Promoting cohesion and development in the outermost regions of the EU: implementation of Article 349 TFEU

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The Committee on Regional Development adopted an own-initiative report by Younous OMARJEE (GUE /NGL, FR) on promoting cohesion and development in the outermost regions of the EU: implementation of Article 349 of the TFEU.

The outermost regions (ORs), while remaining an integral part of the EU, were recognised under Article 349 of the TFEU as having a special status. The report assessed implementation of Article 349, and analysed how EU policies and legislation can be better tailored to suit the Outermost Regions.

Stating that Article 349 of the TFEU has only been used in a limited manner, Members called on the Commission to propose an **action plan accompanied, if necessary, by legislative initiatives** making it possible to implement a consistent and effective strategy with regard to the outermost regions.

The broad themes of the report are as follows:

Agricultural policy: whilst noting that the POSEI programmes is essential for the purpose of maintaining production by the outermost regions and that it accords with the new objectives of the Common Agricultural Policy (CAP), the report stressed the need to:

- provide better support for **diversification** of production in the outermost regions, and to introduce actions designed to resolve the market crises which certain sectors are facing;
- ensure better provision for the **specific nature of 'traditional' agricultural sectors**, particularly via common organisations of the market;
- establish a support scheme for sugar-cane growers in the event of a fall in world sugar prices, and maintain support for banana producers;
- adopt a legal framework for **products under the organic label**, and a legal framework concerning sanitary and phytosanitary issues that take into account the characteristics of agricultural in the outermost regions, in a tropical context.

The efforts made in the outermost regions to modernise and to render their industries competitive should not be undermined by free trade agreements signed between the EU and third countries.

Trade policy: Members noted that the growing number of trade agreements with third countries, have weakened the agricultural sectors of the outermost regions. They called for the trade negotiations conducted by the Union to duly take into account the specific characteristics of outermost regions and products that are sensitive to them, in particular bananas, sugar, rum, tomatoes and fishery products. The Commission was urged to accompany proposals for trade agreements with impact analyses, which should, where relevant, address the outermost region dimension.

Sustainable maritime policy, fisheries and blue growth: the report asked the Commission to consider setting up a **support system for sustainable fisheries** in the ORs based on Article 349 TFEU, and urged the Commission and the Council to implement all the measures set out in Parliament's resolution of 27 April 2017 on the management of fishing fleets in the outermost regions.

Considering the wealth of the oceans, Members considered that sustainable 'blue growth' constitutes an opportunity to mitigate the structural inequalities between the ORs and continental Europe and could help to make the ORs the focus of a future-centred European policy.

Welcoming the study launched by the Commission concerning the potential for sustainable blue development in the outermost regions, the report called for a genuine **European programme** for the ORs addressing the challenges on food security, sustainable agriculture, marine and maritime research and the bio-economy.

Cohesion policy: Members recalled that Article 349 TFEU provides for specific access to structural funds for the outermost regions and that, on that basis, all the ORs should be regarded as 'least developed regions'. They called on Member States to fully implement the pre-conditions, with regard, in particular, to investment in the areas falling within their jurisdiction, so that European funds and policies in the outermost regions perform as well as possible. The report called for:

- the **continuation of budget allocations** to the ORs, of compensation of excess costs, and of all duly justified derogations intended to compensate them for their structural disadvantages;
- in the context of the next multiannual financial framework (MFF), for the strict application of the criteria laid down in the general regulation setting financial envelopes;
- the creation of an **additional allocation** within the framework of the ESF in order to support employability, mobility and training in the ORs.

Competition policy and State aid: the Commission was invited to rely further on Articles 107(3)(a) and 349 of the TFEU in the Regional State Aid Guidelines and the GBER (General Block Exemption Regulation) in order to contribute to the economic and social development of the ORs and pay greater attention to them.

Research, the environment, education, culture, transport, energy and telecommunications: Members felt that crosscutting EU programmes should provide for **access conditions specific to the ORs** so as to ensure their effective participation and to promote their assets by means of programmes such as Horizon 2020, Creative Europe, COSME or LIFE. They also wanted to see:

- the integration of the outermost regions fully into the **trans-European transport**, energy and telecommunications networks;
- improvement in the way the common characteristics of the outermost regions are taken into account within the framework of the **Erasmus** programme;
- an impact study regarding the possibilities of applying the **Natura 2000** programme to **the French ORs,** with a view to establishing the most appropriate tools for the protection of the biodiversity and environment of these regions;
- attention to the specific nature of the ORs when addressing matters relating to **digital network coverage.**

Lastly, the report called for a genuine European industrial strategy to be deployed in the ORs, generating jobs that cannot be outsourced, and based on the capacity of businesses to consolidate their local roots.