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

2016/2250(INI) - 06/07/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 420 votes to 75, with 10 abstentions, a resolution on promoting cohesion and development in the outermost regions (ORs) of the EU: implementation of Article 349 of the TFEU.

Article 349 of the TFEU recognises the **special economic and social situation** of the ORs, which is compounded by factors (remoteness, insularity, small size, difficult topography and climate, dependence on a few products, etc.) the permanence and combination of which severely restrain their development.

However, the ORs also benefit from **significant assets** (potential of growing tourism-related activities, blue growth, significant renewable energy resources, a rich natural heritage and considerable biodiversity).

Stating that Article 349 of the TFEU has only been used in a limited manner, Parliament 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 resolution 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 resolution also 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 (e.g. tomato and livestock sector);
- 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;
- encourage the farmers of the ORs to promote their **high-quality products** by supporting the use of the ORs logo, as well as other forms of quality certification.

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.

In the event that they are crucial for the protection of products from the ORs, tariff and non-tariff barriers should be maintained and safeguard clauses and stabilisation mechanisms be activated.

Sustainable maritime policy, fisheries and blue growth: the EU's blue economy represents around 5.4 million jobs and a gross value added of around EUR 500 billion per year.

In this context, Members asked the Commission to consider setting up a support **system for sustainable fisheries** in the ORs 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**, Parliament considered that sustainable 'blue growth' constitutes an opportunity to mitigate the structural inequalities between the ORs and continental Europe. It encouraged the Union and the Member States to further invest in the seas and oceans, especially in relation to the outermost regions. It suggested launching 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.

Parliament 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;
- more attention be paid, in the implementation of the European Fund for Strategic Investments (EFSI), to the ORs and the least developed and most isolated regions;
- intensify EU action to support and train young people in the ORs, particularly by means of the Youth Employment Initiative;
- 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 is called upon to rely further on specific provisions 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.

Members also called on the Commission to step up its action to combat the large monopolies in the ORs and extend the exceptional tax regimes for the outermost regions beyond 2020.

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 resolution 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.