

Association of the overseas countries and territories with the EU including EU/Greenland /Denmark relations 2021–2027

2018/0244(CNS) - 14/06/2018 - Legislative proposal

PURPOSE: to establish the the rules and procedures governing the EU's association with the Overseas Countries and Territories (OCTs), including Greenland (Overseas Association Decision) for the period 2021-2027.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Overseas Countries and Territories (OCTs) have been associated with the European Union since the entry into force of the Treaty of Rome. These 25 islands located in the Atlantic, Antarctic, Arctic, Caribbean, Indian Ocean and Pacific regions are not sovereign countries, but depend on four EU Member States: Denmark, France, the United Kingdom and the Netherlands.

The OCTs are not part of the Union's customs territory and are outside the internal market. In addition, most OCTs face specific challenges due to their size and remoteness. In this context, the EU has financed territorial and regional European Development Fund (EDF) programmes in the OCTs in previous decades.

The main source of funding for the current '[Overseas Association Decision](#)' is the 11th EDF which covers programming and financing of territorial and regional programmes for OCTs other than Greenland, which is the subject of a specific decision financed from the EU budget (the [Greenland Decision](#)).

Under the next multiannual financial framework of the Union for the period 2021-2027, it is proposed to regroup a number of external financing instruments into a comprehensive instrument called the neighbourhood, development and international cooperation instrument ([NDICI](#)) and to integrate the EDF into the EU budget. **Thus, from 1 January 2021, the Union assistance to OCTs previously financed by the European Development Fund (EDF) shall be financed from the general budget of the Union.**

In order to streamline the number of external financing instruments and their performance, the relations with all OCTs, including Greenland, shall be regrouped by replacing the Overseas Association Decision and the Greenland Decision by a **single Decision**.

CONTENT: this proposal for a Decision aims to establish, for the period 2021-207, an **association of the overseas countries and territories (OCTs) with the Union**, which shall constitute a partnership aimed at fostering the sustainable development of the OCTs and promote the values and standards of the Union in the wider world.

The proposed instrument takes account of the exit of the United Kingdom from the European Union on 29 March 2019 effective with the expiration of the transition period on 1 January 2021 and thus **does not apply to British OCTs**.

Cooperation with the Overseas Countries and Territories (OCTs), including Greenland, shall aim to **support and strengthen economic, political and cultural relations** between the EU and the Overseas Countries and Territories linked to the EU Member States.

Priority shall be given to cooperation in areas of mutual interest, such as:

- the economic diversification of OCTs' economies, including their further integration in world and regional economies;
- in the specific case of Greenland, the need to increase the skills of its labour force;
- the promotion of green and blue economy;
- the sustainable management of natural resources, including the conservation and sustainable use of biodiversity and ecosystem services;
- climate change mitigation and adaptation to the impacts of climate change;
- the promotion of disaster risk reduction;
- the promotion of research, innovation and scientific cooperation activities;
- the promotion of social, cultural and economic exchanges between the OCTs, their neighbours and other partners;
- Arctic issues.

The association is the framework for policy dialogue and cooperation on issues of mutual interest. It shall continue to be based on the **three key pillars** of enhancing competitiveness, strengthening resilience and reducing vulnerability, and promoting cooperation and integration between the OCTs and other partners and neighbouring regions.

Without prejudice to the Commission's prerogatives, the OCT authorities shall have **primary responsibility** for implementing the operations agreed on under the cooperation strategy. The Commission shall be responsible for establishing the general rules and conditions for these programmes and projects.

Actions under this programme are expected to contribute **20 %** of the overall financial envelope of the programme to **climate objectives**.

In principle, the OCTs shall remain eligible, under the next multiannual financial framework, to participate in Union programmes. They shall participate in the thematic programmes and rapid response actions of the neighbourhood, development and international cooperation instrument.

Proposed budget: the proposed decision earmarks **EUR 500 million** (in current prices) to the association with the OCTs under the heading 'Neighbourhood and the world' of the multiannual financial framework for the period 2021-2027.

Of this amount, EUR 225 million shall be allocated to Greenland and EUR 225 million to the other OCTs, including EUR 159 million for territorial programmes and EUR 66 million for regional programmes.

In addition an intra-regional financial envelope of **EUR 15 million** is open to all the OCTs, including Greenland.

Moreover an amount of **EUR 22 million** for technical assistance is foreseen in accordance with the new Decision as well as a non-allocated amount of **EUR 13 million**.

The financial resources for Greenland shall come from heading 6 of the EU budget: 'Neighbourhood and the world'. As regards the other OCTs, their financial allocations shall be **transferred from the EDF** to the 'Neighbourhood and the World' heading of the budget.

