



OUTERMOST REGIONS (ORS)

The European Union supports the development of its most remote regions, known as the outermost regions: Guadeloupe, French Guiana, Réunion, Martinique, Mayotte and Saint-Martin (France), the Azores and Madeira (Portugal), and the Canary Islands (Spain). The purpose of this support is to compensate for the constraints arising from the geographical remoteness of these regions.

LEGAL BASIS

Articles 349 and 355 of the Treaty on the Functioning of the European Union (TFEU).

BACKGROUND

Some EU Member States have part of their territory located in areas of the globe that are remote from Europe. These regions, known as the outermost regions (ORs), have to deal with a number of difficulties related to their geographical characteristics, in particular remoteness, insularity, small size, difficult topography and climate. They are economically dependent on a few products (often agricultural products or natural resources). These features act as constraints on their future development potential.

Currently, there are nine outermost regions:

- Five French overseas departments – Martinique, Mayotte, Guadeloupe, French Guiana and Réunion;
- One French overseas community – Saint-Martin;
- Two Portuguese autonomous regions – Madeira and the Azores;
- One Spanish autonomous community – the Canary Islands.

It should be highlighted that ORs are not the same as EU overseas countries and territories (OCTs). There are 13 OCTs constitutionally linked to Denmark, France and the Netherlands. OCTs are not part of the single market and must comply with the obligations imposed on non-EU countries in respect of trade, particularly rules of origin, health and plant health standards and safeguard measures. Article 355 TFEU allows the European Council, on the initiative of the Member State concerned, to amend the status of a given French, Danish or Netherlands overseas country or territory (i.e. ORs or OCTs) without having to amend the TFEU. Until the end of 2011, for example, Saint-Barthélemy was an EU outermost region, but in 2012, it became an OCT. The opposite happened in 2014 with Mayotte, which was an OCT and became an OR through a decision by the European Council.



Around five million people live in the outermost regions, some of which have experienced significant population growth owing to inward migration. The rate of natural population growth is also relatively high, as the population is much younger in most of these regions than on the EU mainland. In 2020, employment rates in all the outermost regions were below the EU average, ranging from 43% in Mayotte to 71% in the Azores. Only the latter had an unemployment rate below the EU average (6.1%), rates in the Canary Islands and Mayotte being over three times higher than the average. Despite high unemployment rates, the Canary Islands is the only outermost region where the proportion of those aged 25-64 with tertiary education is above the EU average (34.4% in 2020).

Table: Data on outermost regions

	Distance from national capital (km)	Area (km ²)	Population (*)	GDP per capita as a percentage of the EU average (EU=100) (**)
EU-27	-	4 225 127	446 828 803	100
France	-	638 475	67 842 582	104
Portugal	-	92 227	10 352 042	76
Spain	-	505 983	47 432 805	83
Azores	1 548	2 322	236 488	67
Canary Islands	1 850 (average for all the islands)	7 447	2 252 237	62
Guadeloupe	7 578	1 685	407 810	69
French Guiana	7 841	83 751	296 058	46
Madeira	1 041	802	251 182	69
Martinique	7 641	1 108	352 205	76
Réunion	9 921	2 504	869 993	68
Saint- Martin (***)	6 700	86 (53 for the French side)	32 358	-



Mayotte	8 444	367	299 022	30
(*) Provisional data for 2022, source: Eurostat. (**) Source: Eurostat regional yearbook 2022 . (***) Data for 2020, sources: Institut national de la statistique et des études économiques (National Institute of Statistics and Economic Studies), France, and Ministère des Outre-mer (Ministry for Overseas France); no recent data available for GDP.				

OBJECTIVES

In spite of the great distance separating them from the European continent, the outermost regions are an integral part of the European Union, and EU legislation and agreements are fully applicable in their territory. However, owing to their specific geographical location and the related difficulties, EU policies have had to be adjusted to their special situation.

The relevant measures concern, in particular, areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, and conditions for the supply of raw materials and essential consumer goods. In addition, the rules on State aid and conditions of access to the Structural Funds and to EU horizontal programmes can be adapted to the needs of these regions (e.g. European Regional Development Fund (ERDF) special allocations to ORs).

Apart from the special ERDF allocations, ORs also benefit, in the area of agriculture, from the programme of options specifically relating to remoteness and insularity, funded from the European Agricultural Guarantee Fund. This programme focuses on two major types of measures:

- Specific supply arrangements designed to mitigate the additional supply costs relating to essential products for human consumption, for processing or for use as agricultural inputs;
- Measures to support local agricultural production.

The European Union continues to support the outermost regions through [selected specific provisions](#). It has allocated additional funding of EUR 1 928 million to ORs for 2021-2027 under the ERDF. European territorial cooperation will also address a new objective (strand) called ‘outermost regions’ cooperation’ (Interreg D), facilitating the integration of ORs and harmonious development in their regions. The budget for this strand is EUR 281 million. In addition, while the usual co-financing rate for Interreg programmes is 80%, the co-financing rate for outermost regions is set at a maximum of 85%.

EU STRATEGY FOR OUTERMOST REGIONS

In October 2017, the European Commission published a [communication](#) entitled ‘A stronger and renewed strategic partnership with the EU’s outermost regions’. This strategy proposed a new approach to better address the specific needs of each



of the nine EU outermost regions. It helped them to create new opportunities for their inhabitants, boost competitiveness and innovation in sectors such as agriculture, fisheries and tourism, and enhance cooperation with neighbouring countries.

On 3 May 2022, the Commission adopted a [renewed strategy](#) for the ORs, which aims to unlock their potential through appropriate investment and reforms. This builds on a public consultation, as well as targeted consultations and bilateral meetings with Member States, and also draws on contributions from Parliament, the European Economic and Social Committee and the ORs themselves. Based on five key pillars, the strategy puts forward proposals in a number of areas, including social policy, health, State aid, energy and administrative capacity.

ROLE OF THE EUROPEAN PARLIAMENT

Despite the fact that all decisions as to which regions are accorded outermost region status are taken by the European Council, the European Parliament plays a very active role in support for the ORs.

The European Parliament has powers equal to those of the Council of the European Union with regard to legislation concerning the most important EU policies, such as regional, agricultural, fisheries and education policies. In its work, the European Parliament takes account of the specific situation of the outermost regions and supports initiatives aimed at boosting their development.

During the negotiations of the regulatory framework, the European Parliament supported the principle that outermost regions should have differentiated treatment regarding co-financing rates, special ERDF provisions on productive investments in enterprises, and specific rules as regards Interreg programmes. Furthermore, in 2014, the European Parliament adopted a [resolution](#) on optimising the potential of outermost regions by creating synergies between the Structural Funds and other European Union programmes. In this resolution, it recalled the special features of ORs and emphasised the need for synergies between the Structural Funds' support for ORs and EU-level programmes such as Horizon 2020^[1], LIFE+^[2] and COSME^[3].

In 2017, the European Parliament adopted a [resolution](#) on promoting cohesion and development in the outermost regions of the EU. It focuses on the implementation of Article 349 TFEU, covering areas such as EU trade policy, maritime policy, fisheries and blue growth, cohesion policy, the environment and energy.

On 14 September 2021, the European Parliament adopted a [resolution](#) entitled 'Towards a stronger partnership with the EU outermost regions'. Stressing the many advances achieved under the 2021-2027 multiannual financial framework, the report notes the importance of maintaining the arrangements for the ORs based on Article 349 TFEU and of reconciling the twin imperatives of protecting their local production and tackling the high cost of living.

[1]The EU's financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness.

[2]The EU's funding instrument for the environment and climate action.

[3]Competitiveness of Enterprises and Small and Medium-sized Enterprises.



On 7 June 2022, the European Parliament adopted a [resolution](#) entitled ‘EU islands and cohesion policy: current situation and future challenges’. The resolution laments the EU’s lack of vision for European islands and calls for a series of actions to address the disparities between the ORs and the most developed regions, focusing on agriculture and the blue economy.

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