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REPORT

on the role of Cohesion Policy in the outermost regions of the European Union
in the context of EU 2020
(2011/2195(INI))

Committee on Regional Development

Rapporteur: Nuno Teixeira

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3
EXPLANATORY STATEMENT.....	12
OPINION OF THE COMMITTEE ON BUDGETS.....	14
OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY	17
RESULT OF FINAL VOTE IN COMMITTEE	21

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the role of Cohesion Policy in the outermost regions of the European Union in the context of EU 2020 (2011/2195(INI))

The European Parliament,

- having regard to the combined provisions of Articles 355 and 349 of the Treaty on the Functioning of the European Union (TFEU), which confers a special status on the outermost regions, and Article 107(3)(a) of the TFEU on rules governing State aid to these regions,
- having regard to Articles 174 et seqq. of the TFEU, which establish the objective of economic, social and territorial cohesion and define the structural financial instruments to achieve this,
- having regard to the Commission communication of 26 May 2004 entitled ‘A stronger partnership for the outermost regions’ (COM(2004)0343),
- having regard to its resolution of 28 September 2005 on a stronger partnership for the outermost regions¹,
- having regard to the Commission communication of 12 September 2007 entitled ‘Strategy for the Outermost Regions: Achievements and Future Prospects’ (COM(2007)0507, and the accompanying Commission staff working document of 12 September 2007 entitled ‘Development and Progress of the strategy for the Outermost Regions’ (SEC(2007)1112),
- having regard to its resolution of 20 May 2008 on the strategy for the outermost regions: achievements and future prospects²,
- having regard to the Commission communication of 17 October 2008 entitled ‘The Outermost Regions: an asset for Europe’ (COM(2008)0642),
- having regard to Joint Memorandum of the Outermost Regions of 14 October 2009 on ‘The Outermost Regions in 2020’,
- having regard to the Commission communication of 3 March 2010 entitled ‘EUROPE 2020: A strategy for smart, sustainable and inclusive growth’ (COM(2010) 2020),
- having regard to the Memorandum of Spain, France, Portugal and the Outermost Regions of 7 May 2010 entitled ‘A Renewed Vision of the European Strategy for the Outermost Regions’,
- having regard to the conclusions of the 3022nd General Affairs Council meeting of 14 June

¹ OJ C 227 E, 21.9.2006, p. 512.

² OJ C 229 E, 19.12.2009, p. 12.

2010¹,

- having regard to the first report from the Commission to the European Parliament and to the Council of 24 September 2010, on the impact of the POSEI reform of 2006 (COM(2010)0501),
- having regard to the proposal for a regulation of the European Parliament and of the Council of 24 September 2010 laying down specific measures for agriculture in the outermost regions of the Union (COM(2010)0498),
- having regard to the Commission Communication of 29 June 2011 entitled ‘A Budget for Europe 2020’ (COM(2011)0500 – Parts 1 and 2),
- having regard to the proposal for a Council regulation of 29 June 2011, laying down the Multiannual Financial Framework for the years 2014-2020 (COM(2011)0398),
- having regard to the report entitled ‘Europe’s outermost regions and the Single Market: The EU’s influence in the world’, of 12 October 2011, presented to Commissioner Michael Barnier by Pedro Solbes Mira,
- having regard to the Commission’s communication to the European Council of 18 October 2010 entitled ‘Commission opinion pursuant to Article 355(6) of the Treaty on the Functioning of the European Union on the initiative of the French Government to amend the status of Saint-Barthélemy with regard to the Union’ (COM(2011)0559), and to Decision 2010/718/EU of 29 October 2010 of the European Council amending the status with regard to the European Union of the island of Saint-Barthélemy²,
- having regard to the Final Declaration of the 17th Conference of Presidents of the Outermost Regions of the European Union, of 3 and 4 November 2011,
- having regard to the contribution of the outermost regions of 15 January 2010 to the public consultation on the Commission Working Document on the future ‘EU 2020’ strategy (COM(2011)0647),
- having regard to the joint contribution of the outermost regions of 28 January 2011 on the Fifth Report on Economic, Social and Territorial Cohesion,
- having regard to the contribution of the outermost regions of the EU of 28 February 2011 to the Commission communication of 27 October 2010 entitled ‘Towards a Single Market Act’ (COM(2010)0608),
- having regard to the common platform of 6 July 2010, presented to the President of the Commission, José Manuel Durão Barroso, by the Conference of Members of the European Parliament from the outermost regions,
- having regard to Rule 48 of its Rules of Procedure,

¹ Council document No 11021/10.

² OJ L 325, 9.12.2010, p. 4.

- having regard to the report of the Committee on Regional development and the opinions of the Committee on Budgets and the Commission on Industry, Research and Energy (A7-00084/2012),
- A. whereas the Treaty provides, in Article 349, for a specific legal basis, based on primary law, under which a specific legal status and common policies have been consolidated in the interest of the outermost regions;
- B. whereas the Cohesion Policy should be aligned with, and incorporate the features of, the Europe 2020 Strategy, which is aimed at organising policy initiatives around smart, sustainable and inclusive growth, promoting an economy with a high level of employment that is socially and territorially cohesive, and should take due account of the situation of ORs; whereas the starting conditions in the ORs to achieve these objectives are more severe than in some regions and the ORs are prepared to cooperate in the implementation of the five goals with regard to employment, innovation, education, social inclusion, climate and energy to be achieved by 2020 and whereas the need to direct the objectives of the Europe 2020 strategy towards exploiting their potential and the growth of sectors of excellence does not mean that the structural obstacles facing these regions and the basic development role played by traditional sectors can be ignored;
- C. whereas Cohesion Policy must remain one of the main instruments of European action to reduce disparities in the European regions in general, and in the ORs in particular, with a view to enabling them to integrate into the internal market and assert themselves in their respective geographical areas, promoting the economic development and convergence of these regions with the EU mainland and pursuing the EU 2020 targets, since European Funds are key instruments; but whereas this European policy cannot by itself resolve all of the difficulties facing the ORs;
- D. whereas the major challenge for the economies of the ORs is to transform their constraints into growth potential and opportunities, with instruments that reduce disparities with regard to the free movement of people, goods, capital and services and whereas challenges such as globalisation, climate change, energy supply and the development of renewable energy, the sustainable management of natural, marine and agricultural resources, the preservation of biodiversity, social inclusion and combating poverty, and demographic pressures, require the coordination of all EU policies and instruments;
- E. whereas the deteriorating economic situation resulting from the economic, social and financial crisis has hit ORs particularly hard, highlighting the structural weaknesses of their economies and their dependence on the outside world;
- F. whereas European investments in the ORs not only involve a policy of making up delays and compensating for disadvantages, but are also investments carried out for the benefit and to the advantage of the whole of the European Union;

Differentiated and holistic treatment for the outermost regions

1. Stresses that, under the terms of the TFEU, the ORs are entitled to differentiated and holistic treatment, enabling them to benefit from the maximum level of support, irrespective of their level of development, so that their specific features are sufficiently

considered and protected;

2. Emphasises the need, in accordance with the conclusions of the Fifth Report on Economic, Social and Territorial Cohesion, to increase the flexibility of Cohesion Policy instruments, in such a way as to allow investments capable of ensuring a level of growth and development in line with EU 2020 Strategy objectives, even under particular geographic and demographic conditions;
3. Supports the advisability of ORs pursuing the main objectives defined in the Europe 2020 strategy, but emphasises the need to modulate these in accordance with their own situations, taking into account their regional diversity, their structural conditions and the potential benefits, while stressing that Article 349 of the TFEU, which stipulates the adoption of specific measures aimed at lessening the impact of OR characteristics, should be used more often than it is, and should be given the legal, institutional and political effect needed to ensure fair integration and economic and social development for the ORs within the internal market and, on a wider scale, within the European Union, and to ensure they can fully participate, on an equal footing with other regions, in all relevant EU programmes;
4. Believes that some flexibility needs to be shown for the ORs as regards concentration on the three main thematic objectives laid down in the new proposals for regulations from 2014, so as to avoid excessively restricting the possibility of diversifying and developing existing potential and of exploiting their comparative and competitive advantages;
5. Considers that other criteria should be used to determine the eligibility of ORs for the allocation of structural funds, given that the per capita GDP criterion does not provide an accurate reflection of their specific situations and is contrary to the spirit on which 'outermost region status' is based and to the Treaty itself; calls therefore for the implementation of a specific criterion whereby ORs are classified among the least developed regions regardless of their GDP, this being the most appropriate approach to their specific situation; stresses, moreover, that the co-financing rates in respect of the ORs should be 85 % for all instruments providing aid for those regions; calls for an extension of the period of implementation of these funds in the ORs with a view to more effective implementation;
6. Deplores the proposal, within the additional ERDF funding, to reduce drastically the amounts to be allocated to the ORs and regions with a low population density for the financial period from 2014 to 2020 and is concerned that this allocation, initially designed to compensate for the effects of the structural disadvantages of the outermost regions and regions with a low population density, has been reduced to 50 % by earmarking for different objectives; calls for this allocation to be increased to a co-financing rate of 85 %, as for ERDF mainstream; calls therefore for the financial arrangements for the implementation of EU 2020 should provide for access to EU funding that is at least equal in real terms to that available for the current financial framework in order to implement the Europe 2020 strategy in a coherent and effective manner;
7. Regrets that cuts in other cohesion areas have been made, and more specifically that the Commission proposes an overall cut to economic, social and territorial cohesion financing of 5.1% in constant 2011 prices for the next programming period, including a cut of

20.2% in the financing for convergence regions (excluding transition regions), a 5.6% drop in the financing for competitiveness regions and a 2.9% decrease in the Cohesion Fund allocations;

8. Welcomes the Commission's plan to include a budget line for 'Outermost regions and regions with a very low population density' in MFF 2014-2020, as this will create a clearer link between the funds allocated for those regions and their objectives;
9. Draws attention to the fact that in the proposal for a Regulation on the next ESF, the situation of ORs will not be referred to, considering not only the structural characteristics listed in Article 349 of the TFEU but also their specific economic situation which puts them among the regions with the highest unemployment rates in the EU;
10. Emphasises that European taxation and customs policies should be adjusted in order to enhance the competitiveness of the outermost regions' economies and that the existence of appropriate tax and customs frameworks is of paramount importance to the diversification of economic activity and the creation of sustainable jobs in the ORs;
11. Stresses the need for OR citizens to benefit from the advantages of the internal market on an equal footing with other EU citizens and calls for the adoption of measures in accordance with the recommendations of the Solbes report; Calls for the possibility of developing a specific framework on state aid to ORs to be examined, and favours retaining the current levels of aid for investment in large, medium and small enterprises and the possibility of granting operational aid which is not degressive or limited in time, within a flexible regulatory framework, given that this aid has proven that it does not harm competition and that it assists the ORs in achieving their Europe 2020 strategy objectives, particularly those on innovation, research and the environment; stresses in this connection the importance of public services for economic, social and territorial cohesion in ORs, particularly in the transport, aviation and maritime, postal, energy and communications sectors;
12. Stresses the importance of supporting small and medium-sized enterprises through the allocation of Union funds, with the aim of developing the productive fabric of the ORs and as a means of promoting workers' skills, thus enhancing region-specific products and the local economy;
13. Considers that EU intervention should aim to play a key role and boost initiative by developing, in the ORs, centres of excellence based on sectors which exploit their advantages and their know-how, such as waste management, renewable energy, energy self-sufficiency, biodiversity, student mobility, climate research and crisis management. considers that while measures taken at European mainland level and on the basis of the general characteristics of the European mainland are not always effective in the outermost regions, experimental schemes approved under Article 349 of the Treaty which have had real success can be extended to the rest of the EU; encourages the Commission to maximise these schemes within these regions with a view to achieving innovative, solidarity-based and sustainable growth;

A specific framework for European policies in the outermost regions

14. Calls for agricultural support measures under the POSEI scheme to be strengthened in order to compete with producers who benefit from lower production costs, and calls for the specific arrangements made for the ORs within the CAP to be maintained;
15. Advocates the need for prior assessment of the impact of European regulation projects on the economies of the Outermost Regions;
16. Highlights the need to maintain measures for the sustainable management and protection of marine resources, to gradually restrict access to marine areas identified as biogeographically sensitive so that eventually only local fleets are allowed there, to use environmentally friendly fishing equipment, to promote aquaculture, and to reintroduce the possibility of granting fleet renewal and modernisation aid so as to improve health and safety conditions, and to implement good practices, and calls for an increase in the compensation for additional costs in the POSEI fisheries programme; emphasises the need to take an approach that is better adapted to the realities of each region, on the basis of development models for the sector drawn up by local stakeholders;
17. Regrets that the proposal for the reform of the Common Fisheries Policy does not take sufficient account of the situation of the ORs; draws attention to the marine dimension of the ORs and the importance of the fishing sector in regional development policy and jobs for local populations in view of their Exclusive Economic Zone, the potential of which should be reflected in concrete and coherent measures for a genuine marine economy and duly taken into account in the integrated European maritime policy programme; recalls the growing economic interest in the immense biogenetic and mineral wealth of the ocean depths in the outermost regions, which must be included in the 'Renewed Strategy for the ORs' with the aim of developing a knowledge economy based on the sea; considers in this connection that the ORs must be at the heart of EU maritime policy, emphasising the role they could play in the sustainable use of the sea and coastal regions as well as in international maritime governance, and that the Atlantic ORs should be able to participate in the Atlantic Strategy currently being developed;
18. Draws attention to the importance of the tourism sector and calls on the Commission to speed up the implementation of the European Action Plan and ensure more effective coordination of the existing funding lines, giving specific attention to the ORs;
19. Emphasises that the ORs wish to focus on a research and innovation strategy and on the growth of their business structure, particularly by promoting an entrepreneurial spirit among young people, so as to allow the development of SMEs and avoid youth unemployment; argues for the creation of technological infrastructures and Europe-wide innovation hubs, the development of projects and partnerships with Scientific and Technological System organisations and the exchange of ideas and good practices through European innovation support networks and smart specialisation such as the S3 platform, and long-term investments in the ORs, in the framework of Cohesion Funding and to ensure active participation in the flagship projects of the EU 2020 strategy; calls for the efforts made to date concerning the ORs to be pursued in order both to step up the establishment of local research facilities that are equal to their potential and to encourage and help the development of attractive, successful universities, with genuine resources and with standards equal to those of universities in other parts of the Union's territory;

20. Emphasises the need to facilitate synergy between Cohesion Policy funds and the Framework Programme for Research and Development in order to increase the development of the outermost regions and curb the under-utilisation of research funds;
21. Notes that a single European transport area should contribute towards ensuring the inclusive growth of the ORs, reduce their access gap and combat climate change; calls for the establishment of a specific framework to provide transport subsidies in the ORs particularly for public transport and to develop maritime transport between the islands; calls also for the establishment of logistical platforms and supports the implementation of projects such as Motorways of the Sea; highlights the possibilities of the Marco Polo programme for the ORs; calls on the Commission to increase the programme's flexibility and extend it after 2013 and calls for the Connecting Europe Facility to include specific references to the ORs; urges that ORs be included in TEN-T networks and the new instrument aimed at facilitating European interconnections;
22. Points out that the ORs' dependence on imported fossil fuels results in substantial additional costs; notes also the relatively low level of regional policy investments in ORs to combat climate change; proposes strengthening the renewable energy sector and energy efficiency through initiatives such as the 'Pact of Islands', aimed at developing local action plans for renewable energy and projects suitable for financing, in order to achieve a reduction in CO2 emissions of at least 20 % by 2020 by setting up a dedicated programme for research projects in the fields of renewable energy and diversification of the regional energy base, specifically with regard to geothermal, wave and hydrogen energy, and setting up a specific programme in the field of energy to reduce the costs due to remoteness, infrastructure and provision of services, in order to promote the ambitious policies the ORs have committed to on the development of renewable energy;
23. Notes with concern the effects of climate change in the ORs, most notably rising water levels; calls on the Union to address these issues in its climate change prevention and response strategy; recommends the appropriate use of energy resources and the development of the potential of renewable energies;
24. Urges the Commission to establish a specific programme in the field of energy, transport and information and communications technology, based on the POSEI schemes with the best possible synergies with other EU strands of action in these fields;
25. Considers it necessary to help Member States ensure that the inhabitants of these regions have full access to the sources of the information and communication media provided by new technologies, e.g. broadband technology and wireless technologies, including satellite, and, in particular, access to broadband infrastructure so as to promote economic growth and better administration through the digitisation of services; calls on the Commission and the Member States to ensure that all inhabitants of the ORs have access to broadband internet by 2013;
26. Recognises, in view of the fact that the digital economy is without doubt a driver of economic development in the EU, the effects of the growing problem of digital exclusion, which can become a serious barrier to development;
27. Considers that the innovative financing methods of cohesion policy could partially resolve

the chronic lack of investment in very small enterprises/SMEs in the ORs and stresses the need to improve access to funding for businesses in ORs in particular by setting up a dialogue with the EIB Group and by supporting the creation of local investment funds in each OR as well as the development of regional capital investment markets in accordance with the proposal in the above-mentioned Pedro Solbes Mira report on Europe's outermost regions and the Single Market; calls on the Commission to make a legislative proposal to Parliament and to the Council to this end.

28. Calls for experimental schemes for public procurement, in a limited number of sectors, to be set up in these regions, such that the award procedures are weighted by taking into account the location of the bidders;

Better governance and integration of the outermost regions in the EU and in their geographical environments

29. Advocates greater involvement of the regional authorities of the ORs in preparing and implementing European programmes and policies, respecting the principles of flexibility, adaptability and modulation, within a framework of subsidiarity and a multi-level and partnership-based form of governance, in partnership with the private sector and civil society, in order to ensure that their specific needs are taken into account at all levels of the decision-making process and to ensure greater visibility of these regions in the EU institutions;
30. Considers that one of the main weaknesses of the ORs is resource management; believes it is necessary to equip them with sufficient rudiments to allow them to manage their investments, especially in infrastructure – not only transport infrastructure but also that for water, energy and waste management;
31. Recalls that the above-mentioned recent report by Pedro Solbes Mira on Europe's outermost regions in the single market revealed that the economies of the ORs are constrained in almost every respect by additional costs; draws the attention of the Commission to the monopolies, abuse of dominant positions and cartel offences which have the unfair consequence of exacerbating high living costs; calls on the Commission to carry out an in-depth study on pricing in the ORs in order to determine the correct instruments to make the common market more efficient in these regions;
32. Points to the role of the ORs as EU borders with the rest of the world and advocates an approach, particularly through pursuing the debate the Commission has said it will hold in partnership with the ORs, that recognises their closeness to EU third countries, including the countries with which they have special cultural and historical ties; draws attention to their integration problems in their respective geographical areas, and to the need to find specific innovative schemes which encourage real regional integration through shared programmes and projects between the ORs and neighbouring third countries and to help establish good connections between their respective geographical areas; stresses the significant impact that the external aspects of some EU policies have on ORs and highlights the need to carry out studies to measure the impact of international trade and fisheries agreements and their effects on the ORs and their local production, while also establishing compensatory measures to mitigate any damage resulting from such agreements;

33. Regrets the initial reluctance shown by DG Trade to take into account the specific characteristics of the outermost regions when negotiating Economic Partnership Agreements (EPAs) and urges the Commission to continue to seek compromises that respect the interests of the ORs concerned, when it comes to reaching final agreements with the ACP countries;
34. Recalls again the need for better synergy between cohesion policy funds and the European Development Fund in order to enhance projects of general interest and the regional integration of ORs; recalls in this connection Parliament's reiterated position in favour of including the EDF in the budget;
35. Stresses the importance of regional cooperation for ORs and of the continuation of territorial cooperation programmes in the ORs; in this context, advocates more relaxed regulations aimed at using more effectively the available funding and completing cooperation projects as well as raising the ERDF co-financing rates to 85 %, giving greater priority to transnational cooperation and removing, in the case of the ORs, the 150km criterion for sea borders in cross-border cooperation; also recalls that the special geographical location of the ORs, and the importance of their geostrategic role, represent a considerable added value for the European Union in its relations with African and Central American countries and the United States of America;
36. Considers that the development of crossborder e-government services will contribute to the integration of the ORs into the internal market of the Union;
37. Points out that the Danish, French and Dutch overseas territories referred to in paragraphs 1 and 2 of Article 355 of the TFEU can choose to become ORs, opting for whichever status is most appropriate to their situation, and draws attention to the current ORs and to the decisive role they can play in promoting and consolidating their status;
38. Draws attention to the imminent accession of Mayotte to OR status and calls on the Commission to increase its essential support for the proper absorption of funds; points out in this respect the available budget for the preparatory action to assist Mayotte and the need to provide specific schemes to aid this region, or any other territory potentially affected in the next multi-annual financial framework, with its switchover to outermost region status, so as to support these territories in their process of transformation into ORs;
39. Instructs its President to forward this resolution to the Council, the Commission, and the Member States.

EXPLANATORY STATEMENT

The Outermost Regions of the European Union comprise a set of regions which, due to the specific characteristics associated with their physical and structural conditions and resulting from their remoteness, insular locations, difficult topography and climate, constitute a specific group of regions recognised by article 349 of the TFEU¹.

These Regions possess a special status enshrined in the Treaty, which permits a derogation from the rules of the Treaty and the adjustment of these rules to the Outermost Regions, by virtue of their particular characteristics and conditions. As these regions' constraints and difficulties are permanent and distinguish them from other European regions, the EU rules and programmes cannot be applied in the same way as in the rest of the EU territory. Their implementation has to be guided by a territorial approach.

It is therefore necessary and desirable to examine, in relation to the future cohesion policy of the Outermost Regions, how the EU 2020 objectives of smart, sustainable and inclusive growth can be achieved in these European regions, which possess permanent characteristics and constraints arising mainly from their remoteness which justify the adoption of specific measures by the European Union.

The Cayenne Principles, enshrined in 1999, are the main foundations of the action framework of the European Union for the Outermost Regions and, according to these principles – the principle of equal opportunities, the principle of value in potential, the cohesion principle and the partnership principle – European action should provide the necessary prerequisites to convert the potentials of the Outmost Regions into real economic growth factors, including through specific measures.

The Memorandum on 'A renewed vision of the European Union for the Outermost Regions', of May 2010, in this context, defines the main lines along which European action must be guided in relation to the Outermost Regions, highlighting the need to ensure a balance: between potentials and constraints, between the internal and external aspects of the European Union's policies, by promoting territorial cohesion, and between the adaptation of European Union policies of a general nature and the adoption of specific instruments for the benefit of the Outermost Regions.

In the conclusions of the General Affairs Council, of 14 July 2011, the Commission was requested to present a paper on this topic, and to schedule a communication on a Renewed Strategy for the Outermost Regions of the European Union for publication at the beginning of 2012. This paper should present the main issues that should be considered in forecasting the performance of the Outermost Regions in the implementation of the EU 2020 strategic objectives.

Concerning the main priorities to be taken into account by the cohesion policy in the

¹ The EU's outermost regions currently consist of: Madeira, the Azores, the Canary Islands, Martinique, Guadeloupe, Réunion, French Guiana and Saint Martin.

Outermost Regions in the context of EU 2020, the rapporteur advocates:

1. A differentiated and combined treatment of the Outermost Regions of the EU that takes due account of their uniqueness within the framework of EU policies, with special emphasis on the cohesion policy, as the main instrument for action on their small economies; however, this differentiation does not merely mean paying special attention to compensation for the effects of their remoteness, but also including an appropriate strategy providing a development model capable of taking advantage of their strengths, in the interest of greater competitiveness, greater growth and job creation;
2. Adjustment to take account of the application of European policies in the Outermost Regions of the EU, since it is only through the specific framework of EU policies that these regions will be able to better achieve the objectives of economic, social and territorial cohesion and contribute towards the accomplishment of the EU 2020 objectives; in the areas of the policy on agriculture and fisheries, the specific measures of the POSEI programmes have been successful, which allows for the further consideration of the possibility of launching other programmes of this nature in other possible sectors such as energy and sources of renewable energy, transport and ICT. Furthermore, the areas of research and innovation, transport and telecommunications and tourism, customs and tax policy, free trade areas and business policies require particular attention in the application of European policies to the Outermost Regions.
3. Better integration of the Outermost Regions into the EU, which requires more effective governance through a governance system at various levels, territorial continuity to improve access to the benefits of a single market and development of their incorporation within the context of regional neighbourhood plans. Better integration of the Outermost Regions into their geographical areas, which can only happen if these regions are accorded their due place in the external dimension of European policies, especially in the light of their relationships with third countries and with countries with which they have special historical relationships.

Via the various proposals outlined above, the rapporteur wishes to contribute to finding a more balanced response regarding European action to the challenges faced by the Outermost Regions of the European Union within the scope of the EU 2020 Strategy objectives, highlighting the role of the cohesion policy and anticipating some of the issues that should be taken into consideration in the proposal for a renewed Strategy for the Outermost Regions of the EU, in a position to be adopted by the European Parliament.

8.3.2012

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Regional Development

on the role of Cohesion Policy in the outermost regions of the European Union in the context of EU 2020
(2011/2195(INI))

Rapporteur: Ivars Godmanis

SUGGESTIONS

The Committee on Budgets calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalls that the Europe 2020 Strategy has been conceived as the main instrument for driving the European economies out of the economic crisis and that regional and cohesion policies are recognised as central instruments for the achievement of its targets, due to their budgetary dimension and multi-level governance approach; considers therefore that the outermost regions, as an integral part of the Union, should be instrumental in delivering goals and objectives of the Europe 2020 Strategy and should, therefore, be allocated the necessary financial means to take due account of their remoteness, insularity, small size, difficult topography, climate and economic dependence on a few products, as stipulated in Article 349 of the TFEU, enabling them to fully contribute to the new economic and budgetary strategy of the European Union for the period to 2020 for their own benefit and the benefit of the EU as a whole;
2. Regrets that in the Commission's proposal for a multiannual financial framework for the period 2014-2020 cuts have been proposed to the entire spectrum of Cohesion Policy measures and objectives (-5.1% in constant 2011 prices¹) and that the additional allocation for the outermost regions is also not spared; stresses that the total amount of cuts for outermost regions is impossible to determine as the special allocation of EUR 926 m in

¹ All figures used in this opinion are based on the calculations provided by DG REGIO, Development, Coordination and Communication of Cohesion Policy Directorate, of the European Commission.

the next MFF covers not only the outermost regions but also the northern sparsely populated areas, as set out in Protocol 6 to the Treaty of Accession of Austria, Finland and Sweden; notes, nevertheless, that the additional allocation, covering both outermost regions and northern sparsely populated areas for 2014-2020 (EUR 926 million) represents approximately 50% of the amount allocated in the period 2007-2013 (EUR 1 738 million);

3. Recalls that the outermost regions should benefit from specific measures and additional funding to offset the handicaps resulting from the factors referred to in Article 349 of the Treaty; considers that capping co-financing rates at 85 % for outermost regions is a positive step in this direction and calls on the Commission to determine other ways of assisting these regions, especially if the funding allocated to them is reduced for the next programming period;
4. Emphasises the need, in accordance with the conclusions of the Fifth Report on Economic, Social and Territorial Cohesion, to increase the flexibility of Cohesion Policy instruments, in such a way so as to allow investments capable of ensuring a level of growth and development in line with EU 2020 Strategy objectives, even when there are particular geographic and demographic conditions;
5. Emphasises the need to facilitate synergy between Cohesion Policy funds and the Framework Programme for Research and Development in order to increase the development of the outermost regions and curb the under-utilisation of research funds;
6. Regrets that cuts in other cohesion areas have been made – more precisely, the Commission proposes an overall cut to economic, social and territorial cohesion financing of 5.1% in constant 2011 prices for the next programming period, of which a cut of 20.2% in the financing for convergence regions (excluding transition regions), a 5.6% drop in the financing for competitiveness regions and a 2.9% decrease in the Cohesion Fund allocations;
7. Welcomes the Commission’s plan to include a budget line for ‘Outermost regions and regions with a very low population density’ in MFF 2014-2020, as this will create a clearer link between the funds allocated for those regions and their objectives;
8. Draws attention to the need for the proposal for the future Multiannual Financial Framework to take account of the fact that some European territories will acquire ‘outermost region’ status in the 2014-2020 period; calls on the Commission to adapt its budgetary projections accordingly.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	8.3.2012
Result of final vote	+ : 18 - : 4 0 : 6
Members present for the final vote	Marta Andreasen, Francesca Balzani, Jean-Luc Dehaene, Isabelle Durant, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Jens Geier, Ivars Godmanis, Ingeborg Gräßle, Carl Haglund, Jutta Haug, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, George Lyon, Barbara Matera, Claudio Morganti, Dominique Riquet, László Surján, Helga Trüpel, Derek Vaughan, Jacek Włosowicz
Substitute(s) present for the final vote	Frédéric Daerden, Jan Mulder

1.3.2012

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Regional Development

on the role of Cohesion Policy in the outermost regions of the European Union in the context of EU 2020
(2011/2195(INI))

Rapporteur: Niki Tzavela

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the Commission's renewed strategy for the Union's outermost regions (ORs), which will address OR performance in terms of the goals of EU 2020, i.e. those of smart, sustainable and inclusive growth; underlines the advantages of developing a neighbourhood policy focused on the emergence of proper integrated regional markets; stresses that the implementation of the EU 2020 strategy should be adapted to the specific reality of the ORs;
2. Calls for smart specialisation strategies and long-term investment in the ORs, within the framework of the EU 2020 strategy and of cohesion funding, and with a view to ensuring active participation in the flagship projects;
3. Insists on the need to analyse the growth factors in these regions characterised by structural difficulties, identifying strategies that offer scope for improving their competitiveness as well as others aimed at reducing their dependency; considers it fundamental to identify strategic projects by means of thorough ex-ante analyses and ex-post evaluations, which are essential for determining the socio-economic impact of such projects; favours, in addition, including in such analyses the various regional, local and civil society actors, who have real knowledge of the strengths as well as the weaknesses of these regions;
4. Considers that one of the main weaknesses of the ORs is resource management; believes it is necessary to equip them with sufficient rudiments to allow them to manage their

investments, especially with regard to infrastructure as it relates not only to transport, but also to water, energy and waste management;

5. Underscores the need to establish a clear link between targets and funds; observes with concern that in the new Commission proposal on the future Multiannual Financial Framework to begin in 2014, cohesion policy is one of the policies most affected by cuts, and that, consequently, the resources allocated to the development of the ORs will fall by 7.5 %, to EUR 70 million less than those allocated for the preceding period;
6. Calls for a better integration of the ORs into the Union and into their geographical areas; highlights in this context the potential of the ORs to act as bridges for research, knowledge and innovation between Europe and third countries, and calls on the Union and the Member States to take account of their important role when dealing with third countries;
7. Calls on the Commission and the Member States to make use of the geographical and territorial characteristics of the ORs so as to allow them to contribute to achieving the targets set in the EU 2020 strategy, also by adapting the European programmes according to their specificities;
8. Recognises the need to unlock innovative potential and the spirit of enterprise in the ORs, in particular through exchange networks; notes with concern their low participation in the Research Framework Programme; calls for the adaptation of cohesion policy and research and innovation policies to the specific needs of the ORs, and for the development of synergies between the Research Framework Programme Horizon 2020 and the Structural Funds, so as to encourage the participation of fledgling units of excellence and increase investment in training;
9. Underlines that the use of cohesion policy instruments should be adapted to the ORs' economies, with due regard to the importance of their small and medium-sized enterprises and the need for competitiveness and employment;
10. Stresses the importance of supporting small and medium-sized enterprises through the allocation of Union funds, with the aim of developing the productive fabric of the ORs and as a means of promoting workers' skills, thus enhancing region-specific products and the local economy;
11. Notes with concern the effects of climate change in the ORs, most notably rising water levels; calls on the Union to address these issues in its climate change prevention and response strategy; recommends the appropriate use of energy resources and the development of the potential of renewable energies;
12. Considers it necessary to help Member States ensure that the inhabitants of these regions have full access to the sources of the information and communication media provided by new technologies, e.g. broadband technology and wireless technologies, including satellite, and, in particular, access to broadband infrastructure so as to promote economic growth and better administration through the digitisation of services; calls on the Commission and the Member States to ensure that all inhabitants of the ORs have access to broadband internet by 2013;

13. Recognises, in view of the fact that the digital economy is without doubt a driver of economic development in the EU, the effects of the growing problem of digital exclusion, which can become a serious barrier to development;
14. Stresses the importance of enhancing public services with a view to the economic and social cohesion of the ORs, and specifically air and marine transport, energy, communications and research;
15. Considers that the development of crossborder e-government services will contribute to the integration of the ORs into the internal market of the Union;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	28.2.2012
Result of final vote	+ : 35 - : 0 0 : 1
Members present for the final vote	Gabriele Albertini, Josefa Andrés Barea, Zigmantas Balčytis, Bendt Bendtsen, Pilar del Castillo Vera, Gaston Franco, Norbert Glante, Fiona Hall, Edit Herczog, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Bogdan Kazimierz Marcinkiewicz, Judith A. Merkies, Jaroslav Paška, Vittorio Prodi, Miloslav Ransdorf, Teresa Riera Madurell, Jens Rohde, Paul Rübig, Francisco Sosa Wagner, Konrad Szymański, Patrizia Toia, Evžen Tošenovský, Claude Turmes, Alejo Vidal-Quadras
Substitute(s) present for the final vote	Maria Badia i Cutchet, Jolanta Emilia Hibner, Yannick Jadot, Seán Kelly, Alajos Mészáros, Vladko Todorov Panayotov, Mario Pirillo, Pavel Poc, Vladimír Remek, Hannu Takkula

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	20.3.2012
Result of final vote	+: 36 -: 2 0: 4
Members present for the final vote	François Alfonsi, Catherine Bearder, Jean-Paul Basset, Victor Boştinaru, John Bufton, Salvatore Caronna, Tamás Deutsch, Rosa Estaràs Ferragut, Brice Hortefeux, Danuta Maria Hübner, Vincenzo Iovine, María Irigoyen Pérez, Seán Kelly, Mojca Kleva, Constanze Angela Krehl, Petru Constantin Luhan, Riikka Manner, Iosif Matula, Erminia Mazzoni, Jens Nilsson, Jan Olbrycht, Wojciech Michał Olejniczak, Younous Omarjee, Markus Pieper, Tomasz Piotr Poręba, Monika Smolková, Ewald Stadler, Georgios Stavrakakis, Nuno Teixeira, Lambert van Nistelrooij, Kerstin Westphal, Joachim Zeller, Elżbieta Katarzyna Łukacijewska
Substitute(s) present for the final vote	Andrea Cozzolino, Karima Delli, Cornelia Ernst, Ivars Godmanis, Maurice Ponga, Vilja Savisaar-Toomast, Elisabeth Schroedter, Patrice Tirolien, Giommaria Uggias, Derek Vaughan, Sabine Verheyen