

Association of the Overseas Countries and Territories with the EU, 2021–2027

In view of the upcoming Multiannual Financial Framework for 2021 to 2027, the European Commission has proposed to fund not only Greenland, but also all other Overseas Countries and Territories (OCTs), through the EU budget. In line with this, the Commission has adopted a proposal for a Council decision to replace both the decision on the Association of OCTs with the EU and the decision on relations with Greenland. The European Parliament, which is only consulted, is expected to discuss the report adopted by its Committee on Development during its January II plenary session. The report welcomes the proposal, but calls for the future decision to better reflect the OCTs' voices and specificities in EU strategies and programming.

Background

For the time being, the EU Overseas Countries and Territories are [25 overseas islands](#) linked to four Member States. In view of the expected withdrawal of the United Kingdom from the EU, the new OCT decision will apply only to those 13 OCTs linked to Denmark, France or the Netherlands (see Table 1). OCTs enjoys a high degree of autonomy in the areas of social and economic policy, customs and home affairs, whereas foreign affairs and defence responsibilities are mostly retained by the Member State to which they are constitutionally linked. As nationals of EU Member States, OCTs' inhabitants hold EU citizenship, but OCTs are not part of the Union's customs territory nor of the internal market. Their specific relations with the EU is acknowledged in Part Four of the Treaty on the Functioning of the European Union (TFEU) and the Protocol on Greenland, and are detailed in the '[Overseas Association Decision](#)' (2013/755/EU) complemented by the '[Greenland Decision](#)' (2014/137/EU). Currently, the main EU funding source for Greenland is the EU budget, while for other OCTs, it is the European Development Fund (EDF), a financial instrument outside the EU budget.

European Commission proposal

In line with its [proposal](#) to integrate the EDF into the EU budget, the Commission has proposed to fund all OCTs through the EU budget, with €500 million for the 2021-2027 period. The June 2018 [proposal](#) for a single decision to replace both the 'Overseas Association Decision' and the 'Greenland Decision' is aimed at updating and simplifying the legal framework, while retaining the main structure of the current association, with special arrangements for Greenland.

European Parliament position

Under Article 203 TFEU, Parliament is consulted before the Council decides by unanimity on the proposal. A draft report was [presented](#) on 20 November 2018 to Parliament's Committee on Development (DEVE). It highlighted the need to reinforce OCTs' resilience and competitiveness by increasing the proposed budget to €669 million. It called for a more transparent breakdown of funds between the 13 OCTs and for a stronger political dialogue. The [report](#) adopted in DEVE on 13 December 2018 proposes to formally include OCTs in the EU regional dialogue with their neighbouring countries. It calls for simplified programming, taking into account the limited administrative resources of the OCTs, especially the least developed ones. It also propose to reinforce the focus on climate change and sustainable management of natural resources, as well as human and social rights, such as gender equality and education.

Consultation procedure [2018/0244\(CNS\)](#); Committee responsible: DEVE; Rapporteur: Maurice Ponga (EPP, France). For further information, see our 'EU Legislation in progress' [briefing](#).



Table 1 – OCTs concerned by the proposal

Overseas country or territory	MS ^a	Pop. ^b	GDP/capita (€) ^c	Current EU support (2014-2020, million €) ^d
Aruba	NL	101 484	27 134	13.0
Bonaire	NL	16 000	20 545	3.9
Curaçao	NL	142 180	21 219	16.9
French Polynesia	FR	267 000	16 000	29.9
French Southern and Antarctic Lands (TAAF)	FR	n/a	n/a	–
Greenland	DK	56 810	30 020	217.8
New Caledonia	FR	245 580	28 931	29.8
Saba	NL	2 000	2 075	3.5
Saint-Barthélemy	FR	8 800	35 700	–
Saint Pierre and Miquelon^e	FR	6 125	28 327	26.3
Sint Eustatius	NL	3 800	24 673	2.4
Sint Maarten^f	NL	50 000	14 447	7.0
Wallis and Futuna	FR	13 445	10 100	19.6

^a MS: Associated Member State: Denmark (DK), France (FR), the Netherlands (NL)

^b Pop.: Permanent population. Data source: Association of the OCTs ([OCTA](#)), accessed 22/01/ 2019.

^c GDP: Gross domestic product (per capita). Data source: [EPRS](#), April 2017.

^d EU support: Greenland – MFF 2014-2020; other OCTs – EDF 2014-2020 indicative allocation. In addition, €126.5 million has been allocated by the EDF 2014-2020 to finance technical assistance, emergencies and other facilities for all OCTs, except Greenland, including UK OCTs. Data source: [European Commission](#), accessed 22/1/2019.

^e Isolated OCT, as listed in [Decision 2013/755/EU](#).

^f Saint Martin and Sint Maarten share the same island. The northern part, Saint Martin, is a French outermost region (OR, not concerned by the Overseas Association Decision) while Sint Maarten is an OCT linked to the Netherlands.

