OUTERMOST REGIONS (ORS)

There are specific measures in place to support the development of the most remote regions of the European Union, 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 the EU overseas countries and territories (OCTs). There are 13 OCTs constitutionally linked to the following Member States: Denmark, France and the Netherlands. OCTs are not part of the single market and must comply with the obligations imposed on third countries in respect of trade, particularly rules of origin, health and plant health standards and safeguard measures. The EU’s association relations with OCTs are detailed in Council Decision 2013/755/EU, adopted on 25 November 2013. Article 355 of the Treaty of Lisbon 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 Treaty. 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 by Council Decision became an OR.

### Table: Data on Outermost Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Distance from national capital (km)</th>
<th>Area (km²)</th>
<th>Population</th>
<th>GDP per capita as a percentage of the EU average (EU=100) (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 28</td>
<td>-</td>
<td>4 407 569.1</td>
<td>508 450 856</td>
<td>100</td>
</tr>
<tr>
<td>France***</td>
<td>-</td>
<td>633 186.6</td>
<td>66 415 161</td>
<td>106</td>
</tr>
<tr>
<td>Portugal</td>
<td>-</td>
<td>92 226.0</td>
<td>10 374 822</td>
<td>77</td>
</tr>
<tr>
<td>Spain</td>
<td>-</td>
<td>505 944.0</td>
<td>46 449 565</td>
<td>90</td>
</tr>
<tr>
<td>Azores</td>
<td>1 548</td>
<td>2 322.0</td>
<td>245 766</td>
<td>69.2</td>
</tr>
<tr>
<td>Canaries</td>
<td>1 850 (average for all the islands)</td>
<td>7 445.0</td>
<td>2 135 722</td>
<td>78.2</td>
</tr>
<tr>
<td>Guadeloupe</td>
<td>7 578</td>
<td>1 681.6</td>
<td>393 392</td>
<td>73.1</td>
</tr>
<tr>
<td>French Guiana</td>
<td>7 841</td>
<td>83 533.9</td>
<td>262 527</td>
<td>58.4</td>
</tr>
<tr>
<td>Madeira</td>
<td>1 041</td>
<td>802.0</td>
<td>256 424</td>
<td>73.39</td>
</tr>
<tr>
<td>Martinique</td>
<td>7 641</td>
<td>1 128.0</td>
<td>376 847</td>
<td>77.03</td>
</tr>
<tr>
<td>Réunion</td>
<td>9 921</td>
<td>2 503.7</td>
<td>850 996</td>
<td>69.92</td>
</tr>
<tr>
<td>Saint-Martin (**)</td>
<td>6 700</td>
<td>86 (53 for the French side)</td>
<td>36 457</td>
<td>-</td>
</tr>
<tr>
<td>Mayotte</td>
<td>8 444</td>
<td>374.0</td>
<td>235 132</td>
<td>30.75</td>
</tr>
</tbody>
</table>

(*) Data for 2015, except for the Azores, Madeira and Martinique (2014) and Guadeloupe (2016); sources: Eurostat, Statistics Portugal, INSEE (France), 2015 and ‘Ministère Français des Outre-Mer’ (Ministry of Overseas France); no recent data available for GDP.

(**) Sources: ‘Ministère Français des Outre-Mer’ (Ministry of Overseas France).

(***) Total area for France includes the ORs but not the OCTs.

Source: Eurostat 2015

**OBJECTIVES**

Regardless of the great distance separating them from the European continent, the outermost regions are an integral part of the European Union, and the acquis communautaire is 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 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 POSEI programmes (Programmes of Options Specifically Relating to
Remoteness and Insularity), funded from the EAGF (see table below). These
programmes focus 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.

For the 2014-2020 programming period, approximately EUR 13 billion of European
Structural and Investment (ESI) Funds is allocated to ORs, as follows:

Table: 2014-2020 European Structural and Investment Funds allocated to ORs

<table>
<thead>
<tr>
<th>ESI Funds allocated to ORs</th>
<th>(EUR billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF (including special ORs allocations and European Territorial Cooperation (ETC))</td>
<td>5</td>
</tr>
<tr>
<td>European Social Fund (ESF) (including Youth Employment Initiative (YEI))</td>
<td>1.9</td>
</tr>
<tr>
<td>European Agricultural Fund for Rural Development (EAFRD)</td>
<td>1.5</td>
</tr>
<tr>
<td>Programme of Options Specifically Relating to Remoteness and Insularity (POSEI) programmes (funded from the European Agricultural Guarantee Fund — EAGF)</td>
<td>4.6</td>
</tr>
<tr>
<td>European Maritime and Fisheries Fund (EMFF)</td>
<td>0.3</td>
</tr>
<tr>
<td>Total</td>
<td>13.3</td>
</tr>
</tbody>
</table>

Source: European Commission, Fourth Forum of the Outermost Regions, 30-31 March 2017

In its proposal for the post-2020 cohesion policy, the Commission envisaged the
continuation of the ERDF special allocation of over EUR 1.5 billion for ORs. They will
also receive EUR 270 million under cooperation programmes (‘Interreg’).

EUROPEAN STRATEGY FOR OUTERMOST REGIONS

In October 2017, the Commission published a communication (COM(2017)0623)
entitled ‘A stronger and renewed strategic partnership with the EU’s outermost regions’.
This strategy proposes a new approach to better address the specific needs of each
of the nine EU outermost regions. It will help them to create new opportunities for
their inhabitants, boost competitiveness and innovation in sectors such as agriculture,
fisheries or tourism, and deepen cooperation with neighbouring countries.

The strategy is based on four pillars:

— A new governance model based on a strong partnership;
— Building on OR assets;
— Enabling growth and job creation, and
— Scaling up cooperation.

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, Parliament plays a very active role in support for the ORs.

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

During the negotiations of the 2014-2020 regulatory framework, 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 European Territorial Cooperation (ETC) programmes. Furthermore, in 2014 Parliament adopted a resolution on ‘optimising the potential of outermost regions by creating synergies between the Structural Funds and other European Union programmes’[1]. 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, LIFE+ and COSME.

More recently, Parliament has been deliberating on an own-initiative report on the ORs, which 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.

Marek Kołodziejski
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