), the European Agricultural Guidance and Guarantee Fund (EAGGF), and the Financial Instrument for Fisheries Guidance (FIFG).<sup>1</sup> For the period 1994–9, the Structural Funds have at their disposal a total allocation of Ecu 141.471 billion. Management of the Funds is the collective responsibility of DG V (Employment, Industrial Relations and Social Affairs), DG VI (Agriculture), and DG XVI (Regional Policies).

Structural Funds are available as non-reimbursable grants, on the basis of co-financing ('part-financing') with the relevant Member States. The level of co-financing depends on the objective of the programme, and is up to a maximum of between 50 and 85%. There are five sets of priority objectives:

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| <i>Objective 1:</i>  | Structural adjustment of regions whose development is lagging behind  |
| <i>Objective 2:</i>  | Economic conversion of areas seriously affected by industrial decline   |
| <i>Objective 3:</i>  | Combatting long-term unemployment and facilitating integration into working life of young people and those threatened with exclusion from the labour market |
| <i>Objective 4:</i>  | Preventive measures to combat unemployment associated with industrial change  |
| <i>Objective 5a:</i> | Structural adaptation of agriculture and fisheries  |
| <i>Objective 5b:</i> | Economic diversification of vulnerable rural areas  |

The relevance of the Structural Funds in the present context relates to the few overseas territories of the Member States located in the tropics. The main ones are the four overseas *Départements* of France, Martinique, Guadeloupe, Réunion and Guyane, all of which have the same legal status as any other French *départements*.

Only Guyane (French Guiana) possesses any major forest resources. The review which follows is restricted to this one territory. A brief description of the place of forestry in the economy of Guyane is provided in Box 1.

#### Box 1: The Overseas Department of Guyane

Guyane is the only region of the European Union on the South American continent. With an area of 90,000 sq. km. (the size of Portugal) and a border of 1 000 km. with Surinam and Brazil, the territory is much closer to its South American neighbours than it is to its main markets in Europe (7,500 km. distant) or to the other European territories in the Caribbean (Guadeloupe, for example, is 1,500 km. away). However, communications with its neighbours are very poor, as are internal communications within the territory. 10% of the national population is accessible only by river transport.

The population of Guyane is presently 136, 775 (1993 Census), growing at between 4.7 and 6% (one of the highest growth rates in the Union). There is a sizeable immigrant population, approximately one-third of the total. Population density in the rural areas is low, at only 1.44 persons per square kilometre. 70% of the population is under 35 years of age.

Tropical moist forests cover 90.4% of the territory, consisting almost entirely of *forêt domaniale* (state forest), which occupies 7.5 million (92%) of the total forested area of 8.14 million hectares. There is one national park of 2 million hectares (*le Parc national de la forêt guyanaise*), two national reserves of respectively, 100,000 hectares (*camp de Nouragues*) and 75,000 hectares (*montagnes de la Trinité*), and a regional national park of 100,000 hectares.

Timber production represents a small though significant sector of the economy, with about 15% of total agricultural production (Ecu 12–14 m. per annum) and 400 workers. Expansion of the timber industry is inhibited by a number of factors: distance from European markets; high production costs (significantly above those of neighbouring countries such as Brazil); shortages of skilled manpower; low levels of internal demand; poor communications; high species diversity (up to about 160 species per hectare); low commercial value and profitability.

In forestry terms, Guyane is best known for its research and teaching facilities. There is a forestry college at Kourou, *l'Ecole Nationale du Génie Rural, des Eaux et des Forêts, ENGREF* (an *école d'application* of the system of *grandes écoles*). Kourou is also the site of major research facilities, with branches of a number of French research institutions (CIRAD-Forêt, INRA, ORSTOM, etc.). These are formed into a *groupement d'intérêt scientifique* known as SYLVOLAB. The *Office Nationale des Forêts* (ONF) also has important operations in Guyane.

The forests of Guyane are noted for their exceptional species diversity of both flora and fauna (1,200 species of vertebrates, and 7–10,000 species of vascular plants, including 1,000 species of trees, eleven times as many as in metropolitan France). France is seeking to develop Guyane as a major European research and teaching laboratory for ecological forestry.

1. The French acronyms are respectively: FEDER, FSE, FEOGA and IFOP.

## SUPPORT FROM THE STRUCTURAL FUNDS TO GUYANE

Forestry in Guyane is eligible for support from the Structural Funds in relation to Objective 1, on the basis of its relatively low per capita GDP (only 46% of the GDP of metropolitan France, and 58% of the European average). 75% funding is available to Guyane from the Funds, with the remaining 25% being contributed by the French Government.

Guyane presently receives support from all the four constituent funds (EDRF, ESF, EAGGF and FIFG). In relation to tropical forestry, the main direct investment from the Funds has been the sum of Ecu 2.879 m. over 5 years (1994–9)<sup>2</sup> under the EAGGF, awarded to the *Office Nationale des Forêts* to cover management costs and equipment for the creation of a sustainably-managed production forest of 550,000 ha. Activities include inventory, demarcation, silvicultural management and single-purpose road construction. Counterpart funds are being provided by France (Ecu 1.97 m.) and the timber industry (Ecu 0.60 m.). A number of other activities have forestry components, including tourism development in forest areas, for which Ecu 0.7 m. is being provided from the ERDF; research on tropical forest ecosystems (Ecu 9.7 m. from the ERDF); and human resource development (Ecu 35.8 m. from the ESF). Additional investments from the Funds which may have important forestry impacts include the Ecu 24 m. invested by the ERDF in road building programmes.

## REFERENCE

Commission européenne (1995) *Martinique, Guadeloupe, Réunion, Guyane – Documents uniques de programmation, 1994–1999*, Fonds structurels communautaires, Office des publications officielles des Communautés européennes, Bruxelles et Luxembourg.

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Note on currency, on 1 September, 1997, US\$ 1 was equivalent to ECU 1.09.

2. All the sums indicated in this paragraph refer to the period 1994–9.