



2022/2147(INI)

1.2.2023

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Regional Development

on the assessment of the new communication of the European Commission on
Outermost Regions
(2022/2147(INI))

Rapporteur for opinion: Gabriel Mato

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SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas agriculture is a key sector for the economy, employment and the territorial and social cohesion of the outermost regions;
- B. whereas agricultural holdings in outermost regions are challenged by their remote location, limited diversity of production owing to local and climatic conditions and historical developments, a high dependence on local markets, the climate crisis, environmental degradation, biodiversity loss and a lack of energy, and often face a lack of fresh and clean water;
- C. whereas outermost regions contain 80 % of European biodiversity, harbouring many of the EU's endemic species, and encompass very rare, primary ecosystems; whereas outermost regions are also among the most ecologically vulnerable territories of the Union, as their small size, isolation and high level of endemic biodiversity, make them particularly exposed to anthropogenic and climate change-induced dynamics threatening natural ecosystems on a global scale and the communities that rely on them;
- D. whereas most outermost regions are highly vulnerable to climate change and extreme weather events, such as hurricanes, and this situation is aggravated by the fact that they are located further away from the continents, in vast ocean basins;
- E. whereas it is important to note the principles set out in the European Pillar of Social Rights, including its focus on eliminating inequalities and promoting gender equality and gender mainstreaming;
1. Welcomes the EU's commitment to continue strongly supporting agriculture and fisheries in the outermost regions; welcomes, in this context, the fact that the new revised strategy for the outermost regions recognises the agricultural sector as crucial to the creation of jobs and economic growth in these regions; welcomes, furthermore, the increased cooperation between the Commission and the Member States enabling them to adapt and modernise their activities funded by the programme of options specifically relating to remoteness and insularity (POSEI); stresses that the conclusions of the Commission's 2016 report on the implementation of the POSEI programme¹, which highlight the programme's ability to address the particular agricultural challenges of the outermost regions, as defined in Article 349 of the Treaty on the Functioning of the European Union (TFEU), remain highly relevant; recalls that the conclusions of the Commission's 2021 report on the implementation of POSEI highlighted its positive overall performance and its efficiency in strengthening local agricultural and food production and in mitigating the risk of abandonment of agricultural activities, which would have a significant adverse effect on employment and on the social and territorial

¹ Commission report of 12 July 2021 on the implementation of the scheme of specific measures for agriculture in favour of the outermost regions of the Union (POSEI) (COM(2021)0765).

dimension of the outermost regions;

2. Considers that POSEI should be maintained as a permanent EU programme linked to the common agricultural policy (CAP) and funded from EU resources, given the permanent constraints outermost regions face; considers furthermore that POSEI should be strengthened in order to support sustainable local production, reduce the dependency of the outermost regions on agricultural and agri-food supplies, ensure food security and the ability of producers from these regions to access markets, be they local or within the wider EU, to help them to achieve the ambitions of the new Green Deal and to cope with increasing competition from third countries and soaring energy prices; calls, in this regard, for an increase in the budget of POSEI, which is essential to meet the growing needs and ensure the sustainable development of local production in these regions, which have significant additional production costs; recalls that the current allocation was calculated in 2006 and that there have been significant changes in economic and trade conditions since then; calls, furthermore, for the inclusion of adjustments aimed at improving the aid for agriculture and livestock in the outermost regions;
3. Considers it necessary not only to guarantee the specific nature of remoteness across the board in the various EU policies, but also to set up an EU support programme for these regions, with the appropriate financial resources and incorporating all existing measures, in order to ensure greater consistency and effectiveness of measures in favour of the outermost regions and the consolidation of their status;
4. Welcomes the fact that the new CAP strategic plans take into account the specific situation of the outermost regions and considers it necessary to promote modernisation, including farming digitalisation, diversification of agricultural production and greater support for the most vulnerable sectors, with a view to achieving greater food sovereignty;
5. Calls on the Commission to maintain close alignment between POSEI and rural development programmes, given the high level of interdependence between these two types of support;
6. Considers that, in line with Article 349 TFEU, as regards access to the structural funds for the outermost regions, the EU co-financing rates for these regions should be increased and that the funds earmarked for these regions should not be conditional on their gross domestic product relative to the EU average;
7. Calls for POSEI to be used to recognise and promote regional crops and products as part of the historical and cultural heritage and identity of the outermost regions;
8. Considers that family farming plays an irreplaceable role in maintaining and protecting the countryside and in crop diversification and is of particular importance in increasing traditional agri-food production, supplying fresh food to local and regional markets, diversifying agriculture, protecting biodiversity and the environment, reducing the use of plant protection products, increasing self-consumption and reducing external food dependency; recognises that the outermost regions face social and economic development constraints owing to their remoteness, insularity, small markets, geographical dispersion and small size;

9. Considers that the outermost regions should continue to design, implement and manage their own rural development measures;
10. Recalls that the effects of natural disasters, COVID-19, the ongoing war in Ukraine and inflation have had particularly harmful effects on the outermost regions because of their isolated location and difficulties in accessing basic supplies, such as fuel or water, from mainland territories; urges the Commission to provide adequate additional financial support, greater flexibility and speedier disbursement of funds designated for farmers affected by exceptional and unforeseen circumstances, such as natural disasters, including powerful tropical storms or volcanic eruptions, health crises or war;
11. Stresses that the outermost regions are frequently subject to adverse climatic events that are instrumental in altering the landscape, resulting in smaller farm sizes, which likewise leads to higher production costs and prevents economies of scale from being made; urges the Commission, in view of meeting these challenges, to allocate coupled support to local producers to strengthen the entire value chain in difficult circumstances like these, in parallel with a rapid adjustment of financing procedures in the event of serious adverse circumstances;
12. Considers that the agricultural sector plays a key role in structuring the outermost regions, providing jobs and helping to ensure food security, which, in the current context, seems to be an unavoidable priority, bearing in mind that unemployment rates in those regions are among the highest in the EU, reaching up to 50 % of the workforce population;
13. Considers that a higher absorption rate of POSEI funds can be achieved by improving local advisory systems through tailored training courses and the exchange of best practices;
14. Calls for urgent measures to be adopted to help tackle the persistent nature of unemployment, poverty and inequalities in these regions;
15. Considers it extremely important for the economic and social cohesion of the outermost regions to guarantee public services, including in the areas of air and maritime transport, energy and communications;
16. Considers it of the utmost importance for the development of these regions to ensure that people have access to the means of information and communication offered by new technologies, in particular broadband;
17. Stresses that the implementation of the new biodiversity strategy in the outermost regions must be coordinated with efforts to strengthen the sustainable development of the agricultural and forestry sectors and take into account the specific geographical and climatic features of these regions; highlights that in these remote regions, farming is the mainstay of the local economy, and the Commission's 'green' requirements may hinder farmers' competitiveness; recalls that the Commission has stated that 'the progress towards the targets will be under constant review, and adjustment if needed, to mitigate

against undue impact on biodiversity, food security and farmers' competitiveness'²; calls for increased support to be given to farmers to develop agro-ecological and biodiversity-friendly practices, including through higher funding and co-financing rates; calls on the Member States to make the best use of the funds available under the LIFE programme;

18. Highlights the dire economic situation of some outermost regions, notably as a result of the lack of employment opportunities, lower salaries and higher prices, in particular of food products; notes in particular the high level of unemployment among young people in the outermost regions, which is 10 to 20 % higher than the EU average; calls on the Member States to facilitate access to land for young farmers; highlights that the farm to fork strategy, by aiming to develop a sustainable, regionalised and climate-friendly food and farming sector, could be a chance for these regions;
19. Stresses that the outermost regions are home to ecosystems with high ecological value, but that this should not be seen as a threat to the balanced development of productive work in the agricultural sector;
20. Stresses the important role that a successful extension of high-capacity digital networks in the outermost regions can play as a tool to facilitate the modernisation and transformation of farms towards more sustainable agriculture;
21. Points out that the use of new technologies and precision farming can facilitate the transformation towards more efficient and competitive agriculture, saving costs, improving performance and minimising environmental impact;
22. Notes that the proposal for a farm to fork strategy requests that the EU further limit the use of plant protection products; stresses, in this context, that the specific characteristics of the tropical and subtropical climates in the outermost regions must be taken into account; stresses that some outermost regions are located in tropical, subtropical and humid equatorial environments, which are particularly conducive to the development of diseases, and that they are therefore at a serious disadvantage, in relation to the continent and third countries, in terms of covering their needs for plant protection products to fight against pests; highlights the need therefore to promote research, with increased funding, on new alternative solutions adapted to these territories in order to safeguard agricultural production and ensure farmers' viability in the outermost regions; highlights, in this context, the importance of promoting agri-ecological practices and the application of innovative production techniques, including new genomics techniques; notes the difficulty of accessing certain agricultural inputs in some outermost regions, especially environmentally friendly ones; insists that there should be no access to the EU market for products that do not comply with EU standards and may endanger food and health security and safety throughout the EU, such as bananas from third countries that use massive quantities of plant protection agents that are not authorised in the EU;
23. Calls on the Commission to establish a separate chapter dedicated to the outermost regions in its impact assessments of upcoming legislative proposals, including those related to the farm to fork and biodiversity strategies, taking into account the specific

² Commission communication of 20 May 2020 entitled 'EU Biodiversity Strategy for 2030 – Bringing nature back into our lives' (COM(2020)0380).

characteristics, needs and permanent constraints of each outermost region; considers that the outcome of these assessments should be taken into account in order to adapt legislative initiatives, where necessary, to the natural and economic difficulties of these regions and the stiff competition they face from third countries; calls, similarly and in the context of increased demand for ‘rural proofing’ in EU legislation, for impact studies for the outermost regions when EU policies are devised, especially those concerning emissions trading, agricultural funds and cohesion;

24. Welcomes the Commission commitment under its communication on a long-term vision for rural areas³ to include analysis of the outermost regions within the EU Rural Observatory’s scope; considers that the Rural Observatory could be a valuable resource to identify data gaps and improve statistical databases on the outermost regions, which would provide a full picture capturing the needs of their rural population;
25. Believes that cohesion policy should offer more benefits to women living in outermost regions, notably in the agri-food sector, and should promote gender equality and the effective implementation of the EU gender equality strategy in the outermost regions;
26. Stresses the importance of the structure of local sectors in guaranteeing food security in the outermost regions, which are often isolated, and encourages stakeholders and public policymakers to make use of all the provisions of the common organisation of the markets (CMO), including the provisions specific to the outermost regions; welcomes the adaptation of certain provisions of the CMO to the specific needs of outermost regions, and asks the Commission to provide, if necessary, for further adjustments in the context of the next revision of the CMO; calls on the Commission to study the feasibility and advisability of extending the provisions laid down in Article 22(a) of Regulation (EU) 2228/2013 on POSEI programmes⁴ to all outermost regions, in relation to extending the rules and contributions of inter-branch organisations to operators who are not members of these organisations, with the aim of ensuring food security and self-sufficiency;
27. Calls for the restoration of the POSEI scheme for fisheries and the creation of a POSEI scheme for transport, including providing the EU funding necessary to strengthen the production, processing and marketing structures of these regions to offset the disadvantages of remoteness;
28. Calls on the Commission to work closely with the Member States to identify the most effective measures for consolidating and enhancing resilience in supply chains in the outermost regions;
29. Reiterates the importance of keeping the European Agricultural Fund for Rural Development (EAFRD) co-financing rates for the outermost regions at 85 %, in particular to restore, preserve and enhance biodiversity in agriculture and forestry and to encourage development in rural areas;

³ Commission communication of 10 June 2021 entitled ‘A long-term Vision for the EU’s Rural Areas – Towards stronger, connected, resilient and prosperous rural areas by 2040’ (COM(2021)0345).

⁴ Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23).

30. Calls on the Commission to increase the budget allocation for the promotion of agricultural products grown exclusively in the outermost regions of the EU;
31. Considers it of great importance to create a POSEI transport scheme for regions such as the Azores archipelago, which, owing to its physical make-up, suffers from a ‘double insularity’ – its remoteness from the mainland and the distance between the islands – both of which significantly increase the transport costs for people and goods in transit between the islands and between the islands and the mainland, with the obvious effect of increasing the cost of production inputs;
32. Calls on the Commission to pay particular attention to the outermost regions in the process of suitable crisis preparedness and management under the Single Market Emergency Instrument;
33. Stresses the importance of maintaining the EAFRD co-financing rate at 85 % for the outermost regions in order to achieve the development of their rural areas and their agriculture and livestock;
34. Calls for the Commission to exercise the utmost vigilance over the adverse impact of the liberalisation of the EU market and the proliferation of trade agreements between the EU and partner countries that produce the same agricultural products for export as the outermost regions, but under different social and environmental conditions, which distorts competition; insists that the Commission take effective action to ensure that trade agreements do not jeopardise measures supporting the outermost regions, particularly under POSEI; calls on the Commission to grant preferential treatment to products from outermost regions, both on their local markets and the EU market, and to fully protect sensitive agricultural products, such as bananas, tomatoes, sugar and milk, in those negotiations; calls, furthermore, on the Commission to envisage, if necessary, transitional periods, appropriate import quotas and customs tariffs, safeguard clauses and surveillance and sanction mechanisms; calls, furthermore, on the Commission to carry out a report on the cumulative effect of those agreements in the farming sector of outermost regions; calls for the creation of a trade agreements task force within the Commission that will involve representatives from the outermost regions’ economic sectors and other relevant stakeholders;
35. Expresses its strong concern about imports of products from third countries that do not comply with EU social, labour, environmental, food safety, quality and animal welfare standards, including standards for organic-labelled products, many of which are in direct competition with the outermost regions’ products; calls, therefore, on the Commission to ensure the conformity of these imports with EU standards and the revision of trade agreements with third countries to incorporate mirror clauses;
36. Recalls that the outermost regions are more exposed to the problems arising from price increases because of their geographical position; stresses that these regions have an absolute dependence on maritime and air transport for the arrival of raw materials and that there is no alternative to these means of transport;
37. Notes that milk and related upstream and downstream products constitute one of the fundamental pillars of the economy of the Autonomous Region of the Azores; recognises that their socio-economic importance and the number of direct and indirect

jobs and services they provide are indispensable for ensuring economic and social cohesion;

38. Considers that in recent years, producers in the outermost regions, like tens of thousands of milk producers across the EU, have been forced to abandon production because of the ruinous prices paid to producers, which do not compensate for production costs; takes the view that the situation affecting milk production is inseparable from the liberalisation of the milk market and the end of production quotas, and that it can only be resolved by means of mechanisms to regulate the markets;
39. Supports the setting up of a task force bringing together the Commission, the Member States concerned, Members of Parliament and farming representatives to analyse the difficulties faced by these regions as a result of increasing external competition, including from third-country products with the organic label;
40. Draws attention to the importance of maritime animal transport for the outermost regions' economies, as small and distant islands are dependent on agriculture;
41. Stresses the importance of integrated territorial development in the outermost regions, such as community coordination of investment and local development, and the promotion of initiatives such as 'smart villages' to support sustainable agriculture and sustainable food production;
42. Believes that the new strategy for the outermost regions must focus on improving residents' quality of life, combating poverty and developing opportunities for young people;
43. Stresses the importance of the outermost regions on account of their specific geographical characteristics, which mean they benefit from POSEI programmes financed by the European Agricultural Guarantee Fund;
44. Stresses the importance of developing policies that better reflect the realities and interests of those territories, particularly when negotiating trade and fisheries agreements;
45. Recalls the joint declaration by Parliament, the Council and the Commission annexed to Regulation (EU) 2017/540⁵ on the stabilisation mechanism for bananas, which was revised when Ecuador joined the EU-Colombia/Peru Trade Agreement, which states: '[the] Commission will continue to carry out regular analyses of the state of the market and the situation of Union banana producers after expiry of the stabilisation mechanism. If a serious deterioration in the state of the market or the situation of Union banana producers is found to have occurred, given the importance of the banana sector for outermost regions, the Commission will examine the situation, together with the

⁵ Regulation (EU) 2017/540 of the European Parliament and of the Council of 15 March 2017 amending Regulation (EU) No 19/2013 implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Trade Agreement between the European Union and its Member States, of the one part, and Colombia and Peru, of the other part, and amending Regulation (EU) No 20/2013 implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other (OJ L 88, 31.3.2017, p. 1).

Member States and the stakeholders, and decide whether appropriate measures should be considered. The Commission could also convene regular monitoring meetings with the Member States and the stakeholders'; reminds the Commission of its commitment to halt the gradual reduction of the customs tariff by permanently ring-fencing the residual tariff of EUR 75/tonne applicable to third countries with which the EU has signed trade agreements;

46. Cautions that any change to the current provisions regarding animal transport has stronger impacts on regions such as the outermost regions, namely because of their remoteness, archipelagic condition, insularity and small size, which notably cause their strong dependence on sea transport; insists that, pursuant to Article 349 TFEU, the special characteristics and constraints of the outermost regions in this regard must be taken into account in the context of the forthcoming review of EU rules on animal welfare, notwithstanding the continuous efforts that must be made to reduce the need for the transport of live animals;
47. Highlights that, while no duties apply to direct imports from third countries into the outermost regions of agricultural products that are essential for human consumption, for the manufacture of other products or as agricultural inputs, in implementing this 'specific supply arrangement', account should be taken in particular of the need to ensure that existing local production is neither destabilised, nor obstructed in its development;
48. Considers it essential to support actions to promote outermost regions' agri-food products, both within and outside the EU, given their vital contribution to the viability of their rural areas and to local economies; calls in this regard for EU promotion rules to be better adapted to the specific features of these regions.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	31.1.2023
Result of final vote	+: 36 -: 0 0: 10
Members present for the final vote	Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Álvaro Amaro, Benoît Biteau, Daniel Buda, Isabel Carvalhais, Asger Christensen, Ivan David, Paolo De Castro, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Paola Ghidoni, Dino Giarrusso, Francisco Guerreiro, Martin Häusling, Martin Hlaváček, Gilles Lebreton, Norbert Lins, Chris MacManus, Colm Markey, Marlene Mortler, Ulrike Müller, Maria Noichl, Juozas Olekas, Bronis Ropė, Bert-Jan Ruissen, Anne Sander, Simone Schmiedtbauer, Veronika Vrecionová, Juan Ignacio Zoido Álvarez
Substitutes present for the final vote	Asim Ademov, Franc Bogovič, Marie Dauchy, Jan Huitema, Tilly Metz, Alin Mituța, Tom Vandenkendelaere
Substitutes under Rule 209(7) present for the final vote	Pietro Bartolo, Estrella Durá Ferrandis, Manu Pineda, Antonio Maria Rinaldi, Sándor Rónai, Nacho Sánchez Amor

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ECR	Mazaly Aguilar, Bert-Jan Ruissen, Veronika Vrecionová
ID	Marie Dauchy, Paola Ghidoni, Gilles Lebreton, Antonio Maria Rinaldi
PPE	Asim Ademov, Álvaro Amaro, Franc Bogovič, Daniel Buda, Salvatore De Meo, Herbert Dorfmann, Norbert Lins, Colm Markey, Marlene Mortler, Anne Sander, Simone Schmiedtbauer, Tom Vandenkendelaere, Juan Ignacio Zoido Álvarez
Renew	Atidzhe Alieva-Veli, Asger Christensen, Jérémy Decerle, Martin Hlaváček, Jan Huitema, Alin Mituța, Ulrike Müller
S&D	Clara Aguilera, Pietro Bartolo, Isabel Carvalhais, Paolo De Castro, Estrella Durá Ferrandis, Maria Noichl, Juozas Olekas, Sándor Rónai, Nacho Sánchez Amor

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ID	Ivan David
NI	Dino Giarrusso
The Left	Luke Ming Flanagan, Chris MacManus, Manu Pineda
Verts/ALE	Benoît Biteau, Francisco Guerreiro, Martin Häusling, Tilly Metz, Bronis Ropé

Key to symbols:

+ : in favour

- : against

0 : abstention