



May 1995 EN

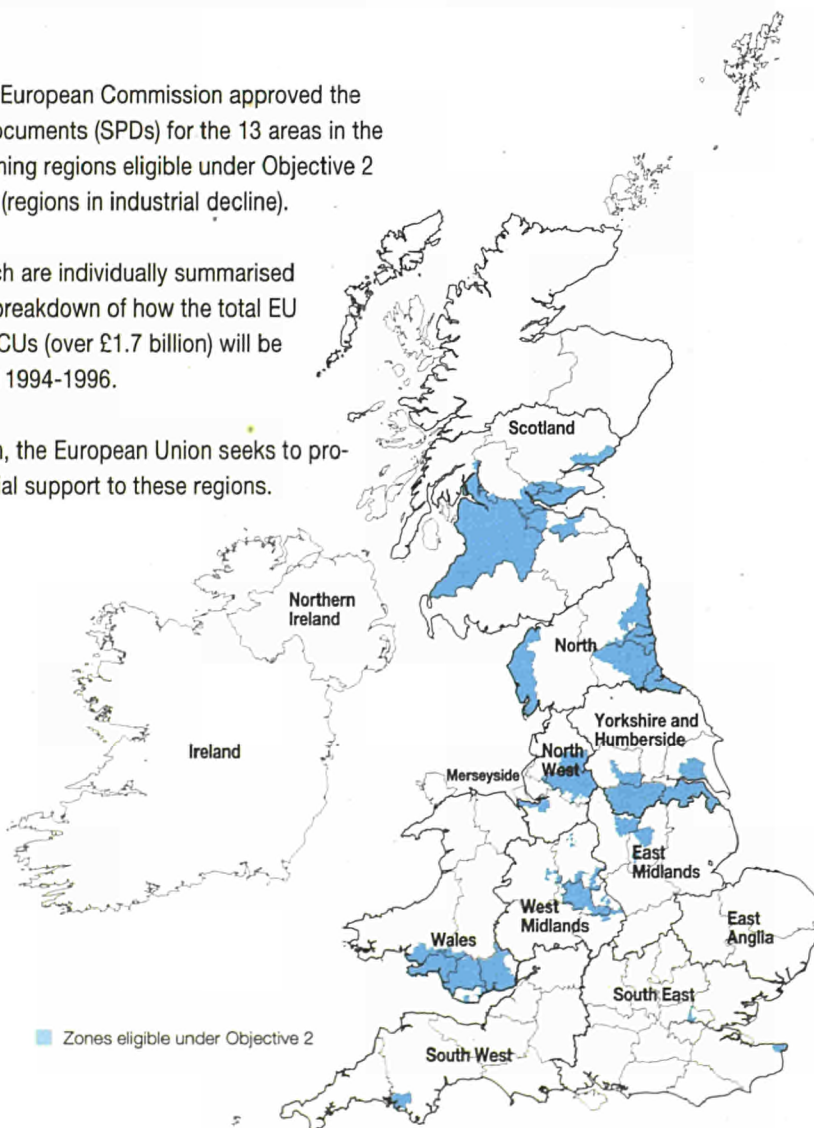
Summary of SPDs Objective 2 United Kingdom

The structural Funds and the reconversion of regions affected by industrial decline in the United Kingdom, 1994-1996.

In December 1994, the European Commission approved the Single Programming Documents (SPDs) for the 13 areas in the United Kingdom containing regions eligible under Objective 2 of the Structural Funds (regions in industrial decline).

These documents, which are individually summarised in this pack, contain a breakdown of how the total EU grant of 2,142 million ECUs (over £1.7 billion) will be spent during the period 1994-1996.

Through its contribution, the European Union seeks to provide economic and social support to these regions.



Eligible regions

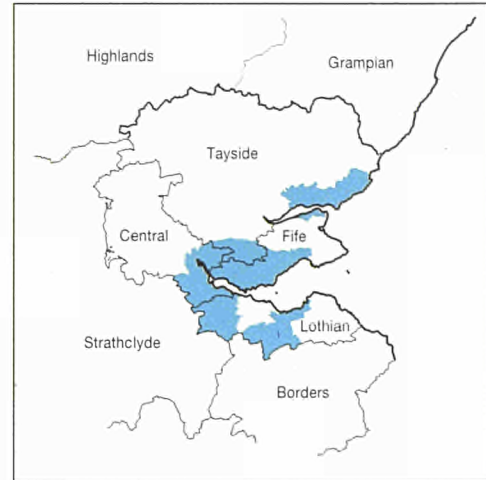
The Eastern Scotland Objective 2 region covers the travel to work areas of Alloa, Falkirk, Stirling (part), Kirkcaldy, Dunfermline, Bathgate, Edinburgh (part), Arbroath and Dundee. Unemployment in the newly-designated Edinburgh wards of Craigmillar and Niddrie averaged 18.6% between 1990 and 1992. The region has a persistently high unemployment problem.

Other structural weaknesses include a small company base, low growth in indigenous sectors, a conservative business sector, poorly developed, stressed or degraded supporting infrastructure and a vulnerable employment structure.

Eastern Scotland

Strategy

- To exploit the region's scientific and technological capabilities to ensure diversification and innovation.
- To enhance skills, promote the technological design base and provide appropriate infrastructure.
- To exploit the international market.
- To capitalise upon assets.
- To achieve a synergy of funds, actions and policies.
- Above all, to provide the socio-economic situation in the region with an effective and focused mix of actions.



■ Zones eligible under Objective 2

Priorities

Priority 1:

Business and trade development

Delivering support services for start-up and growing businesses.

1.1.-1.2.

SME start-up, growth and development

1.3.

Provision of sites and premises, and related training facilities to promote and facilitate economic development

1.4.

Assisting skills training for SMEs

1.5.

Promoting regional skills development

Priority 2:

Business environment, image and tourism

To build on the strengths of and deal with the residual problems in image and environment, transport and communications and tourism.

2.1.

Image enhancement and management of the environment

Upgrading town and city centres; recycling and

waste management; schemes to encourage greater use of public transport.

2.2.

Transport and communications

2.3.

Regional tourism development

2.4.

Assisting training in support of tourism, heritage and the environment

Priority 3:

Locally-based initiatives

Building local partnerships, encouraging better integration with other funding sources.

3.1.-3.2.

Locally-based initiatives

Direct assistance in specified localities for local economic development initiatives; child care facilities; provision of workspace; transport schemes for job access; removal of industrial scars on the landscape; improving the physical fabric of towns; providing pathways to employment; work experience schemes.

Priority 4:

Technology and innovation

To increase and stimulate interaction, improve skill levels in the use of appropriate technology throughout the workforce and to further the concept of innovation.

4.1.

Research, technology and innovation development for SMEs

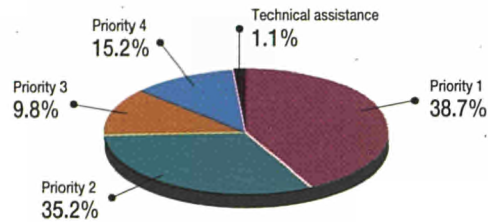
4.2.

Provision of sites and premises to promote and facilitate technology transfer, training and innovation

4.3.

Developing skills in technology and innovation

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	46.826	59.815	-	106.641
Priority 2	42.550	73.716	-	116.266
Priority 3	11.893	12.500	-	24.393
Priority 4	18.431	23.971	-	42.402
Technical assistance	1.300	1.357	-	2.657
Total	121.000	171.359	-	292.359

(ECU millions)

Objective 2

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Eligible regions

The population covered by Objective 2 in East London and the Lee Valley is approximately 0.554 million. The East London and Lee Valley Objective 2 area includes those parts of Greater London most seriously affected by industrial decline. Between 1984 and 1991 the six London Boroughs that make up the ELLV lost 26,000 industrial jobs. The unemployment level across the area is 22.8%.

The area's major problems may be summarised as follows:

- continuing decline of manufacturing
- weak transverse transport linkages
- derelict land
- low educational attainment
- high unemployment and associated urban deprivation

East London and the

Strategy

The strategy is to enable East London and the Lee Valley to develop a modernised, competitive, diverse and expanding economy, bringing prosperity to its business sector, new economic opportunities to its workforce and economic and social integration within its communities, including its large and richly diverse ethnic community.

Priorities

Priority 1:

Business Development Support

To increase the start-up rate of SMEs, raise SME survival rates, and to ensure provision of the necessary workforce skills for the success of SMEs.

1.1.

SME Advice and Support Services

Business advisory services, assistance towards consultancy support.

1.2.

Improving Access to Finance Support for new and existing funds

1.3.

Expansion and improvement of sites, company growth and job retention and creation in existing industrial areas

1.4.

Improving skills and training for business needs
Creating a qualified workforce in the area

Priority 2:

Actions for knowledge-based industries and advanced technological development

The focus of actions will be to develop a strategy which will offer a package of support to meet the technology needs of businesses in the Lee Valley.



■ Zones eligible under Objective 2

2.1.

Innovation and technology transfer

RTD strategy; support for innovation and technology transfer for SMEs; grants for product and process development.

2.2.

Advanced Telematics

Increase take up of telematics by SMEs.

2.3.

Training for new technologies and advanced telematics

Priority 3:

Targeted Inward Investment

Improving existing industrial buildings and estates and enhancing the image and utility of existing industrial areas.

3.1.

Site and new premises development, site reclamation, services, improving access to sites and related environmental improvements

3.2.

Inward investment, marketing and image

Lee Valley

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Priority 4:

Action to develop cultural industries and advanced producer services and industries

To encourage the development of advanced producer services and industries, often geared to new technology, and of cultural industries including design and the performing arts.

4.1.

Support for advanced producer services and industries

Joint marketing ventures; ensuring access to technology for project development.

4.2.

Support for cultural industries

Encouraging the diversification of cultural industries in the area.

4.3.

Training for service industries (cultural industries, tourism and producer services)

Priority 5:

Targeted assistance to create and access employment for communities

Investing in the people of the ELLV and enhancing their employment opportunities.

5.1.

Support for local training strategies

5.2.

Support for community business and individual enterprise

5.3.

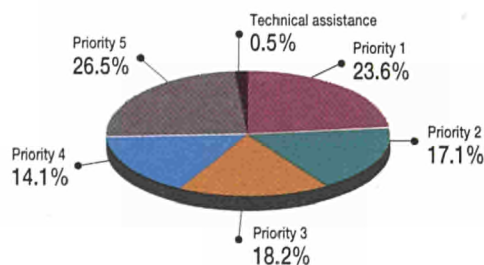
Development of public transport to improve access to employment

5.4.

Action to improve the urban environment

Promoting comprehensive programmes of environmental improvement.

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	17.48	17.01	5.86	40.35
Priority 2	12.69	11.84	3.14	27.67
Priority 3	13.47	14.03	6.57	34.07
Priority 4	10.47	9.32	3.28	23.07
Priority 5	19.51	38.85	6.97	65.33
Technical assistance	0.38	0.38	-	0.76
Total	74.00	91.43	25.82	191.25

(ECU millions)

Objective 2

Eligible regions

The East Midlands

Objective 2 area can be defined broadly as the North Nottingham and Derbyshire coalfield area together with the City of Nottingham. It comprises the travel to work areas (TTWAs) of Mansfield, Chesterfield, Worksop, the City of Nottingham and parts of the Nottingham TTWA in Ashfield district.

The area contains many mining villages and collieries. Despite this concentration of heavy industry, the east of the area includes Sherwood Forest, Rufford Country Park and Clumber Park, all used extensively for tourism and leisure. Four conurbations together account for 75% of the Objective 2 area's total population of 684,000: Mansfield, Chesterfield, Worksop and the City of Nottingham.

The area's weaknesses can be summarised as follows:

- strong localised dependence on declining sectors.
- problem inner urban areas and isolated rural coalfield settlements.
- few high technology sectors and a lack of major financial service centres.
- lack of a strong regional identity.
- poor road links east-west.
- poor level of educational attainment and training.
- low historic levels of inward investment.

East Midlands

Strategy

The overall aim of the strategy is to facilitate the economic regeneration of the Objective 2 area by addressing the underlying structural weaknesses of its economy. It will achieve this by strengthening the technological base of the economy, increasing the competitiveness of existing businesses, encouraging diversification into new products and markets and increasing the competitive advantage of the area in attracting new investment.

Priorities

Priority 1:

Research and innovation

To improve the competitiveness of SMEs by helping them to introduce innovations in product and process development; to facilitate SME access to expertise, services and advice in modern technologies, and to a suitably trained workforce.

1.1.

Assistance to SMEs for innovation and product and process development

Small Firms Merits Award in R&T (SMART): expenditure in the Objective 2 area will be doubled by the ERDF to allow scope for the extension of the scheme to meet local needs.

1.2.

Strengthening support for innovation in industry

1.3.

Development and application of clean technologies

Grants to SMEs linked to job creation; demonstration SMEs.

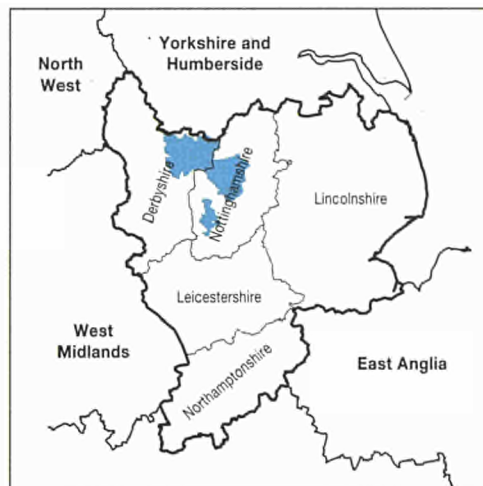
1.4.

Training in advanced technology

1.5.

Advanced telecommunications dissemination projects

Information on the availability of advanced telecommunications services; facilitating local access to advanced telecommunications.



■ Zones eligible under Objective 2

Priority 2:

Strengthening enterprise and indigenous businesses

To improve the competitiveness of existing SMEs, to increase the rate of SME formation, survival and growth, to increase income generated by tourism and the jobs it can support.

2.1.

Promoting SME start-up, growth and development

2.2.

Improving SME access to sources of capital

2.3.

Developing the tourism industry

Implementation of local Tourism Development Action Plans which support SPD objectives.

2.4.

Training for business needs

Provision of skills training, customised training packages for established businesses.

Priority 3:

Encouraging diversification of the economy

To help indigenous firms to diversify into new products and markets.

3.1.

Support for the diversification of activities in traditional sector companies

Clubs for exporters; design counselling; licensing brokerage.

3.2.

Increasing inward investment

3.3.

Developing sites and premises, including vocational training facilities

Landscaping of existing under-utilised industrial sites; business parks on former colliery sites.

3.4.

Improving transport infrastructure directly linked to economic development

Public transport linking the Nottingham job market to isolated mining communities.

3.5.

Developing human resources

Priority 4:

Community economic development

To enable the most disadvantaged communities to compete for economic opportunities.

4.1.

Environmental improvements

Clearance of derelict sites in inner urban areas.

4.2.

Developing economic opportunities

Arts and crafts workshops in inner urban areas.

4.3.

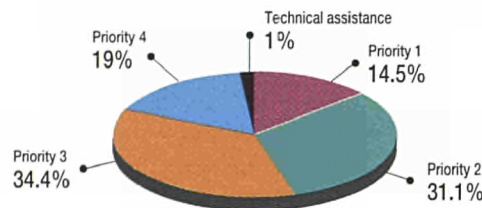
Improving access to training and employment

Improvements to the public transport system for people in disadvantaged areas; childcare provision.

4.4.

Developing pathways to employment

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	11.480	11.910	10.000	33.390
Priority 2	24.600	26.230	10.000	60.830
Priority 3	27.180	43.630	20.000	90.810
Priority 4	14.950	16.680	-	31.630
Technical assistance	0.790	0.790	-	1.580
Total	79.000	99.240	40.000	218.240

(ECU millions)

Objective 2

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Eligible regions

The peninsula of Gibraltar is adjacent to the southern tip of the Spanish mainland. It covers an area of 584 ha and supports a population of some 30,000 people, a figure that has remained stable in recent years. Gibraltar's economy has traditionally been heavily dependent on defence services. At their peak these contributed some 65% of Gibraltar's GDP. Over the last ten years this has undergone a very dramatic decrease to only around 10% of GDP.

The economy of Gibraltar has many unusual features, most of which stem from its small size. Its land and other indigenous resources are small; virtually no part of Gibraltar is capable of sustaining any kind of agriculture. Gibraltar is unable to benefit from any economies of scale. In the absence of domestic manufacturing of any kind, the economy is heavily dependent on imports. Yet despite these constraints, Gibraltar has good education facilities, a population bilingual in English and Spanish, established financial and shipping services and an advanced telecommunications network, an attractive location and a distinctive heritage.

Gibraltar

Strategy

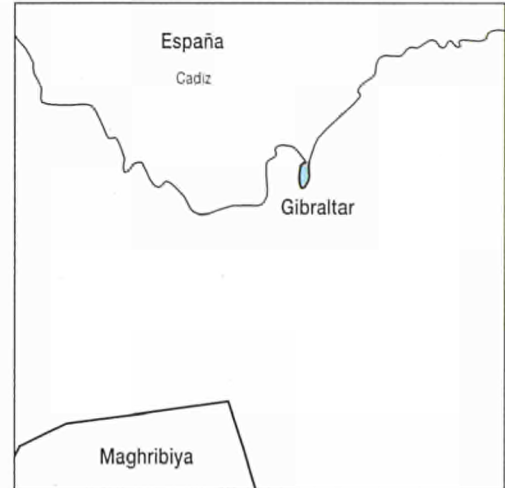
The global objective is to maximise the potential for generating wealth and employment in Gibraltar through sustainable economic diversification, particularly towards the tourism sector. Gibraltar's tourism policy aims to cater for two broad categories of tourist, the day visitor and the longer stay visitor. This strategic objective will be achieved by building a new and attractive image for Gibraltar, cultivating specific market sectors, particularly the high value-added conference market, increasing the amount of repeat business, developing daily excursion traffic and increasing the frequency of call of cruise ships.

The SPD will also support productive investment in SMEs. Facilities for industrial activity have already been improved by the opening of the New Harbours complex (industrial park) and the Europa Business Centre. This work now needs to be consolidated by encouraging maximum utilisation of the new premises. Key strategic targets will be the creation of 400 new jobs and the generation of a 10% increase in revenue from tourism.

Measures

Measure 1: Tourism and business development

The aims of this measure are to enhance the potential for economic activity related to tourism to create income and employment in Gibraltar, to enhance the quality and attractiveness of industrial/commercial facilities and to safeguard and enhance the territory's natural and built environment and heritage.



■ Zones eligible under Objective 2

Activities: Development of tourist attractions and visitors facilities and associated environmental works; tourism promotion; improvement of facilities for business and aid to productive investment.

Measure 2: Improving the flow of tourist and business traffic

The aims of this measure are to improve access to Gibraltar tourist and business areas; reduce traffic bottlenecks and sustain increased visitor numbers.

Activities: Projects which improve access to industrial areas and points of non-road access to the territory; projects which facilitate the arrival and departure of tourists and business visitors.

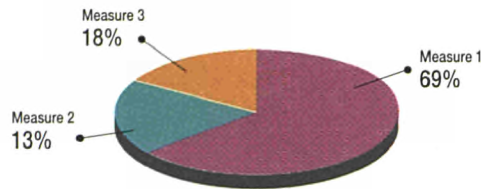
Measure 3:

Human resources development

The aim of this measure is to improve the economy of Gibraltar by stimulating enterprise and responding to economic expansion by providing training for new jobs created or in prospect.

Activities: Training of trainers; wage subsidy schemes; development of flexible training packages (including training outside Gibraltar).

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Measure 1	3.450	3.250	0.200	6.900
Measure 2	0.650	1.950	-	2.600
Measure 3	0.900	1.100	-	2.000
Total	5.000	6.300	0.200	11.500

(ECU millions)

Objective 2

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Eligible regions

The population covered by Objective 2 in Greater Manchester, Lancashire and Cheshire is approximately 2.79 million. It includes those parts of the North West region most seriously affected by industrial decline. Since 1979 the NW region has lost 453,000 manufacturing jobs (47% of the total).

The area's major problems may be summarised as follows:

- dependence on a narrow range of manufacturing industries.
- a low level of firms in high-growth sectors.
- serious physical consequences of industrial decline.
- low levels of investment in innovation.
- high levels of unemployment and long-term unemployment.

Greater Manchester,

Strategy

The strategy for the future has two fundamental goals:

- to develop a high level of prosperity across the Objective 2 area and
- to support and promote the sustainable regeneration of the local economy.

Priorities

Priority 1:

Support for Small Businesses

To increase the level of economic activity in the area by addressing major constraints to the survival of small businesses.

1.1.

General support for micro and small businesses

Business advice; diagnostic services; supply chain networks.

1.2.

Improving access to capital

Creation and or expansion of regional venture capital funding.

1.3.

Refurbishment of existing and provision of new workspace, incubator units and managed workspace

1.4.

Training for micro and small business needs

Priority 2:

Action to strengthen and diversify medium-sized enterprises

To help medium-sized enterprises to survive and grow in an increasingly competitive business environment.

2.1.

Action to stimulate best practice and new business opportunities

2.2.

Spin-out companies and exploitation of technology

Development of inter-company links and partnerships; audit and diagnostic analysis to identify potential opportunities.

2.3.

Clean technologies; environmental assessment and process development



■ Zones eligible under Objective 2

2.4.

Training in new skills and new ways of working

Priority 3:

Development of knowledge based industries and advanced technology

To provide a coherent approach to research and technological development.

3.1.

Grants for individual companies and clusters of companies in product and process development

3.2.

Strengthening the research and technological development system to meet the needs of industry

3.3.

Advanced telecommunications

Participation in the information super-highway.

3.4.

Training to meet the needs of business for research and technological development

Priority 4:

Action to attract inward investment and support the needs of the key corporate sector

To facilitate inward investment and follow-on investment and to provide an adequate infrastructure for industry and commerce.

4.1.

Refurbishment and provision of new sites, premises and services

Lancashire and Cheshire

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4.2.

Strategic communication improvements linked to inward investment and the needs of the key corporate sector

4.3.

Marketing and after-care for inward investment

4.4.

Training and employment measures linked to inward investment, the needs of the key corporate sector and associated environmental and capital infrastructure improvements

Priority 5:

Tourism and cultural industries and image enhancement

To encourage sustainable economic activity in key growth industries and to promote the image of the area to visitors.

5.1.

Provision of new or upgraded tourist facilities to complement existing attractions or to exploit new opportunities

5.2.

Improvements of advice and information systems for tourists and tourism promotion

5.3.

Support for cultural and media industries

5.4.

Environmental and other improvements in city and town centres and other tourist destinations
Improvements to the environment and appearance of town centres; pedestrianisation and traffic-calming.

5.5.

Training for tourism, media, cultural and sporting industries

Priority 6:

Action for community economic development

To put the area's people and employers at the centre of the regenerative process.

6.1.

Support for local training

Work experience schemes; pre-vocational and basic training.

6.2.

Community economic projects

Support for appraisals of the needs of areas; projects to increase utilisation of IT.

6.3.

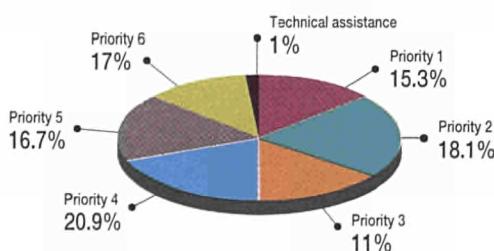
Targeted environmental improvements

6.4.

Access to work

Improvements in public transport; provision of child care facilities.

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	50.30	53.08	26.50	129.88
Priority 2	59.60	66.07	26.30	151.97
Priority 3	36.30	39.50	23.60	99.40
Priority 4	68.80	70.96	27.20	166.96
Priority 5	54.90	57.08	23.40	135.38
Priority 6	55.80	60.73	7.60	124.13
Technical assistance	3.30	3.52	-	6.82
Total	329.00	350.94	134.60	814.54

(ECU millions)

11 Objective 2 Greater Manchester, Lancashire and Cheshire

Objective 2

Eligible regions

The North East England Objective 2 area corresponds to all of the counties of Tyne and Wear and Cleveland along with parts of the counties of Durham and Northumberland, and covers a total area of 8,600 km². The population of the region is a little more than 2.6 million. In the last decade, the North East has experienced major economic restructuring. Shipbuilding, steel, engineering and coal mining accounted for nearly a quarter of employment in 1975. The last major shipbuilding yard has recently closed and the recent programme of colliery closures has brought to an end large-scale deep mining in the region. Unemployment levels for the region have been persistently above the national average for several years (South Tyneside has unemployment levels of 17.7%, the highest rate in the whole of mainland Britain).

The region has several weaknesses in addition to the contraction of its industrial base. These include a limited tradition of indigenous enterprise, low levels of R&D in local companies, inadequate exploitation of modern management skills and poor retention of graduates, as well as industrial dereliction and pockets of severe economic deprivation. However, it also has a number of strengths: low cost sites and premises, an adaptable workforce, an excellent inward investment record, a high quality of life and a developing business support network.

North East of England

Strategy

To create an increasingly self-reliant and diverse economic base so as to improve the overall prosperity and quality of life of the North East and to assist access to social and environmental benefits and new economic opportunities. The programme will help to achieve this goal by bringing together a wide range of partners, many of which have specialist roles but all of whom are working towards the common end of economic regeneration.

Priorities

Priority 1:

Strategic business development and inward investment

Improving conditions for growth in the key corporate sector and embedding the benefits of inward investment in the regional economy.

1.1.

Strategic sites and premises

Provision of strategic business facilities, associated site reclamation works and other, environmental improvements.

1.2.

Gateway and network facilities

Development of urban passenger transport systems, local freight networks; improvement of non-road communications terminals, where directly linked to job creating development.

1.3.

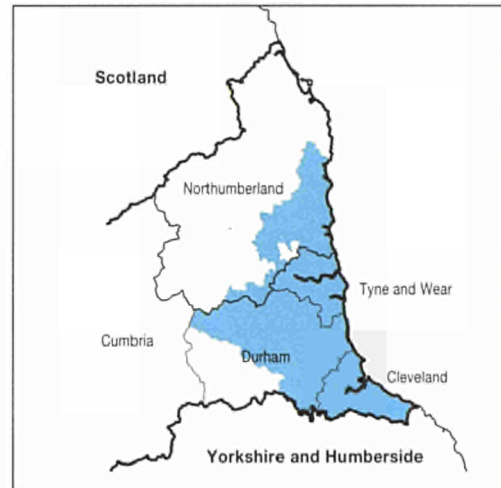
Inward investment support & supplier chain development

Development of an effective local supply infrastructure, including the mapping of key supplier chains.

1.4.

Specific training needs of strategic businesses and inward investors

Graduate retention initiatives; wage and training subsidy schemes.



■ Zones eligible under Objective 2

Priority 2:

SME and local business development

Encouraging the consolidation and development of the region's SME base via a three-tier business support strategy.

2.1.

Clusters of competitive advantage

2.2.

SME development

2.3.

Local enterprise development

2.4.

Facilities for training and business

2.5.

Specific training needs of SMEs and local business

Priority 3:

Development of knowledge-based industries

Building on regional strengths in higher and further education and promoting innovation to increase the knowledge base and competitiveness of local industry.

3.1.

Facilities for the enhancement of R&D and technology transfer

3.2.

Development and integration of clean technologies

3.3

New technology skills

Priority 4:

Developing the cultural and tourism industries

Comprehensive support aimed at increasing the economic benefits of increased visitor numbers, and improved image.

4.1.

Facilities for, and productive investment in, the tourism and cultural industries

4.2.

Promotion and marketing of tourism

4.3.

Training for the cultural and tourism industries

Priority 5:

Community economic development

Extra assistance targeted at severely deprived areas to promote the inclusion of disadvantaged groups in the region's economic regeneration.

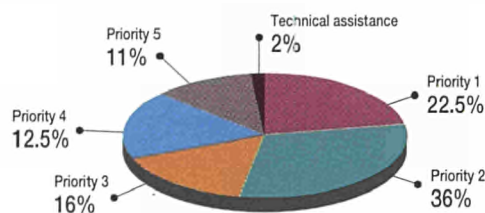
5.1.

Community development packages

5.2.

Targeted pre-vocational, vocational and basic skills training

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	69.30	93.86	31.70	194.86
Priority 2	110.90	115.68	20.11	246.69
Priority 3	49.25	48.94	11.71	109.90
Priority 4	38.50	41.56	6.44	86.50
Priority 5	33.90	36.39	2.80	73.09
Technical assistance	6.15	6.49	-	12.64
Total	308.00	342.92	72.76	723.68

(ECU millions)

Objective 2

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Eligible regions

The Plymouth Objective 2 area is located in the county of Devon in the south western peninsula of the United Kingdom. It comprises the administrative area of the City of Plymouth and the parishes of Webury, Brixton, Yealmpton, Cornwood, Harford, Bickleigh, Shaugh Prior, Sparkwell and Ivybridge. Plymouth is the most remote urban centre in England, with a population of some 265,843.

Between 1981 and 1991, industrial employment in the City of Plymouth fell by a third, representing a net loss of 12,000 industrial jobs. Many of these job losses have been in the shipbuilding sector. The region's weaknesses include peripherality, a narrow economic base, lack of jobs and firms in business and financial services, and severe environmental and social problems in some inner city areas. Its strengths include a rich maritime and industrial heritage, a steady build-up of component, sub-assembly and service industry firms and good potential for indigenous growth through the SME sector.

Plymouth

Strategy

The conversion plan aims to achieve cohesion between Plymouth's social and economic position and that of more prosperous regions in the Community, especially by redeveloping the area from its present situation as an area in industrial decline. Since this decline is principally related to the reduction in employment at the naval dockyard and is supplemented by reductions in employment in other military establishments, the overall objective is to replace these jobs with others.

Priorities

Priority 1:

Industry and business development

To offer an attractive range of sites and premises in order to attract investment from outside the area and to encourage maximum indigenous growth.

1.1.

Sites and premises

Acquisition, refurbishment, etc of sites, support for ancillary infrastructure, improvement and provision of training infrastructure.

1.2.

Business access

Improvement of access to employment areas.

1.3.

SME development

Enhancing services and supporting productive investment.

1.4.

Training for company requirements

Improving work skills.

Priority 2:

Development of knowledge-based industries

To encourage firms to exploit competitive advantages which their location offers in terms of the accessibility of research and technical excellence.



■ Zones eligible under Objective 2

2.1.

Enhancement of technology transfer

Establishment and support of technology transfer services.

2.2.

Development and application of clean technologies

Encouraging best environmental practice

2.3.

Training for new technology

Providing skills related to new technology

Priority 3:

Tourism development

To provide new attractions to penetrate new markets; to refurbish and retarget some of the area's older attractions.

3.1.

Tourist attractions and visitor facilities

Funding the setting up of Tourist Information Centres.

3.2.

Productive investment in tourism

Improving the quality of tourism in the area.

3.3.

Training for tourism

Improving tourism skills and management.

Priority 4:

Community economic development

To ensure that the benefits of conversion are shared by all communities in the region.

4.1.

Community economic development packages

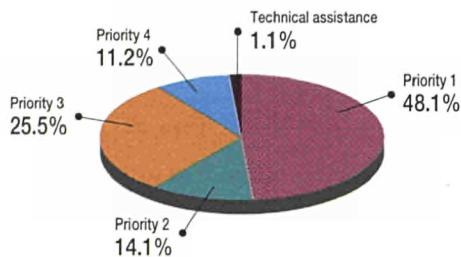
Projects to encourage joint working between the community, private, voluntary and public sectors in local job creation.

4.2.

Community regeneration skills

Vocational and management training, job search and employment for local communities

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	13.95	18.38	3.15	35.48
Priority 2	4.10	4.36	0.81	9.27
Priority 3	7.40	7.54	1.98	16.92
Priority 4	3.24	3.45	0.25	6.94
Technical assistance	0.31	0.32	-	0.63
Total	29.00	34.05	6.19	69.24

(ECU millions)

Objective 2

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Eligible regions

The population covered by Objective 2 in Industrial South Wales numbers approximately 1.7 million, almost two thirds of the total population of Wales. The eligible area covers 3,660 square kilometers which comprises the coastal plain, in which are situated the area's major conurbations of Cardiff, Newport, and Swansea, and an upland plateau with narrow, densely populated valleys running North to South.

In spite of the diversification which took place during the 1950s and 1960s, the economic history of Industrial South Wales has been dominated until relatively recently by the coal and steel industries. The restructuring of the steel industry, with its significant improvements in competitiveness and growth in productivity, has led to many job losses. The coal industry has been hit by a drop in demand for carbon-based fuels in response to the growing use of alternative sources of energy, and this has also resulted in job losses.

Efforts to encourage the development of new industries has met with considerable success in recent years, and forecasts suggest that the services sector and manufacturing industry will become important wealth-creating sectors in Industrial South Wales during the next five years.

The region's main problems include a poorly qualified workforce, a lack of high value-added activities from external investors, struggling valley areas and urban areas, low levels of investment in innovation and high levels of unemployment coupled with below average levels of employment among men and women.

Industrial South Wales

Strategy

The overall objective for Industrial South Wales is to improve economic growth through the creation of a diversified industrial base concentrating on SMEs, and leading to a self-sufficient economy which takes account of environmental needs. Special attention will be given to actions to strengthen and expand the SME fabric and to making industry and business as a whole more competitive.

Priorities

Priority 1:

Action for the valleys and other disadvantaged urban communities

To assist the creation of high quality jobs, improve training opportunities and enhance the supporting transport and community infrastructure whilst maintaining and improving the environment.

1.1.

Community development packages

Formulation of Community development strategies; crime prevention and community safety measures where these support local economic activity; community-based environmental action; provision and refurbishment of community facilities.

1.2.

Access from the coastal plain to the valleys

Improvement of road links and public transport facilities to facilitate access from the coastal plain to the industrial sites in the valleys.

1.3.

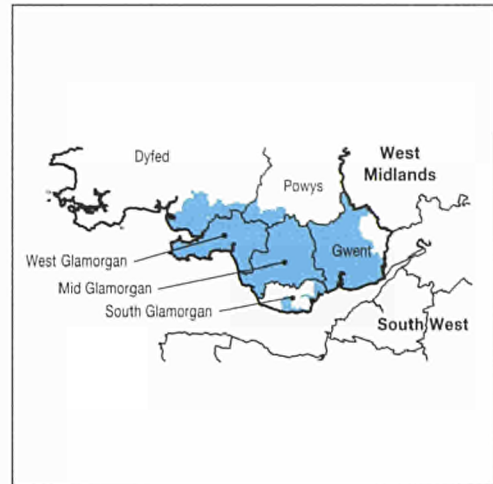
Urban regeneration

External renovation of key buildings and buildings for business use; landscaping of derelict sites.

1.4.

Support for local training

Implementation of local training strategies; basic adult learning in association with appropriate vocational training; work experience schemes linked to



■ Zones eligible under Objective 2

training; training and employment actions to assist access to employment opportunities; care services for dependents of those on ESF-supported activity.

Priority 2:

Action for industry and business

To sustain and stimulate industry and business so that industrial decline is combatted by economic development and diversification, maximising the potential for positive economic and social impact whilst safeguarding and, where possible, enhancing the natural and built environment.

2.1.

Provision of sites and premises

Provision/upgrading of industrial sites, necessary on-site ancillary infrastructure, premises; reclamation of derelict and contaminated sites; provision of training and R&D facilities.

2.2.

Business access

Provision or improvement of roads and public transport facilities giving direct access to specified industrial or business sites which are being developed within the programme period; provision and development of railfreight terminals.

2.3.

Business support

Aids to product and process innovation and investment; access to seed and venture capital; business advice and support services; supplier-chain development.

2.4.

Training for industry and business

Customised training for companies resulting from training audits and business plans; guidance and counselling; training of the workforce employers wish to recruit; work placement schemes; employment initiatives.

Priority 3:

Action to support the development of knowledge-based industries

To expand and develop the knowledge base and competitiveness of local industry by building on regional strengths and thereby creating a highly diversified and advanced industrial base.

3.1.

Technology transfer and innovation

R&D actions; product development; technology transfer; technology audits; technology commercialisation; enhancing innovation in enterprises by developing links with further and higher education institutions; access to information highways.

3.2.

Development and application of clean technologies

Development of depollution and clean production techniques; development of alternative energy and waste exchange/disposal/recycling techniques; promotion of such techniques in SMEs.

3.3.

New technology skills

Multi-skilling and retraining of workers to adapt to new technology; postgraduate training for em-

ployées; development of training systems; support for costs of taking on graduates and other highly qualified personnel.

Priority 4:

Action for tourism

To encourage the development of tourism and increase the economic benefits from this sector to the area.

4.1.

Tourism facilities

Provision of new tourism facilities and attractions; upgrading existing tourism facilities; direct access to tourist sites; conservation and enhancement of natural and built environment linked to tourism.

4.2.

Support for tourism

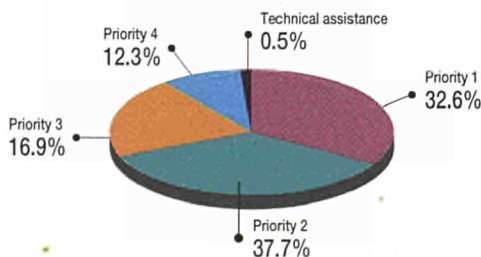
Marketing and promotion of the region for tourism; productive investment in tourism.

4.3.

Training for tourism

Training for workers and the potential workforce in tourism industries, including language training; training in relation to new management, information and technology within the tourism industry.

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	61.34	116.17	5.08	182.59
Priority 2	70.97	114.60	22.80	208.37
Priority 3	31.73	37.37	8.20	77.30
Priority 4	23.03	28.15	5.02	56.20
Technical assistance	0.93	0.98	-	1.91
Total	188.00	297.27	41.10	526.37

(ECU millions)

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Eligible regions

The Thanet travel to work area, the area granted Objective 2 status, corresponds with the administrative boundary of Thanet District Council, which is within the county of Kent. It covers an area of 103.6 sqkm and has a resident population of 127,000. Its main towns are the seaside resorts of Margate, Ramsgate and Broadstairs. The built and natural environment of Thanet varies from outstanding in its architectural heritage to other parts suffering industrial and commercial decay. The coastline is a Site of Special Scientific Interest.

Thanet has severe structural economic problems. In 1993, its unemployment rate exceeded the EU rate by some 54%, GDP per head of population is declining relative to the EU average, dependence upon seasonal employment such as tourism, agriculture and port and ferry-related activities has resulted in an unstable economic base and many of the companies operating in Thanet are small. In addition, the region lies within east Kent, which is recognised as being that part of Kent most affected by the Channel Tunnel, the rationalisation of the ferry port operations and the impact of the Single Market.

Thanet

Strategy

The vision of the Thanet Objective 2 programme is to develop the region as a prosperous part of the UK and Europe, with a diverse economic base which provides access to employment for all sections of the community. The vision rests upon two inter-related components for regeneration: the Central Island Initiative and the Internationalisation of Thanet. These will build on Thanet's strengths and the unique opportunities offered by available land for development, proximity to Europe, an international airport and a successful seaport.

Key features of the Central Island Initiative are the development of the Kent International Business Park, the further expansion of the airside-related developments at Manston Airport and the improvement of links between Port Ramsgate and the Kent International Business Park. The internationalisation of Thanet seeks to exploit its proximity to the markets of mainland Europe, the attractive natural and urban environment, and the combination of transport links.

Priorities

Priority 1:

Industry and services

To realise the potential of the Central island area to create new employment opportunities and attract new inward investment, whilst strengthening the existing SME base through a diversified local economy.

1.1.

Sites and premises

Provision of sites; on-site infrastructure and premises; environmental improvements to industrial sites; provision of an open learning resource centre.



■ Zones eligible under Objective 2

1.2.

Aid to productive investment

Advice and guidance to SMEs; financial support to SMEs.

1.3.

Technology transfer and development programme

Assisting the development of new products and processes in SMEs; improving links between industry and academic institutions; encouraging the dissemination and take-up of best practice; developing and increasing take-up of clean technologies; developing and encouraging access to information highways.

Priority 2:

Internationalisation of Thanet

2.1.

International accessibility

Support for the development and improvement of facilities for commercial and tourist traffic at Port Ramsgate; support for the construction of a new direct access road to Port Ramsgate.

2.2.

International tourism

Development and upgrading of visitor attractions including promenades and seafront areas; external renovation of historic and key buildings; development of coastal environment for green tourism.

2.3.

International marketing and promotion of Thanet

Marketing of Thanet for inward investment; promotion and marketing of Thanet as a tourist destination.

Priority 3:

Human resources

3.1.

Training for companies

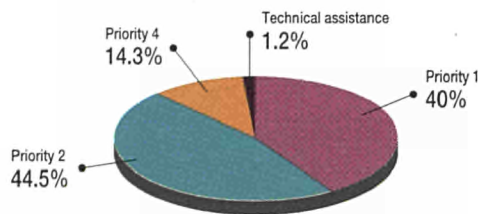
Development of customised training packages; training in SMEs to develop skills; training of trainers.

3.2.

Vocational guidance and counselling and employment support measures

Provision of vocational guidance; recruitment and retention packages, self-employment incentives, wage subsidies.

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	5.6	6.387	3.913	15.9
Priority 2	6.236	40.364	1.674	48.274
Priority 3	2	2.45	0.19	4.64
Technical assistance	0.164	0.164	-	0.328
Total	14	49.365	5.777	69.142

(ECU millions)

Objective 2

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Eligible regions

The area covered by the Objective 2 programme comprises the three travel to work areas of Barrow, Whitehaven and Workington. The area forms a linear belt stretching some 120km along the Cumbrian coast in the north west of England. The area has a population of some 238,000 inhabitants. The economy of the area is characterised by dependence on two major employers, British Nuclear Fuels and Vickers Shipbuilding and Engineering. Long-term unemployment in West Cumbria and Furness stands at 36.5%.

The key weaknesses of the area include a high dependence on rapidly contracting industrial employment, in particular in the nuclear and defence industries, peripherality, low wage rates, a low rate of SME development, severe unemployment among young people and a lack of higher education facilities. Its strengths include potential for spin offs from high technological activity, particularly in environmental protection, proximity to an area of outstanding natural beauty and established support networks and partnerships.

West Cumbria and

Strategy

The strategy for West Cumbria and Furness is based on diversification of economic activity away from the region's narrow industrial base. At the same time, it aims to capitalise on the technological excellence of its major industries to raise the knowledge base of local companies and generate high quality employment. The strategy also seeks to increase the number of visitors attracted into the region, and to promote balanced development by focusing special assistance on its most deprived areas.

Priorities

Priority 1:

Industrial and business development

Encouraging the consolidation and development of the region's SME base.

1.1.

Sites and premises

Reclamation of derelict sites; construction of business premises.

1.2.

Business access

1.3.

SME development

Marketing and advice services, especially for high potential firms.

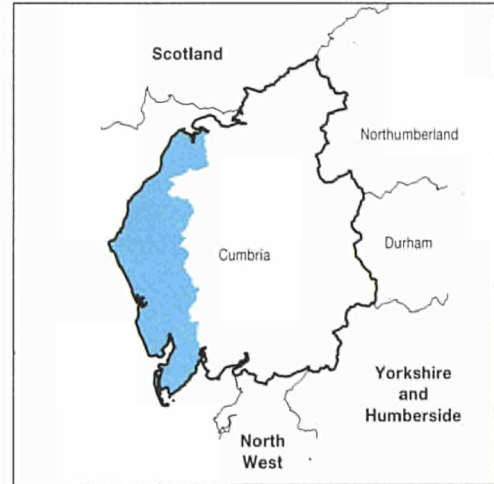
1.4.

Training for companies

Priority 2:

Development of knowledge-based industries

Exploiting the potential of high-tech used in regional companies to develop the knowledge base of local businesses (particularly in the environmental sector).



■ Zones eligible under Objective 2

2.1.

Enhancement of technology transfer

Facilities for and promotion of R&D and technology transfer for the benefit of indigenous enterprise.

2.2.

Development and application of clean technologies

Particular focus on the environmental performance of local business

2.3.

New technology skills

Priority 3:

Tourism development

Maximising the region's potential to generate economic advantage from attracting tourism and lengthening visitor stays.

3.1.

Tourist attractions and visitor facilities

3.2.

Productive investment in tourism

3.3.

Training for tourism

Furness

Priority 4:

Community economic development

Extra assistance directed by locally formulated strategies targeted at severely deprived areas to promote the inclusion of disadvantaged groups.

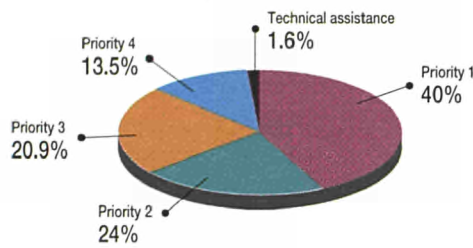
4.1.

Community development packages

4.2.

Provision of vocational training in the targeted areas

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	10.00	11.42	3.88	25.30
Priority 2	6.00	5.75	5.68	17.43
Priority 3	5.23	5.28	3.50	14.01
Priority 4	3.37	3.61	0.69	7.67
Technical assistance	0.40	0.44	-	0.84
Total	25.00	26.50	13.75	65.25

(ECU millions)

Objective 2

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Eligible regions

The Western Scotland Objective 2 area (the Glasgow conurbation and parts of Strathclyde) has a population of 2.3 million - 45% of the total for Scotland. Shifts in global markets and technological changes have undermined the traditional base of the region's economy. Most of the major industries on which the region's past prosperity was built have now gone or been totally transformed.

The region's structural weaknesses can be summarised as follows:

- a high dependence on service industries.
- fewer firms in productive industries than the national average.
- poor business creation performance.
- high and persistent levels of unemployment and long-term unemployment.
- one of the most peripheral industrial regions of the EU.

Western Scotland

Strategy

The strategic aim is to enhance the competitiveness of the Western Scotland economy to improve economic growth, job prospects and the quality of life of the regional population. Also, to improve economic and social cohesion within the region to increase economic development opportunities for individuals and communities faced with growing social and economic exclusion.

Priorities

Priority 1:

Development of the regional business sector

To support the creation of SMEs in the region and to encourage the creation of a skilled and flexible workforce.

1.1.

Improvement of access to capital

1.2.

Applied research, technological development and innovation

1.3.

Provision of consultancy services in the fields of management, marketing, quality, design and environmental competitiveness

Initiatives to strengthen intra-regional linkages and commercial relationships.

1.4.

Skill development of SMEs and business sustainability

1.5.

Human resource development - emerging workforce/potential workforce



■ Zones eligible under Objective 2

Priority 2:

Creation of a high quality business infrastructure

Continuing efforts to improve industrial sites and premises, environment (esp. derelict land and property recycling) and transport and communications.

2.1.

Provision of industrial and commercial infrastructure

Support for the creation of business centres, incubator units.

2.2.

Transport and communications

Constructing and improving access roads and rail access.

2.3.

Improvement of the regional environment and image

Increasing the rate at which land is recycled; recreating natural habitats at urban fringes.

Priority 3:

Development of tourism and the cultural sector

To generate income from outside the region, promote the region internationally and revitalise the region's image.

3.1.

Provision of visitor attractions and facilities

Developing a number of new visitor attractions.

3.2.

Information marketing, promotion and festivals

3.3.

Vocational training

Priority 4:

Achieving economic and social cohesion

Encouraging the contribution that disadvantaged areas can make to growth in the regional economy as a whole.

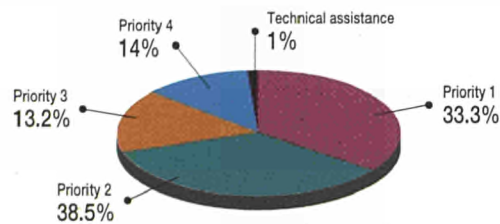
4.1.

Business development and sustainability

4.2.

Human resource development

Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	95.110	106.260	-	201.370
Priority 2	109.970	174.530	-	284.500
Priority 3	37.620	43.680	-	81.300
Priority 4	40.300	46.660	-	86.960
Technical assistance	3.000	3.130	-	6.130
Total	286.000	374.260	-	660.260

(ECU millions)

Objective 2

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Eligible regions

The Objective 2 area in the West Midlands covers over 1,671 km² with a population of 3.04 million, compared with 5.26 million for the West Midlands as a whole. Birmingham is the region's capital, containing many of the region's national and international commercial facilities.

The Black Country is a major regional focus for traditional manufacturing activity and the North Staffordshire Conurbation is a separate area where sectoral change has led to the creation of over 550 ha of derelict land. The West Midlands has lost over 7,000 jobs annually since 1981.

The strengths of the area are a commitment to partnership, eight universities providing an excellent base for research and development, a substantial industrial base and a strong SME presence. Weaknesses include an under-developed regional structure, a low level of investment in innovation, a dependence on a narrow range of manufacturing industries in some areas, and large amounts of contaminated or derelict land.

West Midlands

Strategy

The thrust of the programme is towards making greater use of the region's entrepreneurial, innovative and personal developmental potential in order to broaden the range of industries in the region, to assist enterprise in growth sectors, to create a multi-skilled workforce and to create opportunities for assisting innovation and for transferring the technological benefits of research to industry and business.

Priorities

Priority 1:

Developing research and development in the region and encouraging technological innovation

To support innovation and best practice and to facilitate the development of new products and processes and to increase the competitiveness of firms in the region.

1.1.

Training in high-tech skills and environmental techniques

1.2.

Developing environmental technology and encouraging use of best practice

1.3.

Business support of innovation

1.4.

Provision of premises and infrastructure necessary to accommodate R&D and innovative activity

Priority 2:

Support of indigenous enterprise and local business

To strengthen the region's economy by facilitating the start-up and growth of SMEs and to increase SME competitiveness.



■ Zones eligible under Objective 2

2.1.

Development of business

2.2.

Training for business and skill in the workforce

2.3.

Creating the infrastructure needed to stimulate the growth of enterprise

Priority 3:

Assisting diversification of the regional economy and creating the conditions for growth

To ensure that funds are targeted so that the region takes advantage of its strengths of location, transport links, workforce, growing service sector, etc.

3.1.

Development of business enterprise (sectors with growth potential and support for businesses new to the area)

3.2.

Human resource development (skills for sectors with growth potential and for businesses new to the area)

3.3.

Creating the infrastructure required to assist diversification and new growth

Priority 4:

Urban and community regeneration

To improve the overall viability of targeted areas and to reduce the differential between these and adjacent parts of Objective 2 areas; to encourage inward investment and indigenous business to thrive.

4.1.

Improvement and integration of the public transport system

Building the first phase of a light rail network and associated transport infrastructure (Midland Metro).

4.2.

Provision of locally delivered vocational training

4.3.

Provision of the infrastructure to facilitate locally delivered training

4.4.

Protection and improvement of the physical environment

Environmental works on inland waterways; reclamation of derelict land

Priority 5:

Building on the growth potential of the cultural, media and tourism industries

To diversify the economy, increase visitor stays and develop new businesses.

5.1.

Supporting enterprise

5.2.

Human resource development

5.3.

Providing the infrastructure measures to secure the growth of priority industries

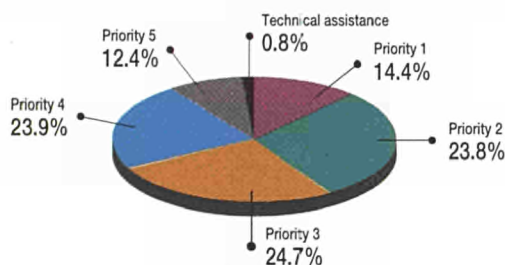
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Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	53.60	53.60	11.90	119.10
Priority 2	88.40	88.40	19.70	196.50
Priority 3	91.50	91.50	20.30	203.30
Priority 4	88.50	88.50	134.30	311.30
Priority 5	46.00	46.00	10.20	102.20
Technical assistance	3.00	3.00	-	6.00
Total	371.00	371.00	196.40	938.40

(ECU millions)

Objective 2

Eligible regions

The population covered by Objective 2 in Yorkshire and Humberside is approximately 2.6 million. The Yorkshire and Humberside Objective 2 area includes those parts of the region of Yorkshire and Humberside most seriously affected by industrial decline. Since 1981 the region as a whole (including parts not eligible under Objective 2) has lost 121,000 manufacturing jobs and 78,000 jobs in primary industries.

The area's major problems may be summarised as follows:

- dependence on a narrow range of manufacturing industries that continue to decline.
- a weak tradition of entrepreneurship.
- low levels of investment in R&D and innovation.
- low levels of educational attainment and workforce skills
- high levels of unemployment and long-term unemployment.
- derelict and abandoned land, a lack of good quality sites and a poor built environment.

Yorkshire and Humberside

Strategy

The development of a self-sustaining, strong and environmentally sustainable economy with a modern technological base and thriving SME sector, able to compete nationally and internationally and to generate good quality jobs for a workforce equipped with relevant skills, training and enterprise and the creation of a pleasant environment in which to live and work.

Priorities

Priority 1:

Action to support SMEs

To increase the creation of SMEs, to raise SME survival rates and to lever in extra private investment

1.1.

Yorkshire and Humberside venture capital funds

1.2.

Advice services for SMEs

1.3.

Business premises for small companies

1.4.

Training for business needs

Priority 2:

Action to strengthen and diversify mature SMEs

To increase SME survival and growth rates, to safeguard employment in mature SMEs.

2.1.

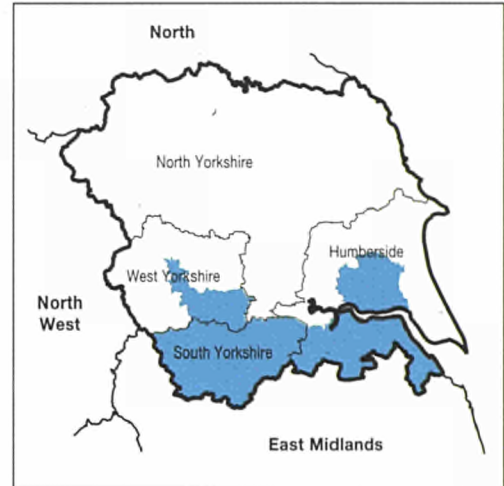
Help with development and growth

2.2.

Spin-outs, partnerships and supply chains

2.3.

Clean and lean technologies



■ Zones eligible under Objective 2

2.4.

Training for new ways of working

Priority 3:

Action to strengthen the knowledge based industries and for advanced technology development

To increase gross expenditure on R&D; to increase R&D personnel in the business sector; to increase the use of new technology.

3.1.

Support for innovation, product and process development

3.2.

Increasing technology transfer activity in the region and strengthening business/academia links

3.3.

High technology training

3.4.

Support for advanced telematics

Priority 4:

Action to attract new industry and services

To attract additional inward investors onto industrial sites.

4.1.

Sites and premises for industry

4.2.

Gateways for industry

4.3.

Human resources for new employers

Priority 5:

Action to develop tourism and cultural industries

To increase the number of visitor trips to Yorkshire and Humberside.

5.1.

Increasing the utilisation of tourism facilities and upgrading facilities

5.2.

Selected town centre environmental improvements

5.3.

Support for the cultural industries

5.4.

Training for quality in tourist and cultural industries

Priority 6:

Targeted action on key deprived areas

To develop opportunities for the vocational training and employment of deprived communities, particularly young people and the long-term unemployed.

6.1.

Support for training and employment activities

6.2.

Support for community-based economic projects

6.3.

Targeted environmental improvements

6.4.

Access to work through improved public transport

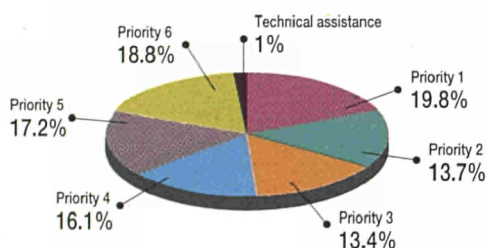
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Breakdown of Structural Fund contribution



Priorities	Structural Fund contribution	National/public funding	Private funding	Total
Priority 1	62.000	65.500	20.500	148.000
Priority 2	43.000	48.000	17.000	108.000
Priority 3	42.000	44.500	15.500	102.000
Priority 4	50.500	84.500	30.000	165.000
Priority 5	53.700	56.700	23.200	133.600
Priority 6	58.800	92.300	-	151.100
Technical assistance	3.000	3.000	-	6.000
Total	313.000	394.500	106.200	813.700

(ECU millions)

Objective 2

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The Structural Funds

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

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

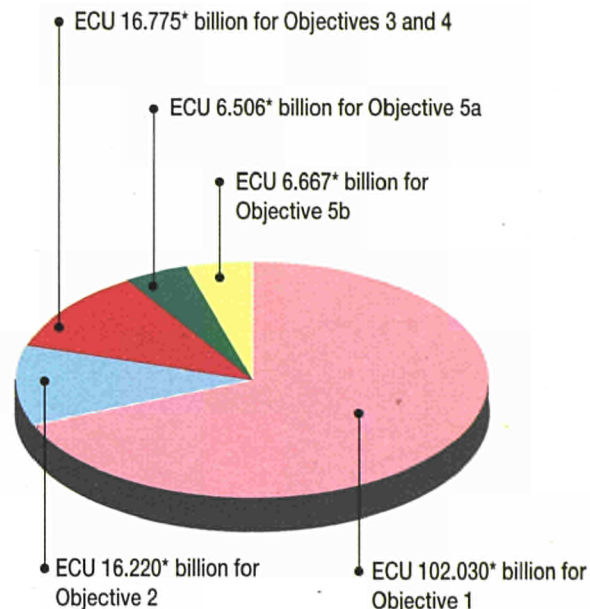
Economic diversification of vulnerable rural areas.

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. Measures part-financed by the Structural Funds under Objectives 3, 4 and 5a may be implemented throughout the Community.

For the period 1994-99, the Structural Funds will have at their disposal a total appropriation of ECU 148.193 billion (1994 prices).

- the European Regional Development Fund (ERDF),
- the European Social Fund (ESF),

- the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF), and
- the Financial Instrument for Fisheries Guidance (FIG)



* 1994 prices (excluding transitional and innovative measures).

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

Other Community sources of financing are available, such as grants from the Cohesion Fund, and EIB and ECSC loans.

* 1995 saw the introduction of a new Objective 6 for the development of underpopulated regions in Sweden and Finland.

