



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Regional Development

2013/2178(INI)

2.12.2013

DRAFT REPORT

on optimising the potential of outermost regions by creating synergies between the EU Structural Funds and other EU programmes
(2013/2178(INI))

Committee on Regional Development

Rapporteur: Younous Omarjee

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3
EXPLANATORY STATEMENT.....	11

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on optimising the potential of outermost regions by creating synergies between the EU Structural Funds and other EU programmes (2013/2178(INI))

The European Parliament,

- having regard to Article 349 of the Treaty on the Functioning of the European Union (TFEU), which confers a special status on the outermost regions (ORs),
- having regard to Article 107(3)(a) of the TFEU on rules governing state aid to such regions,
- having regard to articles 174 et seq. of the TFEU, which lay down the objective of economic, social and territorial cohesion and specify the structural instruments to achieve this,
- having regard to the Commission communications on outermost regions, in particular that of 17 October 2008 entitled ‘The outermost regions: an asset for Europe’ (COM(2008)0642),
- having regard to its resolutions on the ORs, in particular that of 20 May 2008 on the strategy for the outermost regions: achievements and future prospects¹,
- having regard to the Message from Reunion Island adopted by the participants in the Conference on 'The European Union and its Overseas Entities: Strategies to Counter Climate Change and Biodiversity Loss' and to the EU Council conclusions of 25 June 2009 on ‘A mid-term assessment of implementing the EU Biodiversity Action Plan and Towards an EU Strategy on Invasive Alien Species’,
- having regard to the common platform of 6 July 2010, presented to the President of the Commission, José Manuel Durão Barroso, by the Conference of Members of the European Parliament from the outermost regions,
- having regard to the Memorandum of Spain, France, Portugal and the Outermost Regions of 7 May 2010 entitled ‘A Renewed Vision of the European Strategy for the Outermost Regions’,
- having regard to the joint contribution of the outermost regions of 28 January 2011 on the Fifth Report on Economic, Social and Territorial Cohesion,
- having regard to the report of 12 October 2011 entitled ‘Europe’s outermost regions and the Single Market: The EU’s influence in the world’, presented to Commissioner Michel Barnier by Pedro Solbes Mira,
- having regard to the Pact of Islands, in which a number of EU islands agreed to cut CO₂ emissions in their territories by at least 20% and to submit an Islands Sustainable Energy Action Plan, and having regard to the European Parliament declaration of 19 January 2012 on the establishment of the Pact of Islands as an official European initiative,

¹ OJ C 279 E, 19.11.2009, p. 12.

- having regard to its resolution of 18 April 2012 on the role of cohesion policy in the outermost regions of the European Union in the context of EU 2020¹,
 - having regard to the Commission communication of 20 June 2012 entitled ‘The outermost regions of the European Union: towards a partnership for smart, sustainable and inclusive growth’ (COM(2012)0287),
 - having regard to the report produced by Serge Letchimy, Member of the French National Assembly, for the French Prime Minister on Article 349 of the Treaty on the Functioning of the European Union: a contribution to bringing the derogation provisions to bear in support of a global development project for the outermost regions,
 - having regard to the final declarations of the Conferences of Presidents of the Outermost Regions of the European Union, in particular that of the 19th conference of 17 and 18 October 2013,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A7-0000/2013),
- A. whereas the assets, resources and potential of the ORs, as highlighted by the Commission in its 2008 strategy and 2012 communication, lie in areas of key importance to EU research, innovation and growth, and whereas they attract too little support and financing under the EU funds and programmes lying outside the scope of cohesion, agricultural and fisheries policy;
 - B. whereas the ORs are regions of excellence that can make a significant contribution towards meeting the objectives the EU has set as part of the Europe 2020 growth strategy, the Horizon 2020 strategy, the Energy 2020 strategy, the LIFE+ and Natura 2000 programmes and the trans-European telecommunications, transport and energy networks;
 - C. whereas, in this connection, long-term investment needs to be encouraged and innovation promoted in the ORs, in order to provide a firm and sustainable basis for their economic and social development and give the various EU strategies a better chance of success;
 - D. whereas, in pursuit of these strategies, the volume of structural and investment funding being provided to the ORs for the purpose of closing their economic and social development gap with the rest of the EU is not large enough to enable them to play a role commensurate with their potential in addressing the major challenges facing the EU;
 - E. whereas Article 349 of the TFEU also provides a means of enabling the ORs to take their rightful place in the various EU programmes that can properly harness the potential that they are recognised as having;
 - F. whereas the ORs can become regions of excellence, to the benefit of the EU as a whole, in areas such as biodiversity, environment, adapting climate change, dealing with an observing extreme weather events, research, innovation, space, the aerospace industry, oceans, maritime governance, volcanology, health, renewable energy, transport,

¹ OJ C 258 E, 7.9.2013, p. 1.

telecommunications, emergency humanitarian assistance outside the EU and culture;

- G. whereas the ORs and the overseas countries and territories (OCTs) are located in the Caribbean, Indian Ocean, Atlantic Ocean, Pacific Ocean, Arctic and Antarctic maritime basins and make the EU the world's largest maritime area, with exclusive economic zones (EEZs) covering a total of 25 million square kilometres; whereas their geo-strategic location helps the EU to exert influence worldwide; and whereas their exceptional natural, marine and fisheries resources account for 50% of the world's biodiversity;
- H. whereas the ORs and the OCTs are a special case, forming a common entity that is both inside and outside the EU at the same time; whereas the Commission should promote and support closer integration of the ORs and OCTs, including through the implementation of common policies;
- I. whereas in order to maximise the potential of the ORs and OCTs, the closest possible synergies need to be created between all EU instruments, funds and programmes;

Fresh prospects for the ORs

- 1. Views the ORs' assets, potential and resources, together with the experience they have accumulated, as additional tools for the EU to use in addressing the challenges facing it in connection with globalisation, innovation capacity, growth, social cohesion, demographic pressures, climate change, energy and sustainable management of natural resources and biodiversity;
- 2. Believes that the ORs' lack of access to the various sources of EU funding will, in the long run, indirectly have a negative impact on the EU as a whole;
- 3. Endorses the Commission approach of implementing policies seeking to make the ORs more self-reliant, economically robust and better able to create sustainable jobs by capitalising on their assets and taking practical, imaginative action on the basis of Article 349 of the TFEU and of ad hoc instruments introduced for each EU fund and programme that can help turn the ORs' assets into economic development;
- 4. Calls on the Commission to set up a contact group made up of the relevant Commissioners and the Members of the European Parliament representing the ORs to meet twice a year to review the progress of programmes introduced for the ORs;
- 5. Stresses that, by virtue of the fact that they lie far away from mainland Europe, the ORs and the OCTs help to spread the influence of an EU that is becoming increasingly aware of its global dimension and the role it has to play in a rapidly changing world;
- 6. Believes there to be a close correlation between the EU's awareness of the global role it can play and the attention it pays to the ORs and OCTS; believes the fact that the Union has disregarded or underestimated the importance and implications of its strategic investment decisions regarding the ORs and OCTS to be indicative of a more general failure to accord suitable importance to the Union's global dimension;
- 7. Calls on the Commission to introduce a global strategy for 'European overseas entities' and set up an EU-OR-OCT joint forum;

Synergies with the Horizon 2020 programme

8. Believes that the ORs have the wherewithal to be at the forefront of research and technology in the areas covered by the Horizon 2020 objectives, such as space, the aerospace industry, biotechnology, observation of natural hazards, marine research, biodiversity, renewable energy, health, adaptation to climate change and smart transport solutions;
9. Points out that the primary aim of the new cohesion policy is to step up research, technological development and innovation efforts;
10. Criticises the failure to provide sufficient support for OR projects under the 2007-2013 programme for research and development, which has resulted in low levels of participation and a weak OR presence in European research networks;
11. Believes that, if cohesion policy, Europe 2020 and Horizon 2020 targets are to be fully met – something which cannot be achieved by ERDF funding alone –, the Commission will need to streamline, guarantee and promote OR access to the Horizon 2020 programme by setting up dedicated programmes that can help to foster greater OR inclusion in European and international research and innovation networks;
12. Calls for OR universities to be expanded and promoted in order to help, in synergy with Horizon 2020, to raise the European and international profile of those universities, their research centres, their researchers and their students;
13. Notes that all of the ORs have a tropical climate and volcanic terrain;

Synergies with the internal market

14. Calls on the Commission to draw on the various conclusions set out in the Solbes report with a view to enhancing the ORs' inclusion and development in the internal market;
15. Calls on the Commission to enforce the competition rules more strictly in the ORs in order to guard against monopolies and cartels;
16. Calls on the Commission to look into the issue of the high cost of living in the ORs;

Synergies with the LIFE+ programme and the Energy 2020 strategy

17. Believes that the ORs' potential in the areas of biodiversity management, conservation and rehabilitation, adaptation to climate change and renewable energy development can be maximised through the establishment of synergies and cross-funding arrangements between cohesion policy, the LIFE+ programme and the Energy 2020 strategy, and that this will at the same time help the Union to achieve its own objectives;
18. Notes that cofinancing is to be provided for innovative environmental conservation and climate change projects under the LIFE+ programme for 2014-2020; points out that thematic objectives 5 and 6 of the new cohesion policy also cover these areas, and that it is therefore vital for the ORs to be afforded genuine access to the LIFE+ programme;
19. Deplores the Commission's refusal to make the BEST preparatory action a fully-fledged programme for the ORs and OCTs, in spite of the views expressed by Parliament and the

Council conclusions of 25 June 2009;

20. Deplores the failure to include the animal and plant species requiring protection in the French ORs in Annex I to Directive 92/43/EEC (habitats, wild flora and fauna), which has, in practice, made it impossible for the directive to be implemented in the French ORs and for those ORs to take part in Natura 2000 networks and programmes;
21. Calls on the Commission to draw up a specific Natura 2000 programme for the ORs on the basis of Article 349 of the TFEU and the achievements of the BEST preparatory action;
22. Calls on the Commission to introduce a renewable energy development strategy for the ORs that is geared to achieving energy self-sufficiency and meeting the Energy 2020 targets;

Synergies with European youth programmes

23. Points out that thematic objectives 8, 9 and 10 of the new cohesion policy cover employment, social inclusion, action against poverty, education, skills and lifelong learning;
24. Stresses that the ORs have some of the highest youth unemployment rates in the EU; welcomes, therefore, the ORs' eligibility for funding under the Youth Guarantee programme, as well as the introduction of the Youth Employment Initiative;
25. Voices concern at the severe skills drain from the ORs brought about by high unemployment rates and a lack of suitable training opportunities, given that a properly trained and qualified workforce is an essential prerequisite for sustainable growth;
26. Notes that the new Erasmus programme is intended to foster the development of a knowledge society; stresses that it is essential for this goal to be met if the Europe 2020 strategy, under which knowledge is viewed as the primary driving force in Europe's economy, is to be a success; points, accordingly, to the need for greater synergies to be achieved between the Erasmus programme and the ESF in the ORs, in order to maximise local human capital and expertise, which are powerful driving forces for growth;
27. Supports the further development of universities in the ORs and the establishment of new centres of excellence, with a view to giving OR universities a higher profile and enhancing their drawing power in Europe; supports the establishment of partnerships between OR universities and the opening up of such partnerships up to universities in non-EU countries with which ORs have a special relationship; calls for transport costs arising in connection with OR-EU exchange programmes to be covered by Erasmus funding;

Synergies with trans-European networks (transport, telecommunications, energy)

28. Stresses the need for synergies to be created in the ORs between the trans-European networks, the Connecting Europe Facility, the Civitas and Horizon 2020 programmes and ERDF funding for transport, telecommunications and energy projects;
29. Welcomes the Commission's intention to include the ORs in the trans-European networks;
30. deplores, nonetheless, the fact that progress with the sea highways has been hampered by the priority given to short sea links, given that this approach discriminates against the ORs;

31. Considers trans-European telecommunications network links between mainland Europe and the ORs to be essential; believes that, in view of the digital economy's importance, the digital divide between the ORs and mainland Europe is hampering the ORs' development and competitiveness; points out that this digital divide, which is a result of delays in the roll-out and modernisation of ICT infrastructure in the ORs, is adding to the problems already faced by the ORs because of their geographical remoteness; suggests that the development of ICTs in the ORs should be stepped up by extending and modernising networks, exploiting synergies with the ERDF and granting easier access to EIB funding for projects in this area;

Synergies with EU maritime policy (CFP, EMFF)

32. Points out that, as a result of the ORs and the OCTs, the EU is the world's leading maritime power;
33. Calls on the Commission to take greater account of Europe's global maritime dimension, the importance of the sea, the oceans and blue growth to the EU as a whole, the strategic location of the ORs and the OCTs, and the role that they can play in ensuring that seas, oceans and coastal areas are used in a sustainable way, as well as in global maritime governance and the development of a knowledge economy based on the sea;
34. Draws attention to the lack of synergies between cohesion policy and the CFP, which still takes too little account of conditions in the ORs;
35. Stresses that the ORs are dependent on the fish stocks in their EEZs, which are biologically highly vulnerable; emphasises the need to ensure that those stocks are used in a sustainable manner; calls for proper account to be taken of the long-term interests of local people when EU fisheries agreements are drafted and negotiated;
36. Criticises the fact that the ORs will not be granted fleet renewal aid under the new CFP;

Synergies with the common agricultural policy

37. Points out that farming is a thriving industry which provides jobs and plays a role in the development of activities with a high added value; draws attention to the fact that objective 3 of the new cohesion policy covers the development of SMEs in the farming sector;
38. Points out that farming in the ORs is grappling with the challenges of diversification and competitiveness with neighbouring countries, as well as with new challenges which include food self-sufficiency and sustainable development;
39. Stresses that the POSEI programme has proved its worth and has shown itself to be particularly well-suited to conditions in the ORs;
40. Believes that synergies should be created between cohesion policy and the EAFRD, with a view to modernising and extending irrigation networks so as to ensure that water resources are managed sustainably;
41. Calls on the Commission to bolster local production and marketing of agricultural products;
42. Supports the introduction of protected designations of origin and local labels in the ORs;

Synergies with the European Development Fund

43. Deplores the continued lack of a proper linkage between EDF and the ERDF, in particular as regards cross-border cooperation projects, despite the fact that this is essential if the funds' objectives are to be met;
44. Calls on the Commission to initiate discussions between the Member States, the ORs, the OCTs and the ACP countries, with a view to fostering closer dialogue and better integration of the ORs into their geographical areas;

Synergies with EU external policy

45. Calls on the Commission to take greater account of the geo-strategic importance of the ORs and OCTs, which stem from their proximity to other continents;
46. Calls on the Commission to complete the wider neighbourhood action plan, on which it has been working since 1999;
47. Calls on the Commission to take greater account of the impact that trade agreements concluded with non-EU countries have on OR economies;
48. Criticises the failure to take account of OR interests in the agreements concluded with Latin American and ACP countries, as well as the fact that no impact assessments were conducted prior to the negotiation of those agreements;
49. Calls on the Commission to negotiate the inclusion in all trade agreements with ACP countries that lie close to ORs a specific section on the creation of an exclusive OR-ACP market, with a view to integrating ORs more closely into their geographical neighbourhood;
50. Draws attention to the fact that the ORs and OCTs can be a real asset for the EU in connection with building humanitarian response capacity and deploying it when natural disasters occur; calls, in this connection, for a European civil protection force to be set up;

Synergies with programmes to combat poverty and social exclusion

51. Draws attention to the fact that social exclusion, poverty and violence are a major problem in the ORs; points out that thematic objective 9 of the new cohesion policy covers social inclusion and action against poverty and all forms of discrimination and that support for the most deprived sections of society is an ERDF investment priority;
52. Welcomes the adoption of the FEAD Regulation and calls for it to be fully and properly implemented in the ORs;
53. Points out that the ORs are faced with major housing shortages as a result of strong population growth; advocates the establishment of a social housing investment scheme and the introduction of special measures enabling state aids to be used in support of investment in social housing in ORs;

Synergies with the COSME and Progress Microfinance programmes

54. Points out that the ORs are located in areas in which industrial competition is fierce, in

particular owing to low labour costs and an abundance of raw materials in neighbouring countries; draws attention to the fact that thematic objectives 3 and 8 of the new cohesion policy cover action to enhance SME competitiveness and promote high-quality sustainable employment;

55. Points out that, although they show a healthy start-up rate despite the crisis, very small and small and medium-sized businesses in the ORs are finding it difficult to gain access to financing, and that this is jeopardising their development and future survival;
56. Welcomes in this connection the objectives set for the future COSME programme, under which support will be provided to European SMEs, in particular as regards access to finance and to new markets; welcomes the decision to maintain the Progress Microfinance Facility; calls on the Commission to ensure that these programmes cover the ORs as well;
57. Stresses that the economic development model for each OR needs to be geared to exploiting its potential; points out, for example, that the shortage of waste processing facilities provides an opportunity to make substantial headway in terms of both job creation and environmental protection;
58. Welcomes the recent opening of the public consultation on a Green Action Plan for SMEs; calls on the Commission to take proper account of the problems and expertise of outermost region SMEs in this area when it draws up its conclusions on that consultation;
59. Stresses that tourism is a key economic driver in the ORs; considers it essential therefore for joint ERDF-COSME support to be provided for efforts to expand and modernise the ORs' hotel network, in order to diversify and develop the tourism services on offer in the ORs;
60. Considers that thought should be given to simplifying visa policies in respect of both EU Member States and some non-EU countries, in order to streamline formalities for tourists and promote multi-destination tourism in the ORs and neighbouring countries;

Synergies with the Creative Europe programme

61. Notes that the ORs are highly multicultural societies and points to the need for cultural interchange between the ORs and mainland Europe; calls on the Commission to allow projects from ORs to be funded under the Creative Europe programme;
62. Calls on the Commission to draw up a strategy for the development and dissemination of the ORs' cultural heritage, using the Euromed Heritage IV programme as a model;
63. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

To date, EU policy towards the outermost regions (ORs) has centred around the provision of basic support through the various cohesion policy and agricultural and fisheries support instruments.

This report proposes that we should now move away from the current policy options, some of which have hit a brick wall, and adopt a new approach that will take EU investment in the ORs into new areas and foster sustainable development in those regions. This means taking the ORs out of the narrow confines of regional and agricultural policy alone and bringing them into the mainstream of EU policy action.

EU support for the outermost regions is not just about showing solidarity, as that support has a knock-on effect, helping the Union as a whole to achieve its objectives in relation to growth, exerting influence around the world and helping to address global challenges. With its outermost regions, the EU is in a stronger position to achieve its goals in areas ranging from dialogue with the ACP countries to combating climate change, protecting biodiversity and coral reefs, health, and protecting regional languages and cultural diversity. The Spanish, Portuguese and French outermost regions stand as symbols of a Union open to the world, the oceans, research, the environment and excellence, with all the attendant challenges and ambitions.

Investing in the ORs and taking proper account of their importance and the contribution they make means investing in a European Union that stands at the forefront of efforts to address the challenges facing our planet. At a time when the EU is in the grip of a crisis, when there is a temptation to look inwards and turn our backs on the outside world, we must not get caught in a cost-cutting mind-set if we are to be able to make the most of the essential contribution the ORs can make to realising the EU's global ambitions. A resolutely optimistic approach is therefore now required from the Commission and the EU as a whole.

At present, the ORs are all too often overlooked by those working for the EU and by the people appointed to represent it. For instance, the web sites of the Commission and the various agencies contain maps that fail to show the ORs and documentation on regions containing non-EU countries, such as the Caribbean, Latin America, the Indian Ocean and north-west Africa, which fail to even mention the fact that the EU is represented in those regions by ORs. What is more, the ORs are all too often – at times it would appear almost deliberately – left out of major projects to build structural and physical links between the various component parts of the Union. So, in addition to having to cope with problems caused by their geographical remoteness, the ORs often find that they are also remote from the thoughts of EU decision makers.

If the EU really is all about bringing people together, the ORs cannot be left on the sidelines and viewed as a burden by the people who are engaged in shaping the EU of tomorrow.

Although their remoteness from mainland Europe is a problem for the ORs, it is quite the opposite for the EU as a whole, which must see it as an opportunity.

Article 349 of the TFEU rightly acknowledges the specific difficulties and conditions

obtaining in the ORs, because those difficulties and conditions are very real and tangible. Despite the fact that specific, tailored measures apply to the ORs, those measures cannot be seen as giving the ORs an unfair advantage, as they are the only means of ensuring their full and balanced integration into the Union. To attempt to integrate the ORs into the Union without making the necessary adjustments to allow for their specificities would merely serve to perpetuate the difficulties arising from their remoteness from mainland Europe. It would, in short, prevent them from ever becoming a proper part of the Union. We must not forget that geographical remoteness works both ways: mainland Europe is just as remote from the outermost regions as the outermost regions are from mainland Europe.

So a real and profound change needs to take place in 2014. We must go beyond merely acknowledging and welcoming the assets and opportunities the ORs can offer the Union and take full advantage of those assets and opportunities, which provide the Union with a basis for building a common future in which the overseas entities are central to the Union's development plans and prospects. This also calls for the introduction of a concept of 'European overseas entities' which takes in both the ORs and the OCTs.

The overseas entities can no longer be overlooked in the priorities and objectives of the Horizon 2020, Energy 2020, LIFE+ and Erasmus programmes and the trans-European energy, transport and telecommunications networks. All such strategies and instruments must be brought to bear in securing the closer integration of the ORs into the Union and must take account of the fact that the ORs can play a significant role in helping the EU to achieve the objectives it has set. This is something that both the Commission and the EU as a whole have failed to address in recent years, meaning that we now have a large amount of ground to make up, and we will need to show imagination if we are to change this situation.

In future, the common agricultural policy, the common fisheries policy and the internal market rules will need to take ever greater account of the specific geographical, geo-economic and climate features of the ORs. If this does not happen, neither the CAP nor the CFP, nor indeed the internal market, will be able to secure the smooth and sustainable integration of the ORs into the Union.

What is more, the overseas entities must not be treated as being of lesser importance to the Union in the trade, external and development policy spheres. Those entities represent the Union in the wider world, and their economic interests cannot continue to be overridden by mainland interests which are not only selfish but – worse still – are not backed up by any form of geo-strategic and geo-economic vision, and which take no account of, and leave no space for, the ORs. There is a close correlation between the EU's awareness of the role it can play in the world and the attention it pays to the ORs and OCTs. The lack of regard that the Union shows for the ORs and the OCTs in most external policy areas (trade, maritime policy, diplomacy and development) is a clear indication that the Union is failing to accord appropriate importance to its global dimension.

Synergies therefore need to be created and promoted between structural funding for the ORs and all the other Union funds, strategies and policies if the prospects open to both the Union and the ORs are to be realised. Dedicated programmes and tools will also need to be introduced in order to give the ORs their rightful place and role in a Union that is open to the world and aware of its geography, of its history and of what drives its growth and what gives

it influence in the world, so that the common challenges now facing us can be taken up.

While there is general agreement on a strategic vision for the ORs, our first priority must be to take the practical steps required in order to remove all obstacles, barriers and impediments to the ORs taking part in all EU policies.

The EU can no longer confine itself to merely defending the interests of the ORs; it must now actively promote those regions and ensure their success.