



OPINION

European Economic and Social Committee

The benefits of the outermost regions for the EU

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(exploratory opinion)

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Rapporteur: **Joël DESTOM**
Co-rapporteur: **Gonçalo LOBO XAVIER**

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1. **Conclusions and recommendations**

- 1.1 The EESC recognises that despite the thousands of kilometres separating them from the European continent, the outermost regions (ORs) are an integral part of the EU. The outermost regions (ORs) are islands, archipelagos and one land territory (French Guiana). Nine of these regions are located in the western Atlantic Ocean, the Caribbean basin, the Amazon forest and the Indian Ocean: French Guiana, Guadeloupe, Martinique, Saint-Martin, Réunion and Mayotte (France), the Azores and Madeira (Portugal) and the Canary Islands (Spain). The ORs have almost five million inhabitants. The EESC stresses that ORs represent Europe on a global level and provide Europe with a maritime area unmatched by any other power, and multiple geostrategic assets.
- 1.2 The EESC calls on the Commission to consider the considerable benefits that the ORs can provide for the future of Europe, to frame them as test-beds for promoting progress on a global scale (Europe's food and energy autonomy, the green transition, sustainable tourism, social inclusion, the involvement of civil society organisations, etc.). The ORs can become models which can be replicated in the various geographical areas in which they are located.
- 1.3 The COVID-19 pandemic has underlined the importance of a robust and resilient food system that can operate in all circumstances and provide people with enough food at affordable prices. The Farm to Fork strategy is a new comprehensive approach that shows just how important food sustainability is for Europeans. It is a way to improve lifestyles, health and the environment. European policy in the outermost regions must promote their food autonomy so that they can act as trailblazers for Europe. The ORs are regions of opportunity, where certain traditional economic sectors benefit from permanent European support. Emerging sectors need to be better supported.
 - 1.3.1 The EESC calls on the Commission to take into account the specific nature of the ORs into its work schedule for the Farm to Fork Strategy and to ensure that the POSEI national programmes (Programme of Options Specifically Relating to Remoteness and Insularity) comply with the key objective of promoting sustainable agriculture.
- 1.4 The EESC calls on the Commission to speed up the delivery in the ORs of European projects financed by the EU seeking to identify locally-generated, sustainable and affordable sources of energy, if necessary by triggering Article 349 of the TFEU. The objective is to show that they are capable of developing systems based on renewable energy. Energy costs are generally higher in these regions than on the mainland, and so the ORs can become test-beds as Europe strives to achieve energy autonomy.
- 1.5 The EESC calls on the Commission to ensure that the Renewable Energy Directive (Directive (EU) 2018/2001) is implemented and that Article 29(13) thereof is deleted, because the European Union cannot subsidise the ORs' energy transition while contributing to deforestation in non-EU countries.
- 1.6 The EESC calls on the Commission not to reduce dedicated support to the ORs in the economic context of a post-COVID-19 recovery, since they need adequate financial resources to achieve

the objectives set out in the EU strategy set out in the Fit for 55 package. The ORs are regions whose geographical characteristics leave them heavily exposed to the risks linked to extreme climatic events (such as hurricanes, destructive waves, earthquakes and droughts) which regularly affect their populations. They will therefore be the first to suffer the consequences of climate change.

- 1.7 The EESC calls on the Commission to ensure that the implementation of Article 349 TFEU does not hinder the review of climate, energy and transport legislation, which aims to bring current texts into line with the goals for 2030 and 2050.
 - 1.7.1 This transition to 2030 (and beyond to climate neutrality) must be a collective and inclusive effort, co-designed with the industrial ecosystems.
 - 1.7.2 The updated Industrial Strategy announced the co-creation of transition pathways with social partners and other stakeholders to chart how best to accelerate and benefit from the twin transitions, looking at the scale, speed and conditions facing each ecosystem.
- 1.8 The EESC calls on the Commission to develop a specific pathway for the ORs' ecosystem which will specify the scale of the needs, in particular reskilling, investment or technology needs and devise actions to meet them, building on inputs such as industrial strategy roadmaps. Something along the lines of the INSULAE programme for energy autonomy implemented by the EU's Horizon 2020 programme, could be a starting point for implementing these roadmaps.
- 1.9 The EESC calls on the Commission to develop strong policy guidelines for tourism: the aim is to bring together and think about a change of scale, integrating sustainability principles into all activities, for all occupations, since tourism plays a major role in the ORs' development, because of its multiple spill-over effects and its significant job creation potential, especially for young people. Sustainable tourism must become the ORs' identity. All stakeholders involved in tourism have their role to play in the sustainable development of the sector. The implementation of recovery plans in these regions must build on the diversity of services and professions involved in development, as well as the substantial contribution of micro, small and medium-sized businesses to tourism. While the context calls for consideration of the sector's specific characteristics, the measures needed to ensure the quality of jobs and of trade balances also need to be defined. This will require robust political guidelines: the aim is to bring together and think about a change of scale, integrating sustainability principles into all activities, for all occupations.
- 1.10 The EESC calls for support for the most vulnerable communities and for reflection on how to involve as many people as possible in the climate, digital and social transitions. No transition will be possible if local communities are not fully engaged in these changes, as the ORs' development is based on exceptional but fragile ecosystems. This means anticipating the impact of future policies because the ORs will not escape the changes brought about by the major climate, digital and social transitions. They need to anticipate the total transformation of their economies in order to meet future demands and do this while paying the utmost attention to the social impact of these transitions. Care should therefore be taken to support the most vulnerable communities and to consider ways to get as many people as possible involved in - and if

possible enthusiastic about - this shift. No transition will be possible if local communities are not fully engaged in these changes.

- 1.11 The EESC calls on the Commission to rethink the way it consults the public, to enable any individual or business to take part in consultations without first requiring them to be included on the transparency register. The EESC considers social dialogue to be the most important way of finding specific solutions with the social partners in the ORs. It calls for greater, wider use of such solutions. Civil society must be genuinely involved in shaping European programmes and this must be done in direct cooperation with local and regional stakeholders. The level of actual involvement of social partners and civil society organisations in the implementation and evaluation phases of recovery and resilience plans for ORs must be strengthened. It is essential to establish a contact point at the European Commission that civil society can tap directly.
- 1.12 The EESC calls on the Commission to establish a pact for skills in the ORs, as it has done for several industrial ecosystems.
 - 1.12.1 The green transition of ORs can only succeed if these regions have the skilled workforce they need to stay competitive. Education and training are central to raising awareness and boosting skills for the green economy in this area in the instruments such as the green strand in Erasmus+ and the Education for Climate Coalition. With the European Skills Agenda for sustainable competitiveness, social fairness and resilience, the Commission is rolling out flagship actions to equip people with the right skills needed for the green and digital transition. Under the Agenda, the Commission also facilitates the development of commitments for re- and upskilling in all industrial ecosystems. The ORs must be fully integrated into these Commission flagship actions through the establishment of a specific work programme.
 - 1.12.2 The EESC calls on the Commission to step up efforts to reduce inequalities in the ORs, as the COVID-19 pandemic has affected endeavours to reduce these inequalities. The ORs are considered to be regions riven by ongoing inequalities. The interpretations of the concepts of "centre" and "periphery" provide some explanation of the distribution of wealth in an economy where relations are often unbalanced. Strengthening economic, social and territorial cohesion is one of the EU's main aims.
- 1.13 The EESC calls on the Commission to ensure that the recovery process respects social needs, while remaining uniform and balanced at regional level. It stresses the need to assess a region as a whole in order to find tailor-made solutions.
 - 1.13.1 The EESC calls on the Commission to take measures to ensure digital access in the ORs. More than elsewhere, the inability to ensure reliable access to digital technology across the board and use the associated resources effectively accentuates inequalities. However, the pre-existing digital divides have widened and the pandemic has exacerbated certain disparities, leaving some people behind while digitalisation is gathering pace. Employment, education, health and public services will certainly become increasingly dependent on digital technologies.
 - 1.13.2 The EESC calls on the Commission to make sustained efforts in the field of research and innovation, which are essential to capitalise on all the opportunities offered by the ORs' specific

characteristics in the area of oceans, seas and marine resources and which must be prioritised, as they have great potential to boost economies, create high-quality jobs and ensure people's well-being. This concerns a wide variety of businesses of all sizes. It is crucial both in order to develop traditional activities and to create new market opportunities, which would also help attract young people.

1.14 The EESC calls on the Commission to launch a major water and sanitation access project in the upcoming ORs' operational programmes. These major projects should be directly managed by the European Commission. Major projects mobilise large-scale investments with a unit value of more than EUR 50 million and are supported by EU cohesion policy funds. They directly benefit Member States and their citizens by creating better infrastructures and new jobs, establishing a healthier environment and opening up new business opportunities.

1.14.1 In the French ORs, people do not have access to drinking water and the sanitation system is often inadequate. Access to drinking water and sanitation is inextricably linked to the right to life and human dignity and to the need for an adequate standard of living.

1.15 The EESC calls on the Commission to update its communication on the analyses carried out on the situation of the ORs owing to immigration. It calls for interregional cooperation on migration and for the new EU Pact on Migration to be applied to these regions, permitting a "mechanism of mandatory solidarity" to be implemented due to "migratory pressure".

2. **General comments**

2.1 The ORs, which are located in a number of geographical areas, give Europe a geostrategic, economic and cultural position alongside several continents and provide it with unique benefits. These benefits have intrinsic added value and underpin EU cooperation with third countries, even outside their geographical areas. They contribute to Europe's international influence and offer unique potential for implementing solutions to the challenges facing the EU. The European Commission has announced that a new communication will be adopted, under the French Presidency of the Council, updating the Commission's strategic partnership with these regions.

2.2 Making the most of the benefits identified depends, to a large extent, on the EU's ability to engage with all of its people. Civil society must help raise awareness among the various stakeholders (states, regions, local authorities, local communities, schools, businesses and individuals) about the value of recognising that the ORs can promote spin-offs from tangible operational actions in order to speed up implementation of the Sustainable Development Goals. Impact would be measured in a number of fields (fisheries, agriculture and changing models; culture and promotion of the sector; employment and training; education and youth mobility; business development; environment, energy and climate challenges; immigration).

2.3 The EESC's proposals for reconstruction and recovery following the COVID-19 pandemic determine the framework within which the ORs' assets must flourish. They can reflect how these regions contribute in various areas: pursuing the necessary structural changes and related investment activities, mainly with regard to digitalisation, smart and social innovation and the green transition; continuously improving competitiveness; creating the right environment to

consolidate the place of work as one of the main drivers of economic recovery; creating the conditions for greater self-sufficiency and resilience; substantially improving distribution chains.

2.4 The EU Water Framework Directive recognises that "water is not a commercial product like any other but, rather, a heritage which must be protected, defended and treated as such".

2.4.1 In order to secure and improve access to water and sanitation, three elements are crucial: quality, physical accessibility and affordability. The EU has contributed to ensuring access to safe drinking water and sanitation for the population of its Member States through two main types of actions. Firstly, it has established ambitious water quality standards, guaranteeing a high level of protection for both public health and the environment. Secondly, the EU has provided financial support to expand and improve water infrastructures in the Member States, thus helping to increase both quality and physical access to water-related services. Currently, the French ORs have yet to feel the effects of EU intervention, and the population has no access to water.

3. **Specific comments**

3.1 **A context revealing food and energy priorities**

3.1.1 The ORs are considered to be economically vulnerable regions. Some vulnerabilities are due to their exposure to risks arising from structural variables (such as remoteness, market size, concentration of exports and the share of agriculture and fisheries in wealth creation) while others are linked to their exposure to shocks caused by exceptional situations (such as economic, environmental, social and health crises). The COVID-19 pandemic has raised awareness about the potential consequences of inadequate preparedness. Distribution and supply chains may have withstood this crisis, but there will never be a vaccine able to protect people from the effects of food and energy fragility.

3.1.2 The ORs must show that they are able to meet basic food and energy needs in order to make their populations resilient to external shocks. This is an approach which, while creating local jobs and social ties, aims to involve committed individuals in monitoring innovative projects on the ground, supported by efficient and attentive public bodies. The ORs have what is needed for a transition that brings economic activity and social cohesion. There is a strong cultural basis for a relationship with nature conducive to the emergence of ecosystems favouring healthy and sustainable food production. Similarly, ready access to the most common renewable energies (hydraulic, biomass, wind, thermal, geothermal and photovoltaic) opens up a range of possibilities.

3.1.3 The EU will be adopting a new climate policy cycle - the Fit for 55 package. The ORs can become test-beds for making the European Union more resilient. The Farm to Fork Strategy is a central element of the European Green Deal. The ORs have the means to demonstrate the urgent need to preserve a rich biodiversity, to strengthen the position of farmers and fishers in the value chain, to encourage sustainable food consumption and to promote healthy food at affordable prices for all, without compromising on food safety, quality or price. The ORs can be the

incubators of this EU strategy, which aims to encompass the entire food chain. They can provide effective clarification on the need for timely impact assessments. The energy crisis in the ORs is already critical. This is why specific solutions from all angles need to be found for these regions, since they could be among the worst hit if this energy crisis worsens.

3.1.4 In the ORs, as in all of Europe's regions, the energy transition is not only a matter of technology. It is a major social issue, in which civil society must be involved. In this respect, the recovery following the COVID-19 pandemic provides an opportunity to use funds to achieve the aim of placing people at the heart of the energy transition and thereby boosting the regional economy. Renewable energies, which are widely available in the ORs, are decentralised. They require relatively little investment compared to the costs incurred by centralised large-scale structures. With the Green Deal, the Commission has made climate neutrality its top priority and with the Recovery Plan, it plans to invest billions of euros in reconstructing the economy and in creating and safeguarding high-quality jobs in Europe. The ORs can pave the way for a people-centred approach that takes into account the most vulnerable consumers.

3.1.5 The EU Water Framework Directive recognises that "water is not a commercial product like any other but, rather, a heritage which must be protected, defended and treated as such". In order to secure and improve access to water and sanitation, three elements are crucial: quality, physical accessibility and affordability. The EU has contributed to ensuring access to safe drinking water and sanitation for the population of its Member States through two main types of actions. Firstly, the EU has established ambitious water quality standards, guaranteeing a high level of protection for both public health and the environment. Secondly, the EU has provided financial support to expand and improve water infrastructures in the Member States, thus helping to increase both quality and physical access to water-related services. Currently, some French ORs have yet to feel the effects of EU intervention, since the difficulties faced by the population in terms of access to water are unique in Europe.

3.2 Widening divides and forms of inequality

3.2.1 The ORs are considered to be regions riven by persistent inequality. Interpretations of the concept of "centre" and "periphery" provide a number of explanations for the distribution of wealth in an economy where relationships are often imbalanced. Strengthening economic, social and territorial cohesion is one of the EU's main aims. A significant budget is devoted to reducing disparities, and the ORs benefit from this. While evaluation tools are not perfect, it should be recognised that the COVID-19 pandemic has affected efforts to reduce this inequality. The Conference of Presidents of the ORs on 19 November 2021 also made a statement about these consequences. Social partners and all civil society organisations need to sound the alarm regarding the need to speed up all efforts to put an end to approaches based on catching up, to place people at the centre of tools and measures and to start looking ahead.

3.2.2 Sound economic bases are key to promoting sustainable development and maintaining an ambitious social model in the ORs. Social policies need to go hand in hand with policies that boost economic development, recognising that all of them serve the common good. Creating jobs, developing skills and making labour markets inclusive are the only vaccines against inequality and exclusion, and which make society more stable. The recovery process therefore

has to respect social needs, while remaining regionally even and balanced. We need to look at the regional area as a whole in order to come up with tailor-made solutions.

- 3.2.3 Since March 2020, all regions have engaged in a huge shift towards cyberspace. In the ORs, as elsewhere, schoolchildren have started remote learning, employees have implemented teleworking and companies have sought to change their business models in order to continue to operate. However, pre-existing digital divides have widened and the pandemic has exacerbated some disparities, leaving some people behind as digitalisation picks up the pace. Going back to the way things used to be is not a realistic option and jobs, education, health and public services will certainly become increasingly dependent on digital technologies. In the ORs, more than elsewhere, the inability to ensure widespread and reliable access to digital technology and the efficient use of the associated resources is exacerbating inequality. There is an urgent need to provide access to satellite broadband internet in the ORs, to give people access to digital technologies.
- 3.2.4 In the ORs, activities related to oceans, seas and marine resources should be prioritised, as they have great potential to boost economies, create high-quality jobs and ensure people's well-being. This concerns a wide variety of companies of all sizes. Sustained efforts in the field of research and innovation are essential in order to capitalise on all the opportunities arising from the ORs' specific characteristics. This is paramount both to develop traditional activities and to create new market opportunities, which would also help attract young people.

3.3 The urgent need to step up the involvement of civil society

- 3.3.1 Several pilot projects in the ORs are supported by European programmes (Erasmus+, H2020, etc.). The updating of the Commission's strategic partnership with these regions should provide an opportunity to step up this support and replicate these projects. The aim will be to promote projects for energy autonomy, food autonomy, sustainable tourism, children's education, adult learning and social inclusion. Digitalisation must be a prerequisite for the development of OR economies.
- 3.3.2 Given the major impact of the COVID-19 pandemic on societies in the ORs, the EESC calls for the implementation of economic and social projects geared towards prosperity, giving priority to people's wellbeing and leaving no one behind. A major challenge for these regions is establishing how to remedy forms of inequality and imbalance. The crisis has highlighted and deepened long-standing divides in these societies, especially in terms of access to healthcare and education. The incidence of COVID-19 infections appears to have been higher among the most deprived. The poorest people are also less likely to be able to telework. In the recovery process, ORs can become test-beds for filling gaps in social, economic and environmental policies. In these regions, European funds must be more than figures, targets and deadlines: they should also symbolise a common vision of the future and a genuine interest in the European project.
- 3.3.3 The implementation of recovery plans in the ORs should make it possible to experiment with new practices for monitoring the allocation of funds and resources. Partnerships can include the obligation to set up monitoring committees representing a wide range of stakeholders from civil society organisations. Considering the ORs' benefits for the EU provides an opportunity to call

for a broad consensus between political parties, social stakeholders, entrepreneurs, trade unions and civil society, with a view to ensuring the greatest possible success of these regions in the EU.

- 3.4 In the ORs, the scale of the challenges created by the COVID-19 pandemic, and by the expected transitions, requires the active cooperation of all actors representing civil society, within the scope of their individual responsibilities and competences. Social dialogue is a decisive tool for the implementation of recovery plans in the ORs. It should make it possible to experiment with new ways of monitoring the allocation of funds and resources. Partnerships can include the obligation to set up monitoring committees representing a wide range of stakeholders, including the social partners, given their critical role, as well as other civil society organisations. Considering the benefits of the ORs for the EU is an opportunity to call for a broad consensus, to ensure that these EU regions are as successful as possible.
- 3.5 The ORs are fully susceptible to the demands of globalisation, characterised mainly by the increasing connection of regions, cultures and economies. They represent EU borders that are far from the mainland. The management of migration flows and border protection remains a major challenge for these regions. This leads to vulnerable situations, made worse by the pandemic crisis. Through its communication of 12 September 2007 entitled "Strategy for the Outermost Regions: Achievements and Future Prospects", the European Commission decided to focus on the situation of the outermost regions (OR) in relation to immigration. The analysis revealed a rather complex mix of levels of public action in these regions. The diversity of migration patterns complicates the development of common approaches to migration across these regions.

Brussels, 20 January 2022

Christa SCHWENG

The president of the European Economic and Social Committee
