

**Opinion of the Committee of the Regions on ‘The outermost regions of the EU in the light of the Europe 2020 strategy’**

(2013/C 62/13)

THE COMMITTEE OF THE REGIONS

- welcomes the Commission's pursuance to work in partnership with the outermost regions (OR), fully applying to them the Europe 2020 strategy for smart, sustainable and inclusive growth, while taking into account the special characteristics and constraints of ORs;
- emphasises that, in line with the principles of subsidiarity and multi-level governance, greater involvement of the regional authorities of the ORs in preparing and implementing European programmes and policies is needed, in order to ensure that the specific needs of the ORs are taken into account at all levels of the decision-making process;
- highlights employment as a high priority target and parameter of all future key-interventions for the successful implementation of the Europe 2020 Strategy in the ORs and therefore calls on the EU to take practical steps to flesh out the new social axis introduced by the 2012 communication;
- emphasises that all measures towards the smart, sustainable and inclusive growth of ORs' need to be delivered in partnership, and that Member States and regional authorities need to work closely together to maximise the ORs' growth potential;
- underlines the importance of regional cooperation for the ORs, given their unique geographical situation, and calls for better synergy between cohesion policy funds and the European Development Fund as well as for the removal of the 150 km criterion for maritime borders in cross-border cooperation between the ORs and their neighbouring countries.

<b>Rapporteur</b>	Malcolm MIFSUD (MT/EPP), Mayor of Pietá
<b>Reference document</b>	Communication from the Commission - The outermost regions of the European Union: towards a partnership for smart, sustainable and inclusive growth  COM(2012) 287 final

### Opinion of the Committee of the Regions – The outermost regions of the EU in the light of the Europe 2020 strategy

#### I. POLICY RECOMMENDATIONS

##### THE COMMITTEE OF THE REGIONS

##### Introduction

1. welcomes the Commission's pursuance to work in partnership with the outermost regions <sup>(1)</sup> (OR), fully applying to them the Europe 2020 strategy for smart, sustainable and inclusive growth, while taking into account the special characteristics and constraints of ORs, as emphasised by the Council <sup>(2)</sup>, but emphasises that there should be mechanisms for ORs to participate in this strategy, otherwise the ORs will be unable to implement it;

2. emphasises the need to find a balance between measures to offset the specific and permanent constraints of the ORs on one hand and those that aim to promote their advantages and opportunities on the other;

3. draws attention to the need to adopt further **specific** measures aimed at laying down the conditions of applications of the Treaties and common policies to those regions, as established by Art. 349 TFEU;

4. supports the Commission's initiative to implement policies that facilitate OR to become more self-reliant, economically more robust and better able **to create sustainable jobs**, by capitalising the unique assets that each OR possesses and the ORs' added value for the EU; but assistance must necessarily take the form of practical and imaginative measures by the European Commission that can release the full potential of Article 349 TFEU, for example by introducing *ad hoc* instruments;

5. in the light of the above, supports the Commission's aim to ensure that various Commission Departments are involved in the implementation of the 2020 Strategy to ORs and to work closely together with the Conference of Presidents of the Outermost Regions, groups of experts and the dedicated inter-service group, in order to apply specific measures while planning *ad hoc* strategies for the **development, among other things, of sustainable job opportunities** in the ORs;

6. in connection with the above, the Committee of the Regions suggests that priority should be given to **education, training and employment**, since local human resources and expertise are the greatest potential drivers of growth in the ORs;

7. endorses the Commission's policy of outlining and formally recognising the geographical and potential opportunities offered by ORs as benefit for the EU as a whole;

8. particularly stresses the importance of having the ORs as active borders for cooperation and EU ambassadors able to expand the EU's sphere of socio-economic and cultural influence and to promote increased trade and knowledge-sharing with the ORs' neighbourhoods and with third countries with which they share strong historical and cultural links;

9. predominantly shares the Commission's view on the EU benefits from close relations of the ORs with overseas countries and third countries such as key emerging nations (i.e. Brazil or South Africa);

#### DEVELOPMENTS IN THE EUROPEAN STRATEGY FOR THE OUTERMOST REGIONS

10. agrees and draws attention to the fact that, apart from geographical and economic constraints (remoteness, insularity, small size, etc.), that all of them have, each outermost region **is different** in terms of opportunities, as well as in terms of challenges that it faces <sup>(3)</sup>;

11. emphasises disapproval towards an eventual approach introducing a requirement for pluralism that could distort the whole idea of partnership and hamper the dialogue needed to obtain consensus at the various stages of programme implementation;

12. supports the Commission policy to find a common denominator for the implementation of the Europe 2020 Strategy to the ORs as a whole, while also distinguishing opportunities and constraints that each OR offers individually;

<sup>(1)</sup> Articles 349 and 355 of the Treaty on the Functioning of the European Union (TFEU) as modified by the European Council Decision of 29.10.2010.

<sup>(2)</sup> 3023rd FOREIGN AFFAIRS Council meeting, 14 June 2010.

<sup>(3)</sup> A study entitled "Growth Factors in the OR", carried out by Iseri Europa in cooperation with ITD-EU, commissioned by the Commission in 2009, delivered in March 2011.

13. welcomes the fact that the Commission intends to adopt a renewed EU strategy for the ORs based on greater product differentiation and specialisation as key factors able to strengthen traditional sectors (like agriculture) and identify and develop emerging sectors based on ORs' unique and specific assets;

14. recognises and emphasises the steps taken by the ORs themselves to modernise and diversify their economies, and highlights the regions' powers to set development objectives and strategies;

15. shares the Commission's view that it is particularly important to select OR-related actions within the traditional framework based on the three **traditional axes** <sup>(4)</sup>: improving accessibility; improving competitiveness; and promoting regional integration in neighbouring regions;

16. regrets that the definition of these axes has not been flanked by practical and specific measures, particularly with regard to the accessibility axis, which is a key part of a strategy for OR development and integration into the single market;

17. welcomes **also** the fact that the Commission acknowledges that the proposals for the future of the OR's growth should have a positive impact on **all five axes of the renewed strategy** (improving accessibility; increasing competitiveness; strengthening regional integration; reinforcing the social dimension; mainstreaming climate change action);

18. trusts that the new social axis, which cuts across the other axes, will be equipped with additional financial resources and the tools needed to create sustainable jobs in the ORs;

19. points out that in view of the above, and particularly with regards to competitiveness and regional integration, the Commission should also encourage specific territorial activities to **increase their European integration** to take part in the future EU strategies;

20. emphasises that, in line with the principles of subsidiarity and multi-level governance, greater involvement of the regional authorities of the ORs in preparing and implementing European programmes and policies is needed, in order to ensure that the specific needs of the ORs are taken into account at all levels of the decision-making process;

21. underlines the importance of regional cooperation for the ORs, given their unique geographical situation, and calls for better synergy between cohesion policy funds and the European Development Fund as well as for the removal of

the 150 km criterion for maritime borders in cross-border cooperation between the ORs and their neighbouring countries;

22. supports initiatives for the creation of EU/OR co-brands and logos that will incentivise the OR identification in the EU socio-economic and cultural sphere and contribute to greater integration within the immediate neighbourhood and in the Single Market under the EU flag;

#### MAIN PRINCIPLES OF THE RENEWED EU STRATEGY

23. acknowledges the importance which the Commission assigns to encouraging an updated and adapted framework for policy towards the ORs in light of the Europe 2020 strategy;

24. expresses, however, concern towards the fact that a number of the actions required in connection with some of the main axes (i.e. transports and implementation of new technologies for improving accessibility) can hardly be at reasonable cost for the ORs and might therefore require **support at higher level or allow private and public partnerships** for a successful achievement, without reflecting the high costs in the final services to the citizens;

25. promotes the development and optimisation of existing regional airports, through public or private partnerships, as one of the key instruments for the economic and social development of ORs in the European Union;

26. shares, nonetheless, the view that modernisation and diversification of OR economies, investment and innovation in potential high-growth sectors can strengthen OR opportunities supported by EU Institutions, public and private actors and stakeholders;

27. points out the importance and encourages the Commission to foster particularly the **modernisation of the fisheries fleets and maritime infrastructures in the ORs**, since maritime and fisheries resources are one of the greatest resources of the ORs, which contribute towards the differentiation of products and integration of the ORs in the single market and foster as well growth and competitive trade with the ORs' neighbourhoods;

28. suggests that the Commission incentivises, in the context of the renewed Europe 2020 strategy towards the ORs' growth, programmes and partnerships between EU Member States and ORs, including private actors active in the required fields, for the implementation of **activities that will simultaneously achieve multiple objectives set out in the different axes of the renewed EU strategy** and encouraging ORs to be part of future EU strategies;

<sup>(4)</sup> COM(2004) 343 final, 26.5.2004; COM(2004) 543 final, 6.8.2004.

29. agrees particularly, in view of the above, with the introduction and creation in the OR of the conditions for the development of "high speed" internet and new telecommunications technologies that would also improve accessibility, modernise the tourism sector, increase economic activity, reinforce the social dimension, increase competitiveness and strengthen the connection between ORs and the continent;

## PROPOSALS FOR THE FUTURE

### *Internal dimension*

30. shares the Commission's view that Cohesion Policy is the principal EU instrument to deliver Europe 2020 objectives, **providing the greatest concentration of EU investment funds to create jobs** and growth by means of permanent instruments that will reduce disparities between the ORs and the rest of the EU, helping to bring the ORs closer into line with the Union;

31. believes that it is important to **ensure that significant funding is available to strengthen the SME sector to create and maintain sustainable jobs**; to support innovation in its widest sense; to promote modernisation and diversification of the economies and ORs' assets, taking each OR's strategic options as the starting point; to support climate change adaptation and the development of sustainable energy supplies;

32. emphasises and supports the Commission proposal to offer specific treatment to the ORs through a co-financing rate of **85 % to ORs regardless of their GDP** and in order to help them make the best use of the funds available;

33. recommends, however, in line with the European Parliament resolution of 18 April 2012 <sup>(5)</sup>, an extension of the period of implementation of these funds in the ORs with a view to more effective implementation;

34. emphasises that all measures towards the smart, sustainable and inclusive growth of ORs' need to be delivered in partnership, and that Member States and regional authorities need to work closely together to maximise the ORs' growth potential;

35. endorses the Commission's call for full involvement of representatives of the ORs in the preparation and monitoring of the partnership agreements to be agreed between the Commission and each Member State for the next financial period;

36. suggests, however, that representatives from other territories **(that however share similar constraints and characteristics)** could also assist, in the case of being required, during *ex-ante* analyses and *ex-post* evaluations the EU Commission's Regional Policy DG, constructively highlighting and comparing similar practices, policies and solutions, and generating new ideas based on best practises existing in other similar (but non-ORs) territories;

37. proposes to establish and expand networks across Europe to support high quality research of benefit to the ORs, so that innovative research can thrive and increase the participation of beneficiaries in any related scientific field: attracting, developing and retaining research professionals and RTDI (Research, Technology, Development, Innovation) actors to improve the research environment and **offer new sustainable employment opportunities** in the ORs;

38. suggests to incentivise the establishment of *ad hoc* centres and laboratories in the ORs and across the whole EU for the dissemination of OR related research results, best practices and success cases, with the aim of creating new enlarged sources of ideas and practice contributors, increasing a close cooperation between Member States and ORs on one hand and the rest of EU on the other, thus offering new sustainable employment opportunities in the ORs;

39. recommends that specific EU projects, mobility programmes and cohesion activities will be implemented in the ORs to increase ORs' involvement and to promote professional trainings of local human resources on the importance of the **participation process** between public and private actors of the ORs' civil society, underlining that only joining their strengths will achieve the Europe 2020 Strategy targets towards the ORs' sustainable and inclusive growth;

40. suggests that the outcome of the above mentioned training become subsequently and simultaneously an **opportunity of employment** in the ORs, contributing towards further dissemination and information campaigns on the renewed EU Strategy towards the ORs' smart partnership and the implementation of the related programmes;

41. recommends stepping up innovation and cluster cooperation between EU and non-EU countries as well as promoting regional cooperation with a view to boosting non-EU investments and tourism. These measures could in fact represent an effective step to achieve the Europe 2020 objectives;

<sup>(5)</sup> European Parliament resolution of 18 April 2012 on the role of Cohesion Policy in the outermost regions of the European Union in the context of EU 2020 (2011/2195(INI)).

42. supports the Commission proposal to maintain the agricultural support programme POSEI, as it is the equivalent of the first pillar of the CAP for these regions and is therefore a key tool for maintaining and developing farming in the outermost regions. It similarly supports maintaining "Fisheries POSEI", as this compensation scheme for additional costs is a crucial tool for enabling fisheries and aquaculture products to be marketed outside the outermost regions;

43. in this regard, emphasises that it is essential to carry out impact analyses on international agreements affecting the economies of the ORs in order to prevent damage to economies that are inherently vulnerable;

44. stresses that also an integrated maritime policy needs to be consolidated, since maritime resources are one of the main pillars for the implementation of the Europe 2020 Strategy in the ORs;

45. stresses the importance of ORs' maritime and fisheries resources and encourages the Commission to foster the modernisation of the fisheries fleets, including the reintroduction of aid for building vessels for the forthcoming 2014-2020 period, and maritime infrastructures in the ORs;

46. welcomes the Commission's encouragement of further growth in sustainable tourism in the ORs, especially of specialised emerging sectors, and the development of potential drivers of ORs' growth (including, but not limited to, marine resources, sustainable tourism, biodiversity, eco-construction) via the application of RTDI (Research, Technology, Development, Innovation) to **promote new opportunities for employment and enterprise** which would (*inter alia*) reduce the risk of brain drain, as well as contribute to energy efficiency and renewable energies;

47. points out the need to **support ORs' training and education systems**; therefore urges the Commission to ensure that existing EU education and training programmes, particularly those regarding mobility, reflect the specific nature of the ORs;

48. points out that the forthcoming revision of EU state aid frameworks must take account of the particular characteristics of the ORs, and that greater flexibility, simplification and consistency between actions for OR businesses must be called for;

49. suggests that priority should be given to support actions towards the improvement, modernisation and restructuring of ORs' health and education systems via partnerships between public and private stakeholders;

#### *External dimension*

50. agrees with the Commission that the geographical position of the ORs is of benefit for the EU as a whole and that the development of their potential and full integration into the Single Market is a key opportunity for adding OR value to EU, while continuing to ensure differentiated treatment that complies with the principles of equal opportunities and of proportionality, and a balance between this internal dimension and better integration into their own geographical environment;

51. proposes to assess the new products (on the basis of targeted markets demand and also within their own regional neighbourhood) for which the Member State concerned could incentivise the production in the related OR, in order to foster greater trade and knowledge-sharing with ORs' neighbourhood and third countries such as key emerging nations (i.e. Brazil or South Africa) and increase sustainable employment opportunities;

52. wishes to point out the opportunities that the above suggestion may provide both to the ORs and the EU: i.e. **new opportunities in terms of maritime transports, related job opportunities**, development of the sea basin transports industry, and the optimisation of transport costs and trade relations between EU and emerging international markets;

53. shares the Commission view regarding the need to transform the ORs from potential business and cooperation platforms to real strategic EU ambassadors within the Atlantic, the Caribbean and the Indian Ocean, exploiting their real potential and spreading European influence in their areas for the benefit of the EU as a whole; therefore urges the EU to adopt specific measures to promote proper connections between the ORs and neighbouring third countries;

54. emphasises the advantage of ORs' proximity to neighbouring third countries and territories in terms of opportunities offered by regional trade and cooperation to develop the external dimension of the single market;

55. encourages the Commission to boost also integration of the ORs in their respective geographical areas in terms of trade, development of the space industry and the other unique assets of the ORs, and for modernising and diversifying the economies of the ORs, while **increasing sustainable job opportunities**;

56. in the light of the above, emphasises the need to sustain in the future action plans of the renewed strategy for the ORs both approaches: improve their accessibility to the single market on one side, and to facilitate the ORs integrated regional market on the other;

57. welcomes the Commission's commitment to take into account and adapt to ORs those actions referred to in its communication "Small Business, Big World" <sup>(6)</sup> towards the development of SMEs operating internationally, for example by adopting specific measures in the field of competition law, aimed at fostering the internationalisation of OR SMEs; acknowledges the role of European Union's structural funds as an important source of funding for SMEs as such and supports easier access of SMEs to public procurement procedures;

#### Conclusions

58. acknowledges the ongoing successful commitment of the EU Institutions towards the sustainable and inclusive growth of the ORs and insists on the necessity to increase the partnership between the EU Institutions, the Member States, the ORs, including all other key actors and stakeholders (both public and private) that may contribute towards the ORs' sustainable development;

59. highlights **employment** as high priority target and as parameter of all future key-interventions for the successful implementation of the Europe 2020 Strategy in the ORs and therefore calls on the EU to take practical steps to flesh out the new social axis introduced by the 2012 communication, as the Commission is not doing so and simply refers to general funding programmes, but without proper modulation;

60. in this regard, supports the ORs' initiative to draw up a specific growth and employment plan for these regions, for further feasibility and implementation assessment;

61. suggests and proposes some concrete examples to boost or create **new employment opportunities** in the ORs;

62. stresses also that priority should be given to the ORs' **health system, training and education** in order to optimise local human resources and expertises as greatest potential drivers of growth in the ORs;

63. in view of the importance of modernisation and diversification of OR economies, points out the importance and

encourages the Commission to foster particularly the **modernisation of the fisheries fleets and maritime infrastructures in the ORs**, since maritime and fisheries resources are one of the greatest resources of the ORs, which contribute towards the differentiation of products and integration of the ORs in the single market and foster as well growth and competitive trade with the ORs' neighbourhoods;

64. emphasises how such key-interventions may provide new opportunities both to the ORs and the EU, **in terms of maritime transports, related job opportunities, development of the sea basin transports industry, and the optimisation of transport costs and trade** relations between EU and emerging international markets;

65. together with the European Parliament, highlights the need to establish an *ad hoc* framework for transport and ITCs, so that the ORs can effectively tackle the problem of territorial separation and the digital gap that affect them;

66. encourages the Commission to boost also integration of the ORs in their respective geographical areas in terms of trade and development of ORs' unique assets for modernising and diversifying their economies towards smart, sustainable and inclusive growth;

67. emphasises the importance of the removal of the 150km criterion for maritime borders in cross-border cooperation between the ORs and their neighbouring countries, reflecting the fact that many of the ORs are islands which are located further than 150 km from their neighbouring countries;

68. underlines the importance of regional cooperation for the ORs, which requires not only the continuation of territorial cooperation programmes under the ERDF, but also a better synergy between cohesion policy funds and the European Development Fund;

69. in the light of the above, emphasises the need to sustain in the future action plans of the renewed strategy for the ORs both approaches: improve their accessibility to the single market on one side, and to facilitate the ORs' integrated regional market on the other side.

Brussels, 1 February 2013.

*The President*  
*of the Committee of the Regions*  
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<sup>(6)</sup> COM (2011) 702 final, 9.11.2011.