



European
Commission



THE OUTERMOST REGIONS, EUROPEAN TERRITORY IN THE WIDER WORLD

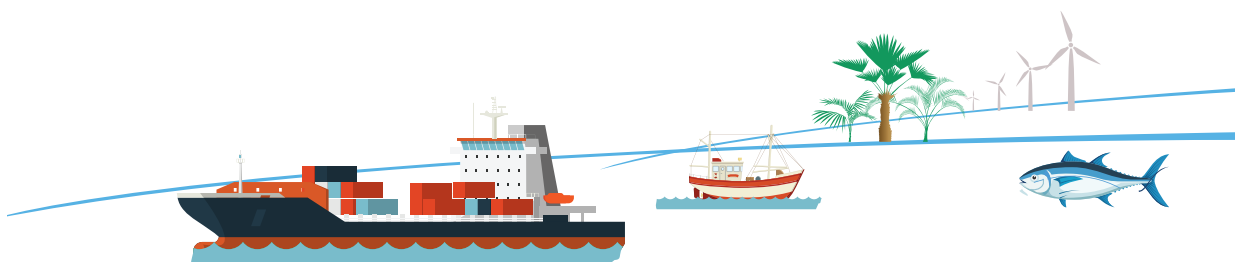


We have always paid particular attention to the nine regions we call the outermost regions, which are first and foremost European regions, and which project Europe's presence at strategic points around the world. The European Union has for many years been seeking to bridge the geographical distance between us by showing they are close to our hearts.

Jean-Claude Juncker, President of the European Commission

The EU has long acknowledged the specific features common to the Azores, the Canary Islands, Guadeloupe, French Guiana, Madeira, Martinique, Mayotte, Réunion and Saint Martin, and has afforded them a special status. But the Juncker Commission has for the first time introduced **specially tailored support**, with the Member States, to help these regions **build on their unique assets, create opportunities for their inhabitants and hold their own in a globalised world**.

In its proposals for the next multi-annual budget and EU funds for 2021-2027, the Commission fulfilled the commitments set out in the new EU Strategy for the outermost regions of October 2017, which is itself a tangible response to requests expressed by the regions in the memorandum submitted to President Juncker in Brussels in March 2017.



THE COMMISSION'S PROPOSALS FOR THE NEXT EU BUDGET FOR 2021-2027

Under the **Cohesion Policy**, these regions will continue to receive an additional EU funds allocation of more than EUR 1 billion whilst enjoying the maximum rate of EU co-financing. Unlike other regions, they will be allowed to invest EU funds in airports.

They will receive EUR 270 million in aid under cooperation programmes ('Interreg'). Pooling of resources with the Neighbourhood and International Cooperation Instrument will be allowed in order to promote joint projects with third countries and help these regions to be better integrated in the part of the world where they are situated.



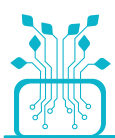
The Commission is proposing EUR 315 million to support the **fisheries** sector in the nine regions, including paying 100 % compensation for their additional costs, as in the past. The financial package earmarked for these regions will also help to develop sustainable fisheries and a sustainable maritime economy and to support small-scale coastal fishermen.

The new **Common Agricultural Policy** continues to follow the POSEI (Programmes of Options Specifically Relating to Remoteness and Insularity) approach in order to offer increased support to farmers in those regions; the proposed funding for the nine regions is set at EUR 627 million per year. Direct payments available to farmers in the outermost regions will remain well above the support levels paid in other Member States.

Further funding is available from the European budget for **rural development**, supporting biodiversity in agriculture and forestry and promoting the economic development of rural areas. Under this arrangement, the outermost regions will be granted the most advantageous rate of European co-financing, that is to say, 70 % instead of the 43 % rate granted to the other regions.

The Commission proposal for **InvestEU** offers Member States the possibility of transferring part of their shared management resources to this new instrument — particularly in vulnerable and isolated regions such as the outermost regions — in order to access the guarantee provided by the EU budget. In these regions, this will attract private investment and further support key sectors such as innovation or energy transition. To make it easier to deploy InvestEU as widely as possible, including in those regions, the Commission is proposing to simplify the rules on national co-financing by declaring it to be compatible with EU rules on State aid, provided that certain specific conditions are met.

The **Erasmus+** and **European Solidarity Corps** programmes will take into account the specific situation of those regions and are seeking to step up their participation in all the programme measures, especially cooperation with third countries in the case of Erasmus+. The Commission will monitor how such participation is progressing.



In order to help the outermost regions to build on their assets and develop their full potential, an initiative to share expertise, 'Sharing Excellence', is open to them under the research and innovation programme, **Horizon Europe**, and to regions that are lagging behind in terms of innovation as compared with the rest of the EU. Furthermore, some of the programme's themes correspond to the unique resources of these regions, i.e. renewable energy, combating climate change, study of tropical diseases, biodiversity and the blue economy, thus encouraging these regions to participate in the programme.

The **Digital Europe** programme will contribute to greater connectivity and better digital skills in these regions. The new digital innovation hubs, as foreseen under the programme, will help these regions to participate fully in the Digital Single Market.



Transport projects including maritime ports and urban roads will be supported in the outermost regions under the transport strand of the **Connecting Europe Facility**, with the EU funding up to half the costs.



Under the environment and climate action programme, LIFE, special attention will be paid to projects put forward by the outermost regions in the calls for proposals. The programme will support small projects for protecting biodiversity and ecosystems in these regions.

The new **Asylum and Migration Fund** and the **Internal Security Fund** will provide the Member States concerned with resources to help these regions to sustainably manage migration and address situations of migratory pressure.

The space facilities of the outermost regions have benefited from the expansion of the **Union's space policy**, in particular the European launch site, Spaceport, situated in French Guiana. The European Commission has recently proposed that the EU should step up its efforts in this field under the new Financial Perspective. This should lead to further economic benefits.



THE NEW EU STRATEGY FOR THE OUTERMOST REGIONS: A PRIVILEGED AND ENHANCED PARTNERSHIP

The Strategy aims to ensure the outermost regions take their rightful role in European policies and to support them on the path of growth, by:

1) taking the specific nature of the outermost regions into account early on in policy-making: Under the Strategy, the impact on these regions of decisions taken at European level is to be analysed in advance, in order to shape policies that better reflect their realities and interests. This concerns in particular the negotiation of international agreements on fisheries or external trade involving products that are important for the regional economies;

2) ensuring closer partnership at all levels: The Strategy aims to strengthen the dialogue between the Commission and the outermost regions by proposing the establishment of platforms on common issues raised by the regions or their Member State, with the participation, if need be, of other institutions, such as the European Investment Bank, and the private sector;

3) providing bespoke support: Each of the nine regions is unique, with its own challenges and strengths. The Commission has proposed that, together with their Member States, it will, on request, set up task forces on particular problems. One task force has already been set up, in February 2018, to support the energy transition in Réunion. Another task force on waste management in the Canary Islands is due to start its work in autumn 2018.

As part of this Strategy, the Commission has also launched an initiative with a EUR 4 million budget to improve these regions' participation in the **Horizon 2020** research programme. The Commission has also announced that it intends to consider allowing State aid for the construction of new vessels in the outermost regions, subject to conditions ensuring sustainable fishing.



STRATEGIC INVESTMENTS FOR THE FUTURE UNDER THE JUNCKER PLAN

As part of the new Strategy, the Commission has proposed a new initiative devoted to the outermost regions under the Juncker Plan to allow them easier access to the European Fund for Strategic Investments (EFSI). The European Investment Bank has conducted a feasibility study on the creation of investment platforms, with several options that could potentially be supported by the EFSI.

But the Juncker Plan has already crossed oceans, with four infrastructure projects in the outermost regions, representing EUR 300 million in funding. This includes **a new network of hybrid and electric buses in the Canary Islands** which reduces the travel time for passengers and improves the quality of air in the region. The most recent project, signed on 14 June 2018, concerns **the development of Roland Garros Airport in Réunion**, with EUR 100 million worth of funding.

A **Fund of funds to support entrepreneurs in Réunion**, combining funds from the Cohesion Fund and the EFSI, and an **investment platform for the French outermost regions** launched by the French Development Agency are also supported by the Juncker Plan. This platform enabled the first EFSI project in French Guiana to be started, an intergenerational social project signed in the presence of President Juncker when he visited that country in October 2017.



EUROPEAN STRUCTURAL AND INVESTMENT FUNDS SUPPORT AND SPECIAL MEASURES FOR GROWTH AND JOBS

For the 2014-2020 period, the EU is allocating these regions **EUR 13.5 billion** under the European Structural and Investment Funds and POSEI, thus supporting not only key sectors such as fisheries and agriculture but also innovation, energy infrastructure, entrepreneurship and vocational training.

In addition to EU subsidies, the outermost regions benefit from specific measures or derogations affording them easier access to the internal market in order to mitigate the effects of their geographical and economic constraints and stimulate growth.

In May 2017, the rules on State aid for the EU's outermost regions were clarified and simplified to allow Member States to better cover the additional costs incurred by undertakings engaged in activities in these regions, in all economic sectors.

In June 2017, the Commission decided to increase the annual quota of traditional rum produced in the French overseas departments that enjoys a reduced rate of tax, thus giving a shot in the arm to the sugar-cane/sugar/rum sector in the French outermost regions, which accounts for more than 40 000 direct and indirect jobs.

THE SOLIDARITY FUND: EUROPEAN SOLIDARITY IN ACTION IN THE OUTERMOST REGIONS

Within the first few hours of the devastating Irma and Maria hurricanes hitting the Caribbean in September 2017, the EU showed its solidarity by mobilising its emergency response instruments and offering aid for reconstruction in the longer term with the support of European funds. The Commission allocated **EUR 49 million to Saint Martin and Guadeloupe** in February 2018.

The Solidarity Fund was also deployed for **Madeira**, hit by forest fires in August 2016. Financial aid of nearly **EUR 4 million** was paid to help cover the costs of emergency measures, clean-up operations and the restoration of public infrastructure.



DIRECT, REGULAR CONTACT WITH THE COMMISSION

President Juncker had meetings with the Presidents of the outermost regions in Brussels in April 2016 and again in March 2017, at the 4th Forum of the Outermost Regions. He also met with the Members of the European Parliament from those regions in Strasbourg in May 2016.

President Juncker went to French Guiana in October 2017 to attend the annual Conference of Outermost Regions, alongside the President of France, Emmanuel Macron.

The Commissioner for Regional Policy, Corina Crețu, regularly meets with representatives of the outermost regions and attends every annual conference, organised by the region holding the presidency.

The next important meeting will be on 22 and 23 November 2018 when the Canary Islands will host the annual conference, which will also address the issue of how the United Kingdom leaving the EU will affect these regions.

