

**Opinion of the European Committee of the Regions on the European Commission report on the implementation of the renewed strategic partnership with the EU's outermost regions**

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**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. points out that the outermost regions (ORs), which consist of eight islands and archipelagos in the Caribbean, the Indian Ocean, the Atlantic Ocean and an isolated territory in the Amazon region, include six French overseas territories (Guiana, Guadeloupe, Martinique, Mayotte, Réunion and Saint Martin), two autonomous Portuguese regions (Azores and Madeira) and a Spanish autonomous community (Canary Islands); they have in common a series of permanent constraints caused by their remoteness, isolation and small size, which act as a break on their development;
2. welcomes the commitment demonstrated by the European Union (EU) to the outermost regions (ORs), as reflected in the Commission's Communication of 24 October 2017 on a stronger and renewed strategic partnership with the EU's outermost regions (hereinafter referred to as 'the Communication'), endorsed in the conclusions of the General Affairs Council of April 2018, which calls on the Commission to continue working on specific measures for these regions, in accordance with Article 349 TFEU;
3. welcomes the interim report (hereinafter referred to as 'the Report'), published in March 2020, which reviews the progress made on implementing the Communication;
4. regrets, however, that the Report does not constitute an in-depth assessment of the strategy for these regions, or an opportunity to remedy the omission of a number of measures in policies that are essential to their development, such as cohesion policy and, in particular, the EU's social pillar;
5. recognises the need to adapt this strategy in the light of the serious consequences of the COVID-19 pandemic, which have had a greater impact on these regions as they are heavily dependent on tourism and on their connectivity with other parts of the world, meaning that economic recovery is expected to take longer;
6. underlines the need to support the ORs' industrial sector in the current circumstances, and the key role of an appropriate European State aid framework and of fiscal instruments in kick-starting business competitiveness and promoting job creation in these regions;
7. notes that social issues have always been at the heart of the challenges facing the ORs, exacerbated by the devastating effects of the current crisis on their labour markets, which heightens the need to place growth and employment at the heart of any strategy for these regions. The ORs need a new approach that includes a stronger social dimension and the identification of specific measures to address the current situation;
8. appreciates the European Commission's commitment to working in partnership with the ORs and stresses the importance of this in view of the difficulties these regions are facing in dealing with the consequences of the COVID-19 pandemic;

9. underlines their vulnerability, which has been made much worse by the pandemic, and stresses the need for a suitable approach to ORs under the EU recovery plan, in line with regional circumstances and needs;
10. emphasises the need to protect the interests of the ORs when EU foreign policy is drafted and calls for the negative impact of Brexit on the ORs to be taken into account in the EU's future agreement with the UK, given the impact on these particularly vulnerable regions;
11. points out that, under REACT-EU, any projects that are financed in the ORs should address the challenges facing the sectors most affected by the COVID-19 crisis, such as the tourism sector, as well as boosting investments in sectors linked to connectivity, including digital connectivity, and to the green and blue economies, and investment in skills and abilities that will lead to job creation and adaptation to the changes caused by the pandemic;
12. welcomes the Commission's express commitment to pay particular attention to the ORs under the European Green Deal, taking into account their vulnerability to climate change and natural disasters, as well as their unique assets, such as biodiversity and renewable energy sources, and hopes that specific measures to this effect will be adopted;
13. recommends maintaining the balance that is needed between environmental objectives and the high social costs that may incur in the ORs and that, in the framework of the international negotiations, the European Commission recognizes the specificity of the ORs and excludes the flights between ORs and other EU Member States from the emissions trading system; the absence of derogations for these regions in the plans to include both maritime and air transport in the emissions trading system would have an extremely detrimental impact on their economic and social situation;
14. welcomes the strengthened partnership between the Commission, the Member States and the Conference of Presidents of the ORs, which has led to a fruitful and ongoing dialogue, by means of specific platforms and working groups, to identify problems, provide solutions and plan strategies for adapting European policies in the ORs;
15. welcomes the fact that multi-level governance has enabled a large number of the Commission's proposals for the period 2021-2027 to include specific features for the ORs;
16. notes, in view of the favourable results achieved, the need for the enhanced and ongoing dialogue between the European Commission and the ORs to continue as part of future work on designing appropriate policies that take account of the realities facing the ORs;
17. highlights the importance of applying the tailor-made approach proposed by the European Commission in its 2017 communication, given the fragility of these territories in various sectors;
18. highlights the need to maintain the distinct legal status of the outermost regions in the Conference on the Future of Europe, to enable the ORs to remain involved in the EU's development in a fair and balanced way;

### **Building on the outermost regions' assets**

#### *Blue economy*

19. notes that the maritime area of the ORs represents a considerable advantage in terms of employment, economic activity and development, which should be protected and exploited;
20. welcomes the European Commission's study entitled *Realising the potential of the Outermost Regions for sustainable blue growth* and the inclusion of its conclusions in the Communication;
21. highlights the opinion adopted in February 2018, which stressed that the EU should grant ORs greater financial support for measures to develop marine and maritime resources and for ambitious investments, taking account of the potential for job creation and protection of ecosystems;
22. considers that the renewal of the ORs' fishing fleet continues to be constrained by the application of European rules, and considers that further efforts are needed to ensure greater consistency between the revised State aid guidelines for fisheries and the European Maritime and Fisheries Fund (EMFF), so that the renewal of the OR's fishing fleet may be eligible under the latter;

23. points out that the Council conclusions of 19 November 2019 on oceans and seas call for the protection of ORs, given their vulnerability to climate change, while highlighting the important role played by the maritime and fisheries policy in developing sustainable economic activities;

24. regrets the fact that the ORs' requests for plans compensating for additional costs have not been taken into account and supports their request for an adjusted and flexible application of the amounts and their implementing arrangements;

#### *Agriculture and rural development*

25. points out that agriculture is a vital sector for the ORs' economies and jobs, as the EU has recognised by establishing specific treatment through the POSEI scheme, and highlights the contribution and added value of this sector during the COVID-19 crisis, helping to ensure food self-sufficiency, promoting short supply chains and responding to the strong demand among the population;

26. advocates maintaining the specific derogations for the ORs in the first pillar of the CAP, namely decoupling and the aid reduction scheme;

27. regrets, however, that where the EAFRD is concerned, the proposal for a Multi-Annual Financial Framework has reduced co-financing for the ORs;

28. notes that the COVID-19 crisis has caused a serious problem for food distribution in the ORs; rejects the idea of reducing the CAP budget allocation for these regions in the future financial period and calls for the current POSEI allocations to be reinstated;

29. reminds the European Commission that the trade agreements it negotiates with non-EU countries should include a specific chapter addressing any issue of particular relevance to the ORs;

30. supports the ORs in their request to extend beyond 2020 the stabilisation mechanism for the bilateral banana import agreements signed with the Andean and Central American countries, and for the mechanism to be applied automatically when one of these countries exceeds the threshold allocated to it;

#### *Biodiversity*

31. welcomes the fact that the Commission's Green Deal recognises the high value of the ORs' unique biodiversity and the threats posed by climate change as one of the key drivers of biodiversity loss;

32. welcomes the inclusion of specific calls under the LIFE 2014-2020 programme for the preservation, conservation and enhancement of biodiversity and adaptation to climate change in the ORs;

#### *Circular economy*

33. calls on the European Commission to ensure that its measures on the circular economy take account of the specific nature of the ORs, which are characterised by their isolation and remoteness and because they are facing enormous pressure due to their predominantly tourism-based economic models;

34. hopes that an ad hoc platform will make it possible to develop appropriate measures for controlling the entry and exit of waste in the ORs, contributing to proper waste management and supporting the aim of these regions to become 'zero-waste' regions;

35. acknowledges the complexity and high cost of waste management in the ORs and the need for investment support in terms of infrastructure, including through the ERDF, to facilitate the transition to a circular economy;

#### *Climate change*

36. supports the ORs' commitment to the EU's aims of achieving climate neutrality by 2050 and highlights the vulnerability of these regions to climate change;

37. believes that the ambitions of the European Green Deal reflect the provisions of the Communication, welcomes the specific reference to them and hopes that this reference will provide impetus for the ORs' just transition to a neutral economy;

38. calls for any measures in the field of carbon emissions reduction to be assessed and addressed in a comprehensive manner, seeking a fair balance between the need to safeguard the environment and the needs of the general public in terms of accessibility and maintaining the economy;

39. points out the need for the eligibility criteria of the Just Transition Fund to be more accurately adapted and for the situation of the outermost regions to be included in the EU's long-term strategic vision for adaptation to climate change;

#### *Energy transition*

40. welcomes the support measures for the ORs set out in the Renewable Energy Directive and the Clean Energy for EU Islands initiative, and encourages the Commission to continue working in this direction;

41. points out that the ORs are the only regions dependent on fossil fuels, with isolated energy systems that cannot be connected to European networks, and regrets that the Connecting Europe Facility (CEF) does not take account of their particular situation; considers that the ORs should be included in the Just Transition Mechanism and benefit from measures supporting their energy transition to clean fuels;

#### *Research and innovation*

42. appreciates the Commission's commitment to the ORs in the field of innovation, to highlight their potential as laboratories for innovative solutions as a way to access excellence and to strengthen value chains;

43. welcomes the launch of a specific coordination and support action for ORs in the current Horizon 2020 programme and highlights the need to take account of the conclusions of the FORWARD preparatory action when drawing up future RDI framework programmes, as announced in the Communication;

#### *Social affairs, employment, education and training*

44. considers that the Commission should take account of the ORs in the initiatives it will be presenting under the action plan to implement the European Pillar of Social Rights, promoting equal opportunities, access to the labour market, fair working conditions and social protection and inclusion;

45. highlights the enormous impact that the crisis caused by the COVID-19 pandemic is having on employment in the ORs, with a sharp rise in poverty levels stemming from loss of economic activity and falling revenues in key sectors, and the need to continue strengthening the specific support instruments to create new, niche employment opportunities and to preserve jobs in traditional sectors;

46. calls for measures to be taken to increase the ORs' participation in all actions under the Erasmus+ programme and to promote cooperation and mobility exchanges between people and organisations in these regions and non-EU countries, particularly their neighbours;

47. hopes that the European Globalisation Adjustment Fund will provide the necessary flexibility in the provision of aid at a time when major restructuring is having a significant impact on the economy of these regions;

#### *Access to competitiveness, entrepreneurship and integration in the Single Market*

48. warns of the enormous impact that the current crisis has had on the accessibility by air of these remote regions and on the need to maintain connectivity at pre-crisis levels, as these regions are totally dependent on sea and air transport;

49. calls for the remoteness, geographical isolation and territorial dispersion of the ORs to be taken into account in the design, adoption and implementation of policies to reduce the physical and digital accessibility gap with the EU market and also at intra- and inter-regional level;

50. notes that accessibility by air is also an essential factor in the competitiveness of the tourism sector, the main economic driver in many of these regions and which has been hit particularly badly by the consequences of the COVID-19 pandemic, and therefore calls on the Commission to take this aspect into account when drawing up policies to improve the physical accessibility of the ORs;

51. welcomes the fact that the study on ORs' connectivity needs has been carried out and that the Commission has taken account of their disadvantage and their dependence on ports and airports, by proposing measures under the ERDF and the CEF; considers, however, that these measures are not sufficient and that transport policy needs to be brought into line with the reality facing the ORs;

52. highlights the importance of investments as a way of limiting congestion in urban nodes and facilitating sustainable means of land transport;

53. considers that it would be useful to provide aid under the CEF for the deployment of backbone networks, including underwater cables, to connect the ORs within their Member States, between themselves and between the EU and non-EU countries;

#### *Regional integration in their geographical areas*

54. reminds the Commission that the regional integration of the ORs in their respective geographical areas remains a priority objective and that European territorial cooperation programmes are a key instrument for achieving this, and therefore considers it essential to maintain the funding earmarked for these programmes and the operational development of the new OR component without, however, limiting these regions' access to the other components and their financial allocations;

55. finds it regrettable that the co-financing rate in Europe for ORs is lower under the ETC-Interreg regulation for the 2021-2027 period; this is at odds with the strategic importance given by the European Commission since 2004 to strengthening the regional integration of ORs within their geographical areas;

56. calls on the Commission to support, under the Interreg programme, joint strategic cooperation projects involving all the ORs;

57. reminds the Commission of its commitment to implement a specific, simple and clear solution allowing for the joint programming of the ERDF with the financial instruments of neighbouring non-EU countries. The Committee regrets that this particular solution has still not been drafted, and urges the Commission to resolve this issue definitively in the 2021-2027 programming period;

#### *Migration*

58. emphasises that the ORs, among others, are on the front line as points of entry for irregular immigrants from their immediate neighbourhood and warns of the major impact that the management of migratory flows is having on all of their public policies, especially with regard to the implementation of reception or accompanying measures for unaccompanied minors;

59. notes the Commission's commitment to supporting the ORs in managing migration issues in a sustainable way and calls for specific measures to be provided for under the Asylum and Migration Fund for the financial period 2021-2027;

**Conclusions**

60. calls on the European Commission, the European Parliament and the Council to take account of the ORs in the discussions on the future of Europe and in the development of future European policies, ensuring that Article 349 TFEU is applied fully and effectively.

Brussels, 10 December 2020.

*The President*  
*of the European Committee of the Regions*  
Apostolos TZITZIKOSTAS

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