Specific measures for agriculture in the EU's outermost regions

Development of the outermost regions is hindered by a number of geographical and economic factors. To offset these, the EU has introduced specific measures (POSEI) for the agricultural sector. The Commission proposes to revise the POSEI Regulation to align it with the requirements of the Lisbon Treaty and to update and simplify some provisions.

Background

The "remoteness, insularity, small size, difficult topography and climate" and the "economic dependence on a few products" account for the specific measures foreseen for the outermost regions under the Treaties (Article 349 TFEU). There are nine such regions, belonging to three Member States: Guadeloupe, Martinique, French Guiana, Réunion, Saint-Barthélemy and Saint-Martin (France); the Azores and Madeira (Portugal), and the Canary Islands (Spain).

POSEI: objectives and evolution

POSEI has been providing support to the outermost regions since 1991. This programme, funded under the EU’s Common Agricultural Policy, aims to compensate for the additional costs of transporting certain agricultural products to the outermost regions, and to foster the development of local production. POSEI measures fall into two categories. The first comprises specific supply arrangements (SSA) aiming to offset the higher costs of raw materials for certain essential foodstuffs (listed in Annex I TFEU) arising from the insularity and remoteness of those regions. These arrangements are subject to an aid ceiling for each Member State, designed to avoid unfair competition with island products. The second category comprises measures to assist local agricultural products (MLAP) by supporting the production, processing and/or marketing of those products.

In 2006, the POSEI measures were reformed, and priority was given to greater regional participation, decentralisation and flexible decision-making.

In 2010, the Court of Auditors noted in their report that while POSEI measures were effective, there were some weaknesses in the management of the scheme (with the Commission prioritising checking compliance rather than optimising results). The Court also stressed that national control systems did not always match the diversity of the specific measures.

Commission proposal

In 2010, the European Commission published a report on the impact of the 2006 POSEI reform, together with a proposal for a review of the POSEI regulation, to incorporate the requirements of the Lisbon Treaty. Other minor changes included:

- increasing by 20% the maximum ceilings set for the SSA in France and Portugal;
- clarifying the procedure for submitting programmes and amendments for approval by the Commission to promote flexibility and efficiency;
- extending to the French overseas departments the possibility of re-dispatching products using raw materials under the SSA without the benefit being reimbursed.

EP Committee and Council views

The EP’s Committee on Agriculture and Rural Development stressed in its report (G. Mato Adrover, EPP, Spain) that the SSA and MLAP should not undergo substantial modifications. MEPs also highlighted that local producers may have to face strong competition from third-country producers, and recommended that the Commission analyse the impact of these pressures and consider revising the financial allocation.

During the final trilogue on the Regulation, the EP, Commission and Council agreed to include a provision for a one-off payment of €40 million in 2013, to allow for the adaptation of the banana sector to the reduction of tariffs stemming from earlier modifications of EU trade agreements with third countries.