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Strategy for the Outermost Regions: Achievements and Future Prospects

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1. INTRODUCTION

Since the programmes of specific measures for remote and insular areas (POSEI) were put into practice in 1989 and 1991, the special nature of the outermost regions (ORs), reflected in Article 299(2) EC, has been increasingly well recognised and a genuine European strategy has been put in place to support them. This strategy has also been consolidated in the concerted action taken by the European institutions, the three Member States concerned, and the seven outermost regions. European Council conclusions¹, European Parliament resolutions², European Economic and Social Committee (EESC) and Committee of the Regions opinions³, Commission communications⁴, and the many illustrations of the special nature of these regions in the legislation adopted under several Community policies demonstrate that this horizontal dimension has been acknowledged at Community level.

This European strategy has also been appropriately extended by an active partnership, sustained by several memoranda from the Member States and the ORs.

The Commission's communications and its 2004 report put forward a three-pronged approach, as called for by the Seville European Council of June 2002 on the occasion of the reform of the cohesion policy, *inter alia*⁵. The strategy aims to reduce the accessibility deficit and the effects of the other constraints on the ORs, make them more competitive, and strengthen their regional integration. It was approved in 2004 and 2005 by the European Parliament, the EESC and the Committee of the Regions⁶.

These three institutions did, however, call on the Commission to continue implementing the strategy. For this reason, the aim of the Commission Communication on the achievements and future prospects of the Strategy for the Outermost Regions⁷, addressed to the European institutions and to its partners, is to assess the implementation of the strategy adopted in 2004. The assessment, consisting of a series of measures reflecting the complementarity of the instruments arising from the various Community policies, is described in this report.

¹ Paragraph 38 of the conclusions of the Cologne European Council of 4 June 1999, paragraph 59 of the conclusions of the Lisbon European Council of 24 March 2000, paragraph 53 of the conclusions of the Feira European Council of 20 June 2000, paragraph 58 of the conclusions of the Seville European Council of 20 and 21 June 2002.

² Resolution of the European Parliament of 24 April 1997 on development problems in the outermost regions of the European Union (OJ C 150, 19.5.1997, p.62) and Resolution of the European Parliament of 25 October 2000 on the Report from the Commission on implementation of Article 299(2) of the EC Treaty: measures to assist the outermost regions (OJ C 197, 12.7.2001, p.197).

³ Opinion of the Committee of the Regions of 13 December 2000 on 'The outermost regions of the EU and implementation of Article 299' (OJ C 144, 16.5.2001, p.11); opinion of the Economic and Social Committee of 29 and 30 May 2002 on the outermost regions of the EU and implementation of Article 299 (ESC 682/2002)

⁴ COM(2000) 147 final; COM(2002) 723 final

⁵ COM(2004) 343 final; COM(2004) 543 final

⁶ European Parliament resolution of 28 September 2005 on a stronger partnership for the outermost regions – A60246/2005. OJ C 227 E / 110, 21.9.2006, p.110

⁷ COM(2007)xxx

2. IMPLEMENTATION OF THE STRATEGY DRAWN UP IN MAY 2004 – AN ASSESSMENT

The first observation is that Community intervention on behalf of the ORs is becoming increasingly horizontal in its approach to the strategy, and that all Community policies for developing these regions and integrating them in the internal market must make a contribution.

As well as the reforms of the Structural Funds and of traditional agricultural and fisheries production, which impact on every aspect of the economic and social development of the ORs and incorporate several specific measures in favour of these regions, this Communication stresses the complementarity of all of the special measures adopted since 2004 under all Community policies.

2.1. Priority 1: Reducing the accessibility deficit and the effects of other constraints specific to the economies of the outermost regions

As the outermost regions progress towards economic and social convergence with the rest of the Community, the handicaps of their remoteness, small size, natural hazards and weather conditions show their effects still more acutely in the context of a Europe without frontiers. The natural trade barriers affecting the ORs weaken the position of players located in these regions in terms of access to the Community market. Through their proximity to the markets of non-member countries, however, the ORs also gain certain advantages. The observation that internal-market policy has had little effect on reducing the impact of these barriers to the integration process remains valid.

Community action must therefore (a) strengthen coordination between the existing financial instruments, particularly those linked to agriculture and fisheries support programmes, and (b) fully assess the effects of the handicaps and constraints on the economic activity of local agents and the impact of the public policies for alleviating them. Community action can also acknowledge and exploit the advantages arising from the proximity of the outermost regions to neighbouring markets remote from the continent of Europe.

Three years after the adoption of the communications mentioned above, the Commission is able to give a satisfactory assessment of the action taken under this priority heading.

2.1.1. Increasing the Community resources needed to reduce or offset the effects of the handicaps

To be mentioned here is the new, specific allocation to offset additional costs, applicable to ORs alone, financed by the ERDF as part of the reformed cohesion policy 2007-2013⁸, at a rate of €35 per inhabitant per year.

This specific allocation supplements the EU's financial outlay on agriculture and fisheries. Council Regulation (EC) No 247/2006 of 30 January 2006 laying down specific measures for

⁸ Point 20 of Annex II of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and Article 11 of Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund: OJ L 210, 31.7.2006, pp. 1 and 25.

agriculture in the outermost regions of the Union⁹, for example, consolidates the resources earmarked for agriculture in those regions by combining in a single mechanism the aid granted for supporting local production (including bananas and sugar) and for supplying the ORs with essential products for human and animal consumption. The basis of this support is the need to compensate for the effects of the handicaps of the ORs on their agricultural production, processing and marketing and on product supply. It also aims to maintain the agricultural activity and income of producers, particularly as the banana and sugar sectors undergo reforms resulting from progressive worldwide liberalisation.

In the fisheries sector, the Council Regulation introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands, and the French departments of Guiana and Reunion from 2007 to 2013 maintains the level of funding granted to the ORs and grants them more flexibility in implementing the system.

Also in the fisheries sector, the exceptional geographical situation of the Canary Islands in relation to the sources of supply of certain fishery products which are essential for domestic consumption entails additional costs for this sector. Measures to remedy this natural handicap, consisting of temporarily suspending customs duties on imports of the products in question from non-member countries within Community tariff quotas of an appropriate volume, were adopted up to 31 December 2006. The Commission is reviewing¹⁰ the impact of the measures adopted and, on the basis of its findings, will submit to the Council any relevant proposals for the period after 2006.

2.1.2. Strengthening the consistency of Community action

The new, specific allocation to offset additional costs incurred in connection with goods and services outside the agriculture and fisheries sectors strengthens the cross-sectoral nature and the consistency of the Community support by making the specific ERDF grant and the POSEI programme complementary. These instruments enable regional programmes to be geared to the specific situation of each region and to decentralised management. The consistency of the measures can thus be strengthened both within each programme (particularly as regards the complementarity between agricultural product supply and local production support programmes) and between ERDF and POSEI programmes. It can also be strengthened by management decentralisation, which offers greater flexibility than did earlier specific measures in agriculture and fishing.

2.1.3. Consolidation of the legislative framework for State aid to offset the effects of the handicaps of the outermost regions

The Guidelines on National Regional Aid of 21 December 2005 consolidate the existing framework authorising State operating aid to ORs which is not progressively reduced or limited in time and is aimed at partially offsetting the additional costs of transport and of exercising economic activity inherent in the factors set out in Article 299(2) of the Treaty, whose permanent nature and combination severely hamper the development of these regions.

⁹ Subsequently amended by Council Regulations (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector (OJ L 58, 28.2.2006, page 1) and No 2013/2006 of 19 December 2006 amending Regulations (EEC) No 404/93, (EC) No 1782/2003 and (EC) No 247/2006 as regards the banana sector (OJ L 384 of 29.12.2006, page 13)

¹⁰ Article 5.2 of Council Regulation (EC) No 704/2002 of 25 March 2002. OJ L111, 26.4.2002, p.5.

One notable improvement to the Guidelines is that the ceilings on the rates of intensity of public investment aid have been raised by 20 points for ORs whose per capita GDP is less than 75% of the Community average and by 10 points for the other ORs. This increase is designed above all to help offset the effects of additional investment expenditure in the private sector (not including investment in the transport sector). These raised ceilings enable investment aid to be granted to businesses to compensate for the higher fixed costs due to the relative lack of economies of scale and the other handicaps which place the OR economies at a disadvantage when compared with the mainland. This raise is accompanied by an increase in the rates of assistance from Community funds.

There are also sectoral instruments, particularly in the transport sector, allowing a very wide range of measures such as social aid, public service obligations (PSOs), start-up aid for transport services (particularly air transport) and airport funding¹¹, so as to mitigate the effects of the handicaps on the local economies.

Where PSOs are concerned, the Commission proposes that their maximum duration be raised to five years in the air transport domain for the ORs. Where maritime transport is concerned, the Commission Communication on the interpretation of Council Regulation (EEC) No 3577/92¹² suggests raising the threshold applicable to the number of passengers carried by sea to and from "small islands" from 100 000 to 300 000 for the application of simplified rules on the conclusion of public-service contracts.

Aid for the acquisition of mobile transport assets constitutes aid for initial investment under the competition rules and can be authorised by the Commission only after being assessed in the ORs on a case-by-case basis. The opportunity for the ORs to boost this aid (except social aid) with ERDF resources strengthens the benefits of such a policy.

2.1.4. Other common transport policy instruments supplementing this approach

The mid-term review of the 2001 White Paper on transport¹³ devotes a special paragraph to the ORs in view of their remote locations and the potential of their airports and seaports¹⁴. It recommends the encouragement and coordination of investment in new or improved intelligent infrastructure to eliminate bottlenecks and prepare for the introduction of co-operative systems, co-modal transport solutions, connection of peripheral regions and outermost regions with the mainland, and a balanced approach to land use.

The eligibility of a large part of the transport infrastructure of the ORs for the trans-European transport network, particularly airports, seaports and the development of projects eligible for

¹¹ Cf. Community guidelines on financing of airports and start-up aid to airlines departing from regional airports (C 312, 9.12.2005, p. 1), including the opportunity to grant operating aid to OR airports for exploiting airport infrastructure (drawn up under the same conditions in the guidelines on State aid for the regions), points 3.1 and 4.2, and the possibility of granting transport service start-up aid under more flexible compatibility criteria, particularly in terms of intensity and duration (paragraphs 76 and 79). COM(2003)595 and COM(2006)196.

¹² Keep Europe Moving – Sustainable mobility for our continent (COM (2006) 314 final)

¹³ "... insular and outermost regions will need to exploit the potential of regional airports and maritime connections. The outermost regions suffer from a strong accessibility deficit not only in relation to the continental internal market but also in their own hinterland. Transport policy instruments and state aids could be used to reduce the effects of remoteness on their competitive position and to improve connections with the rest of the EU and with neighbouring third countries." COM (2006) 314 final, page 19.

the motorways of the sea¹⁵, and the use of the Marco Polo II programme to strengthen intermodal transport, combined with cohesion-policy resources for cofinancing transport infrastructure, make up a coherent set of instruments to improve the accessibility of the outermost regions.

2.2. *Priority 2: Making the outermost regions more competitive*

The second priority strand of the strategy laid down by the Commission in 2004 for the development of the ORs concentrates on improving the competitiveness of local economies by exploiting local assets, e.g. by boosting human capital, intensifying the innovation process and making the most of the regions' environmental capital. These topics are also at the heart of the Lisbon strategy, recently relaunched by the Commission and the European Council¹⁶.

2.2.1. *The cohesion policy serving the objectives of the Lisbon strategy*

The reformed cohesion policy is the dominant financial instrument of the EU's contribution to meeting the objectives of the Lisbon strategy – above all economic growth, job creation and innovation capacity – for the forthcoming period, 2007-2013. The realigned expenditure structure of the next generation of programmes, which concentrates on activities to strengthen human capital and research/development/innovation¹⁷, and the recommendations of the Community guidelines on cohesion and employment¹⁸, are the key features of this cohesion policy contribution to the Lisbon objectives.

2.2.2. *Maintaining higher rates of assistance in cofinancing the operational programmes of the Structural Funds, the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF)*

The rules governing the Structural Funds and the EAFRD¹⁹ and EFF²⁰ regulations provide for an increase in the cofinancing rate of the Community funds and for certain specific measures for boosting the competitiveness of the local economic fabric²¹

Assistance rates are thus raised to 85% for the ORs for ERDF-cofinanced operational programmes under the "convergence" and "competitiveness and employment" objectives, with the exception of assistance to be supported by the specific ERDF allocation to offset additional costs, for which the rate is 50%. The EAFRD likewise applies 85% cofinancing rates and boosts the intensity of aid to ORs for measures encouraging competitiveness, such as diversification, restructuring, and farmholdings of small economic size switching to

¹⁵ Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996, amended by Decisions 1346/2001/EC and 884/2004/EC, on Community guidelines for the development of the trans-European transport network has as one of its priorities the establishment and development of infrastructure for access to national networks, making it possible to link island, landlocked and peripheral regions with the central regions of the Community, particularly in order to reduce the high costs of transport in such regions.

¹⁶ COM(2005)24 final; March 2005 European Council conclusions.

¹⁷ Article 9(3) and Annex IV to Council Regulation (EC) No 1083/2006: OJ L 210, 31.7.2006, page 25

¹⁸ Council Decision of 6 October 2006 on Community strategic guidelines on cohesion (2006/702/EC)

¹⁹ Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development. OJ L 277, 21.10.2005, p. 1

²⁰ Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund. OJ L 223, 15.8.2006, p. 1

²¹ The conference "The outermost regions and fishing - outlook and particular issues", held in Réunion in November 2005, arrived at some useful operational conclusions for EFF programming.

sustainable agriculture, and for those aimed at improving the economic value of forests or at producing, processing and marketing high-quality agricultural produce²². The EFF provides for increased assistance rates which vary according to the measure in question²³. The specific provisions on small-scale coastal fishing are particularly relevant to the ORs. Similarly, the aid to fishing-fleet renewal and modernisation was exceptionally extended to 31 December 2006 in a European Union of 25²⁴.

2.2.3. *Acknowledging the special nature of the outermost regions in Community research policy, particularly the Seventh Framework Programme for Research and Technological Development (FPRDT)*

The Community attaches great importance to acknowledging the specific features of the ORs in order to facilitate "the participation of the outermost regions in Community RTD actions through appropriate mechanisms adapted to their particular situation"²⁵.

The new, specific Capacities Programme encompasses many of these mechanisms:

- Infrastructures component: research infrastructures help to structure the European Research Area and play a crucial role in consolidating a research and innovation environment. They are particularly important to remote regions, since they give access to unique research services available in several countries and help alleviate the effects of distance and isolation by setting up service networks. The work programme of the specific Capacities Programme clearly stresses that action to support the creation of new research infrastructures (or to expand existing infrastructures to a significant extent) must examine opportunities to exploit the scientific excellence potential of convergence regions and the ORs via new infrastructures. This priority is also one of the criteria for assessing the impact of projects under the general objective of territorial cohesion;
- The "knowledge regions initiative" aims to strengthen the research potential of European regions, particularly by encouraging and supporting the development of regional research clusters which bring together regional authorities, universities, research centres, businesses and other players. This initiative will enable all regions of Europe, particularly convergence regions and ORs, to boost their research and technological development investment capacity and to incorporate this in their regional economic development strategy, thus also maximising their chances of successful FPRDT participation;
- The "research potential initiative" aims to stimulate all research potential in the enlarged EU by liberating and developing the capacities of convergence regions and ORs, by helping to strengthen the capacities of their researchers, and by updating their equipment, enabling them to play a successful part in European research

²² Cf. Articles 26(2), 27(3) and 28(2) and the annex to Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

²³ Cf. Annex II of Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund (EFF)

²⁴ Council Regulation (EC) No 1646/2006 of 7 November 2006 amending Regulation (EC) No 639/2004 on the management of fishing fleets registered in the Community outermost regions (OJ L 309, 9.11.2006, p. 1)

²⁵ Recital 14 of the European Parliament and Council Decision on the Sixth FPRDT.

activities. This initiative will be of special benefit to strategic partnerships between public-sector and private-sector research groups, chosen by excellence criteria, in the convergence regions and ORs and to well-established research groups in other regions of Europe.

These initiatives aim to open up access to and integration in the European Research Area for research groups in these regions by, for example, financing platforms or networks for research team in their spheres of excellence (finance for coordination initiatives) and stimulating their research potential by setting up partnerships with well-established research groups in other regions of Europe. The financing of an initiative involving the ORs and almost all French, Netherlands and British tropical overseas countries and territories (OCTs) in the biodiversity field under the ERA-NET scheme (Net-Biome) is already showing the first fruits of this intervention approach. The project partners have been able to seize opportunities under the Sixth FPRDT in order to develop a common approach and address specific geographical problems affecting an important subject, and to improve coordination on three levels (regional, national and European) by furthering the integration of the ORs and OCTs in the European Research Area. This Community financing will enable participants to cover the coordination costs of implementing the project. By contrast, research activities proper will be covered by the own resources of the participants.

These initiatives need to be supplemented by exploiting the assets and special features of these regions in several FPRDT themes identified in the specific Cooperation Programme: biodiversity (theme 6, area 6.2.1.4) and marine resources (theme 6, area 6.2.2.1), whose research consortia are called on to include partners and sites in the ORs, natural hazards (theme 6, activity 6.1.3, including all existing natural hazards in the ORs) or health (theme 1, call for proposals HEALTH-2007-2.3.3-9 on strengthening research on prediction, identification, modelling and surveillance of newly emerging infectious diseases in humans, to include research on dengue fever and chikungunya).

The new Community framework for State aid for research, development and innovation²⁶ gives ORs special treatment in the case of funding for developing innovation clusters, particularly where aid intensity is concerned (point 5.8 of the framework).

2.2.4. *How services of general economic interest work in the outermost regions*

The Commission is finalising an analysis of the operation of certain network services in the ORs, such as telecommunications, transport, water, energy and waste treatment²⁷. The conclusions of this work stress the magnitude of the handicaps of market size and fragmentation, distance and weather conditions. This has implications on several levels common to all ORs to varying degrees:

- Infrastructure: ORs in general have a heightened need for infrastructure, given their physical characteristics. Transport installations on archipelagos, for instance, have to be multiplied to cope with the fragmentation of the territory. In the energy sector,

²⁶ OJ C 323, 30.12.2006, p. 1.

²⁷ Cf. conclusions of the following studies:

1. Study into the regulatory, infrastructure and price setting aspects of electronic communications services and broadband connections in the outermost regions (ORs)

2. [Study of the operation of certain network services in the outermost regions] [in preparation]

insularity means creating or maintaining greater multiple electrical-energy production capacity than in non-insular systems;

- Provision of services: the characteristics of the ORs rule out service provision under price and quality conditions comparable with the mainland situation, since operating costs are higher;
- Competition: there is a general lack of competition between operators in the ORs, given the size of markets. Most services of general economic interest, particularly energy and in some cases transport and telecommunications, operate in a restricted-competition context.

Conversely, it is worth noting that schemes for mitigating the effects of these factors on consumers and/or operators are not universal and need to be specially tailored to each region. The situation in general is more disparate in the French ORs, where price equalisation systems are restricted to the energy sector. The instruments available under the cohesion policy for the next programming period – intervention in investment aid and in operating aid for offsetting additional costs – are an essential reference for improving the operation of these services. The new, specific allocation to offset additional costs will cover the costs of public-service obligations in the sectors concerned or strengthen existing national systems.

Where the sectoral approach is concerned, the following recent measures deserve mention:

- Decision No 1364/2006/EC of the European Parliament and of the Council of 6 September 2006 laying down guidelines for trans-European energy networks²⁸ aims to facilitate the development and reduce the isolation of the less-favoured and island regions of the Community, thereby helping to strengthen economic and social cohesion. The priority action to strengthen energy networks in island, isolated, peripheral and ultraperipheral regions while promoting the diversification of energy sources and the use of renewable energy sources, together with the connection of those networks, where necessary²⁹,
- the Commission Communication on bridging the broadband gap³⁰ encourages the Member States to revise their broadband penetration strategies, above all by addressing the situation of the less-developed regions and rural and remote areas via all available instruments while respecting the framework applicable to State aid. The instruments of the cohesion, rural-development and information-society policies should thereby help to bridge the gap in poorly-served regions such as the ORs. Here, public or private initiatives, the introduction of new transmission technologies and a more active demand-aggregation policy may raise the critical mass which is often missing in these regions.
- lastly, the Commission proposal for a Regulation of the European Parliament and of the Council on roaming on public mobile networks³¹ recommends that national regulatory authorities use their power to monitor developments in retail and

²⁸ OJ L 262, 22.9.2006.

²⁹ Annexes II and III of the Decision list the additional criteria for identifying projects of common interest and projects of common interest and their specifications currently identified according to those criteria, *inter alia* for developing electricity networks and introducing natural gas into the ORs

³⁰ COM(2006) 129

³¹ COM(2006) 382

wholesale prices for the provision of voice and data communications services, including SMS (Short Message Service) and MMS (Multimedia Message Service), to mobile customers when roaming in the Community, in particular as regards the specific costs related to roaming calls made in the outermost regions. The results of this monitoring are to be communicated to the Commission on request. This monitoring is intended to ensure that users of public mobile telephone networks when travelling within the Community do not pay excessive prices for international roaming voice services when making calls or receiving voice calls, thereby achieving a high level of consumer protection while safeguarding competition between mobile operators.

2.2.5. The environmental wealth of the outermost regions and their vulnerable ecosystems

The environmental wealth of the outermost regions and the problem of their vulnerable ecosystems have been widely recognised. Although the biodiversity of the ORs is of major value and importance on a global scale³², the regions nevertheless face special problems connected with the fragility of their ecosystems and their geology and climate, which exacerbate the risk of natural disasters. They also face difficulties in meeting Community environmental standards, which mean extra costs and difficulty in reconciling the environmental dimension with the various aspects of socio-economic development. The Environment Council of 18 June 2006 reaffirms in its conclusions the importance of preserving biodiversity in the outermost regions.

The Commission will support programmes for putting in place measures to protect habitats and species comparable to those taken by the European Union under the directives on nature, and for encouraging the ORs to ensure that biodiversity elements are more firmly rooted in development project design. This applies to programmes under the Structural Funds, such as energy efficiency, use of renewable energy sources, investment in clean technologies, ecological production processes and environmental management systems. Given the characteristics of the ORs, growth in economic activities must take into account the vulnerability of ecosystems and biodiversity under a genuine sustainable-development policy. Tourism is a major economic factor here, and its growth is inextricably linked with the sustainability and protection of the natural heritage.

2.3. Priority 3: Regional integration: Wider Neighbourhood Action Plan

The Commission recommends an action plan for the wider neighbourhood as the most appropriate framework for strengthening and stimulating the regional integration of the outermost regions in their specific geographical environment. The primary characteristic of the ORs is their remoteness from mainland Europe, coupled with isolation and neighbouring countries which are not part of the European Union and generally have a fairly low level of economic development.

³² The problems of preserving biodiversity are the subject of the United Nations Convention on Biological Diversity and the Community action plan for halting the loss of biodiversity by 2010 and beyond. Cf. e.g. COM(2006) 216 and SEC(2006) 621.

2.3.1. Recognising the special nature of the outermost regions via the "regional cooperation" component of the Wider Neighbourhood Action Plan

The Commission has been working on improving the regional integration of the ORs by adopting several proposals which feed into the Wider Neighbourhood Action Plan as it is put into practice.

It has to be noted that the cooperation efforts in the various geographical areas of the ORs come up against a number of obstacles, such as a level of economic and social development different from that of African, Caribbean and Pacific (ACP) countries. The cooperation priorities are thus different, and the ACP countries have difficulty in mobilising funds for financing joint cooperation projects with the ORs. Community funding in these regional zones – chiefly from the ERDF and the European Development Fund (EDF) – has not alleviated these problems, since the budgetary source, the specific purpose of each fund and the intervention mechanisms do not easily allow pool funding of cooperation projects between the two funds. Misunderstandings on both sides of the Community border of the workings of the ERDF and EDF intervention mechanisms and the difficulty of coordinating action in an international law context where commitments have to be concluded by international agreement are further obstacles.

To overcome these difficulties, proposals have been drawn up under the Community cohesion and development policies, in parallel with intensified dialogue between the ORs and the ACP countries and OCTs.

The reformed cohesion policy has thus helped to strengthen the position of the French and Spanish ORs, which are the most directly affected by these problems, under the new objective of European territorial cooperation, above all the new eligibility which is part of cross-border cooperation. It has also made it possible to finance up to 10% of the financial package allocated to cooperation projects based on the territories of countries which are not part of the EU. This allocation should make it easier to finance cooperation projects outside European Union territory, but it is not enough to solve the coordination problems between the EDF and the ERDF. The ERDF extraterritorial procedure requires matching funding from non-member countries.

To help coordinate financing with the EDF, the Commission also calls on these regions to put in place parallel management tools known as "concerted procedures", while preserving the principle of ownership for the benefit of ACP countries and the subsidiarity principle of the cohesion policy. The ERDF and EDF management principles are maintained. Nevertheless, the following arrangements should improve the coordination:

- clearly identified common priorities upstream of the concertation process;
- indicative financial resources mobilised on both sides of the border;
- concerted identification and selection of cooperation projects set up by the fund management bodies.

Also, given their proximity to northern Africa, the Canary Islands can be beneficiaries of a cross-border cooperation programme, cofinanced by the new European partnership and neighbourhood instrument and receiving an ERDF contribution, with the provinces of Guelmin-Es-Smara and Laâyoune-Boujdour-Sakia, territories under Moroccan jurisdiction.

2.3.2. *Specific measures to complement the raft of initiatives for improving the regional integration of the outermost regions*

These measures constitute significant advances in certain areas and should be extended periodically according to the Commission's schedule for adopting legislative and non-legislative acts. The following deserve special mention:

- The development cooperation instrument (DCI) adopted by the Council and the European Parliament on 18 December 2006, which states in Article 18(3) that "the Commission may include a specific financial allocation for the purpose of strengthening cooperation between the EU's outermost regions and neighbouring partner countries and regions"³³.
- The Commission communications on a stronger partnership between the European Union and Latin America³⁴ and an EU-Caribbean partnership for growth, stability and development³⁵, the first of which states that "through its outermost regions, the EU is present in this geographical area, and it is important to take advantage of this zone, which brings an added benefit to improve their cooperation with Latin America and the Caribbean, notably through improved coordination of the financial instruments."
- The Commission Communication of 22 June 2006 on the mid-term review of the 2001 White Paper on transport³⁶, which states that "The outermost regions suffer from a strong accessibility deficit not only in relation to the continental internal market but also in their own hinterland. Transport policy instruments and state aids could be used to reduce the effects of remoteness on their competitive position and to improve connections with the rest of the EU and with neighbouring third countries". The Community guidelines on financing of airports and start-up aid to airlines departing from regional airports of 6 September 2005³⁷ take an identical approach by authorising for the first time start-up aid for transport services between the ORs and countries outside the European Union.

Similarly, in its recent communication on the extension of the major trans-European transport axes to the neighbouring countries - guidelines for transport in Europe and neighbouring regions³⁸, the Commission proposes that the Spanish and Portuguese ORs be included in the extension of the axis of the motorways of the seas to link them to neighbouring EU Member States;

- The Council Decision of 19 July 2004 establishing regional advisory councils under the common fisheries policy grants financial packages enabling ORs in the Atlantic Ocean to set up sounding-board forums for expression and consultation on fishing problems;

³³ Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation. OJ L378, 27.12.2006, p. 41.

³⁴ COM(2005) 636 final

³⁵ COM(2006) 86 final and SEC(2006) 268

³⁶ COM(2006) 314 final

³⁷ OJ C 312, 9.12.2006, p.1

³⁸ COM(2007) 32 final

- The Seventh FPRTD also includes initiatives to encourage scientific cooperation between ORs and non-member countries, particularly ACP, primarily under the specific Capacities programme;
- Council Regulation No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union³⁹ improves the prospects for trade in processed products between the ORs and neighbouring non-member countries in the context of regional trade;
- In the immigration domain, action has been taken to meet the most pressing needs, e.g. in the special case of the Canaries, which have been experiencing unprecedented influxes of illegal migrants. This action is part of the raft of general migration measures and does not include provisions specific to the ORs. The rapid-reaction mechanism has been activated in order to finance urgent measures in Mauritania. The European Agency for the Management of Operational Cooperation at the External Borders of the European Union (FRONTEX) has also coordinated the Lifeguard operation proposed by Spain. This operation consists of patrolling the entire coast of West Africa (Mauritania, Senegal, Gambia and Cape Verde). Lastly, subsidies were granted in 2006 to the Mediterranean Member States (above all Spain) under the ARGO programme, to help them meet the most pressing needs of the illegal migrants landing on their shores (food, medical supplies, accommodation etc.).

In a longer-term approach, the Commission and the Member States have embarked on a process of bilateral discussions on migration with the countries of Sub-Saharan Africa, based on Article 13 of the Cotonou Agreement⁴⁰. The first discussions have taken place in Mauritania and Senegal; others will follow in the coming months. Where appropriate, migration will become part of the regular political dialogue, in accordance with Article 8 of the Cotonou Agreement. One major tool concerns readmission agreements. Article 13 of the Cotonou Agreement contains a standard readmission clause and the commitment to negotiate readmission agreements at the request of one of the parties. These bilateral discussions are enhanced by multilateral dialogue in the context of the African Union, EUROMED cooperation, the African regional organisations and summits and conferences such as the Rabat Europe-Africa regional ministerial conference on migration and development, 10-11 July 2006⁴¹.

2.3.3. Identifying the special interests of the outermost regions in international trade agreements concluded by the European Union with non-member countries

The position of the ORs in Economic Partnership Agreements (EPAs) is explicitly addressed in the Commission negotiating directives, which stress the need to acknowledge the "special interests" of these regions. The 2004 Commission Communication on the ORs recommended using these trade negotiations to integrate the ORs more firmly with their geographical zones by reducing trade barriers. To address these interests, the Commission asked the Member States concerned to identify precisely the interests of each outermost region in the context of regional trade, taking into account the economic complementarity between the ORs and the ACP countries.

³⁹ OJ L 42, 14.2.2006.

⁴⁰ This concerns the ACP countries and thus excludes the Maghreb. It stipulates that "The issue of migration shall be the subject of in-depth dialogue in the framework of the ACP-EU Partnership".

⁴¹ Cf. action plan adopted at the end of the conference.

At the Commission's initiative, all ORs have been regularly reminded of this subject through a host of seminars, training sessions and information on the progress of negotiations. The Member States and the regions have been asked to speed up the work and provide the Commission with precise details of their interests at the earliest opportunity. To date, only the Spanish authorities have communicated to the Commission the conclusions of their analysis, which are now being examined.

The Commission Communication on the function of the Community's generalised system of preferences (GSP)⁴² announces that the Commission will continue to examine the impact this system of preferences has on the ORs. This scrutiny was effective in the case of sugar imports from the least developed countries (LDCs) to the French overseas departments (DOM). Article 13 of Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences⁴³ states that the provisions referring to the progressive liberalisation of LDC exports, where these are products of tariff subheading NC 17011110, shall not apply to products originating in countries benefiting from the preferences released for free circulation in the French overseas departments. The Regulation also provides in Article 22 for the activation of regionalised safeguard provisions in favour of ORs in the case of products included in Annex I to the Treaty.

2.4. *Putting the partnership with the outermost regions into practice*

The partnership between the European Commission and the outermost regions is one of the Commission's key tools for implementing the OR development strategy. The Commission's 2004 Communication on the ORs attaches great importance to this partnership which, it should be stressed, is specific. In this context, the European Commission pursues close and active partnership relations with the ORs at several levels, in addition to the internal coordination work on implementing the development strategy formulated in 2004 through the interdepartmental group on the outermost regions.

In the political sphere, strengthening these relations has consolidated the annual meeting between the Presidents of the ORs and the Members of the Commission, above all the Member in charge of cohesion policy and the coordination of Community policy on the outermost regions, Ms Danuta Hübner, at the annual conference of the OR Presidents.

The partnership between the regional governments, the Member States and the Commission has also been strengthened through multiple meetings, information days and working seminars (on the information and communication society, economic partnership agreements, research and innovation, the specific allocation to offset additional costs introduced into the ERDF Regulation, services of general economic interest, regional integration, maritime and fisheries policies, State aid etc.), participation by the ORs in open days co-organised by the Commission and the Committee of the Regions and the sectoral studies on the implementation of the special OR development strategy put in place by the Commission. The sectoral approach taken at these meetings has enabled exchanges between the various departments to be properly exploited. Stronger cooperation between the ORs in putting the RUP+ project into practice (cofinanced by the ERDF under the Community initiative INTERREG IIIC) has also helped to consolidate this constructive dialogue.

⁴² Developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015.

⁴³ OJ L 169, 30.6.2005, p. 1

To complete the tasks laid down in the 2004 communications, a large part of the partnership work with interested regional and national governments and socio-economic players in the ORs consisted of identifying aspects of the groundwork for the purposes of specifying a framework for assessing the magnitude of the factors hampering the development of the OR economies. So far, this preparatory work has been based on data already available to Commission departments and on studies illustrating the effects of the handicaps.

Moreover, working meetings and regular contacts with the regional organisations representing the interests of socio-economic players in the ORs, such as the *journées des socioprofessionnels* of September 2006, have provided additional information on the situation in the outermost regions.

3. STATISTICS ON THE SOCIO-ECONOMIC AND GEOGRAPHICAL PROFILES OF THE OUTERMOST REGIONS (SOURCE: EUROSTAT) ⁴⁴

Region	Demography					Education			Geography		
	'000 inhabitants, 2004 average	Population density (inhab/km ²), 2004	% population aged: (2004*)			Educational attainment of persons aged 25 to 64 (% of total), 2005			Distance from capital of Member State (km)	Distance from mainland (km)	No of islands:
			<15	15-64	65+	low	medium	high			
EU27	489670.9	116.0	16.3	67.3	16.4	29.1	48.6	22.4			
Spain	42691.8	84.4	14.5	68.6	16.9	51.2	20.6	28.2			
Canary Islands	1886.8	253.4	16.1	71.9	12.0	53.7	22.0	24.2	2 000	250	7
France	62324.4	98.5	18.5	65.1	16.3	33.6	41.5	24.9			
Guadeloupe	441.1	258.7	24.0	65.1	11.0	:	:	:	6 800	560	8
Martinique	393.7	349.1	21.6	65.3	13.1	:	:	:	6 850	410	1
French Guiana	195.6	2.3	35.3	60.8	3.9	:	:	:	7 500	n a	n a
Reunion	767.4	304.5	27.1	65.7	7.2	:	:	:	9 400	1 700	1
Portugal	10502.0	114.2	15.7	67.4	16.8	73.5	13.6	12.8			

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Most recent available data validated by Eurostat.

Azores	240.6	103.6	20.3	67.1	12.6	81.3	11.0	7.8	1 500	1 450	9			
Madeira	243.6	294.3	18.6	68.2	13.3	77.7	12.0	10.3	1 000	660	2			
region	Change in GDP (annual average, %), 1995-2004	Per capita GDP, 2003, UE27=100	Change in employment (annual)	Employment by sector (% of total), 2005*			R&D expenditure (% GDP), 2004	Employment rate (2004)		Unemployment rate (%)				
				agr	ind	serv		total	women	total 1992	total 2005	Long-term unemployed, 2005 (% total)	Women, 2005	Young people 2005
EU27	2.3	100	0.8	6.2	27.7	66.1	1.8	63.3	55.9	:	9.0	46.0	9.8	18.8
Spain	3.7	100.7	3.4	5.3	29.7	65.0	1.1	63.3	51.2	17.5	9.2	24.5	12.2	19.7
Canary Islands	4.2	92.8	4.2	3.5	20.0	76.5	0.6	59.7	48.6	24.3	11.7	26.1	14.4	24.3
France	2.3	112.3	1.3	3.8	24.3	71.9	2.2	62.6	57.0	9.8	9.5	42.5	10.5	22.3
Guadeloupe	2.0	66.9	1.8	2.5	13.3	84.1		45.0	40.3	:	25.9	77.9	29.5	59.1
Martinique	1.7	74.3	0.4	5.2	13.2	81.6		47.7	44.4	:	18.7	75.8	20.4	42.7
French Guyana	0.7	54.4	1.4	2.3	14.0	83.8		42.7	35.8	:	24.8	74.9	27.1	52.5
Reunion	4.1	60.5	2.2	1.7	13.8	84.5		40.9	33.3	:	30.1	71.8	33.3	52.2
Portugal	2.6	74.8	1.5	11.8	30.6	57.6	0.7	67.5	61.7	4.1	7.6	48.2	8.7	16.1

Azores	3.6	65.9	0.0	12.4	25.5	62.1	0.5	63.0	47.4	3.7	4.1	39.7	5.8	8.6
Madeira	4.1	90.8	0.3	9.0	26.2	64.8	0.2	67.6	60.5	3.3	4.5	51.2	5.3	11.4

4. FINANCIAL DATA ON THE OUTERMOST REGIONS

region	ERDF regional operational programmes (OPs), 2007-2013		ESF regional OPs, 2007-2013		EAFRD regional OPs, 2007-2013		EFF, 2007-2013		Total (1+2+3+4) /GFCF	Funding under Regulation (EC) No 247/2006		
	(1) (€millions)	Per capita per year (€)	(2) (€millions)	Per capita per year (€)	(3) (€millions)	Per capita per year (€)	(4) (€millions)	Per capita per year (€)		%	Total (€millions)	By utilised agricultural area (€ha)
Canary Islands	1 019	78.9	117	9.1	153	11.9	23.6	1.8	1.46%	268.4	3.144.08	27.91%
Guadeloupe	542	174.0	185	59.4	138	44.3	34.25	2.8	8.53%	273	1.654.85	26.93%
Martinique	417	151.4	98	35.6	100	36.3			7.89%			
French Guyana	305	240.2	100	78.8	74	58.3			14.44%			
Reunion	1 014	191.2	517	97.5	319	60.1			14.37%			
Azores	966 3	576.6	190	113.37	n.a.	n.a.	n.a.	n.a.	16.89%	86.8	469.57	18.63%
Madeira	320.5	189.1	125	73.8	n.a.	n.a.	n.a.	n.a.	5.46%			
– Sources:												
– Structural Funds, EFF and EAFRD: CNRS, RDPs and OPs notified by the Member States												

- Population (2003) and GFCF (2003 Canaries, Madeira and Azores; 2002 DOM): Eurostat. Calculation of the ratios of the Community fund to the GFCF disregarded the share of the specific OR allocation for operating costs.
- Utilised agricultural area (2003): INE (PT) and Ministries of Agriculture (FR and ES). Agricultural production value (2004); 2000 Azores and Madeira): basic prices. Ministry of Agriculture and Fisheries (FR); INE (PT). Consejería de Agricultura (Canaries). SSA amounts were deducted when calculating the ratios of the POSEI allocation to the production value.

5. SPECIAL MEASURES APPLICABLE TO THE OUTERMOST REGIONS

5.1. Cohesion policy 2007-2013

Title	Reform of the cohesion policy
Purpose	<p>The 2007-2013 cohesion policy combines several specific measures to assist the ORs:</p> <ul style="list-style-type: none"> – Rates of assistance from the Structural Funds (ERDF and ESF) increased to 85% for all regions (irrespective of their classification in the convergence or competitiveness objectives), except for the additional allocation to offset additional costs, where the assistance rate will have a ceiling of 50%; – an additional allocation to offset additional costs arising from the handicaps of the ORs at €35 per capita per year (total €979 million for all regions), enabling the ERDF to give assistance in the following domains: <ul style="list-style-type: none"> – investment expenditure for limiting the handicaps of the ORs, ceiling 50% of the total package. The eligible expenditure basis is the total cost of the eligible investment; – the operating expenses of public or private enterprises intended to reduce additional costs. The basis for eligible expenditure is the additional cost and the aid must be proportionate to the handicap to be offset; – expenditure in connection with the implementation of public contracts and public-service obligations. The basis for eligible expenditure is the additional cost and the aid must be proportionate to the handicap to be offset.
Reference documents	<ul style="list-style-type: none"> – Financial perspectives adopted by the December 2005 European Council – Council Decision of 6 October 2006 on Community strategic guidelines on cohesion (Official Journal L 291, 12.10.2006) – Regulations (EC) Nos 1080 to 1084/2006 on the Structural Funds (OJ L 210, 31.7.2006) – 2006/609/EC: Commission Decision of 4 August 2006 fixing an indicative allocation by Member State of the commitment appropriations for the European territorial cooperation objective for the period 2007-2013 (notified under document number C(2006) 3473) – 2006/593/EC: Commission Decision of 4 August 2006 fixing an indicative allocation by Member State of the commitment appropriations for the regional competitiveness and employment objective for the period 2007-2013 (notified under document number C(2006) 3472)

	<ul style="list-style-type: none"> – 2006/594/EC: Commission Decision of 4 August 2006 fixing an indicative allocation by Member State of the commitment appropriations for the European territorial cooperation objective for the period 2007-2013 (notified under document number C(2006) 3474) – 2006/595/EC: Commission Decision of 4 August 2006 drawing up the list of regions eligible for funding from the Structural Funds under the convergence objective for the period 2007-2013 (notified under document number C(2006) 3475) – 2006/596/EC: Commission Decision of 4 August 2006 drawing up the list of Member States eligible for funding from the Cohesion Fund for the period 2007-2013 (notified under document number C(2006) 3479) – 2006/597/EC: Commission Decision of 4 August 2006 drawing up the list of regions eligible for funding from the Structural Funds on a transitional and specific basis under the regional competitiveness and employment objective for the period 2007-2013 (notified under document number C(2006) 3480)
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5.2. Common agricultural policy

Title	Reform of the market organisation for sugar
Purpose	<p>The reform of the Community framework for the sugar sector addresses the special nature of the ORs. The reform consists primarily of two Council Regulations adopted on 20 February 2006 which entered into force on 1 July 2006.</p> <p>The reform provides for:</p> <ul style="list-style-type: none"> – the granting of compensation for the loss of income due to the fall in the reference price of sugar (60% of the price drop). The level of compensation is higher in the DOM because it is calculated on the basis of the quota which is under-used; – maintenance of the financial support for the sale of raw sugar to the mainland (€15 million); – the total of these amounts is transferred to the POSEI package. These programmes have the advantage of distinct administrative rules, including the possibility of excluding aid modulation and decoupling, compulsory for the rest of the Community; – the change to the POSEI allows France to grant national aid of up to €60 million for the marketing year 2005/2006 and up to €90 million for the marketing years 2006/2007 onwards; – the exclusion of the ORs from the Restructuring Fund: the ORs are exempted from paying the subscription.

	The Regulation also allows ORs (the Canaries, the Azores and Madeira) to source non-quota sugar.
Reference documents	<ul style="list-style-type: none"> – Council Regulation (EC) No 318/2006 on the common organisation of the markets in the sugar sector(OJ L 58, 28.2.2006) – Council Regulation (EC) No 319/2006 of 20 February 2006 amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers (OJ L 58, 28.2.2006) – Council Regulation (EC) No 247/2006 of 30 January 2006 laying down specific measures for agriculture in the outermost regions of the Union (OJ L 42, 14.2.2006) – Commission Regulation (EC) No 793/2006 of 12 April 2006 laying down detailed rules for applying Council Regulation (EC) No 247/2006 (OJ L 145, 31.5.2006).

Title	Reform of the market organisation for bananas
Purpose	<ul style="list-style-type: none"> – Internal aspects: The Commission presented its reform proposal on 20 September 2006, accompanied by a full analysis of the impact on the Community production chain. The main elements of this reform, adopted by the Council on 19 December 2006, concerning the ORs are: <ul style="list-style-type: none"> – transfer of an annual amount of €278.8 million to Regulation (EC) No 247/2006 ("agricultural POSEI") in order to support the chain under the support programmes for local production in the ORs; – this instrument seems best suited to supporting banana production in each of the regions concerned by providing for flexibility and decentralisation of support mechanisms. The possibility of including aid to the banana sector in those support programmes should make the strategies for supporting agricultural production in these regions more consistent. As a reminder, these programmes have the advantage of distinct administrative rules, including the possibility of excluding aid modulation and decoupling, compulsory for the rest of the Community; – the Commission is obliged to submit in 2009 a report to the European Parliament and the Council on the implementation of the POSEI programmes. This document will provide the opportunity for an in-depth analysis of the effectiveness and suitability of the POSEI instrument and now, with this proposal, the exercise will include the banana sector in the main producing areas. The conclusions of the report will address the question of

	<p>the balance between the various measures taken and the objectives pursued. If there are substantial changes to the economic conditions affecting livelihoods in the outermost regions, the Commission will submit the report before the set deadline.</p> <p>The amount of compensatory aid for 2005 is €5.90 per 100 kilogrammes (Commission Regulation (EC) No 833/2006 of 2 June 2006). Increase in aid: this amount is raised by €1.27 per 100 kilogrammes for bananas produced in the Martinique region, by €2.12 per 100 kilogrammes for bananas produced in the Guadeloupe region, and by €7.76 per 100 kilogrammes for bananas produced in Greece.</p> <p>– Where external aspects are concerned, the EU has proposed a "tariff only", applicable at 1 January 2006 at 176 €/t.</p>
Reference documents	Council Regulation (EC) No 2013/2006 of 19 December 2006 (OJ L384, 29.12.2006).

Title	Programmes of special options to address isolation and insularity (POSEI)
Purpose	Specific measures for agriculture to support local production and supply the ORs with essential products for human and animal consumption (both fresh and for processing). The legislative proposal was adopted by the Council on 30 January 2006. The reform thus ensures the stability of the resources for continued support of the ORs, maximum decentralisation of decision-making, and simplified administration.
Reference documents	<ul style="list-style-type: none"> – Council Regulation (EC) No 247/2006 of 30 January 2006 (OJ L42, 14.2.2006) – Commission Regulation (EC) No 793/2006 of 12 April 2006 (OJ L145, 31.5.2006) – Commission Regulation (EC) No 852/2006 of 9 June 2006 (OJ L 158, 10.6.2006) transitional provisions – Regulation (EC) No 318/2006 (OJ L 58, 28.2.2006).

Title	European Agricultural Fund for Rural Development (EAFRD);
Purpose	<p>On 20 September 2005 the Council adopted a Regulation introducing a stronger rural-development policy for the European Union and far simpler management. The special treatment of the ORs consists of:</p> <ul style="list-style-type: none"> – rates of assistance from the ERDF raised to 85% for all ORs, including those not eligible for the convergence objective; – increased rates of public assistance to ORs for certain measures under the Regulation: <ul style="list-style-type: none"> – modernisation of agricultural holdings (75% for the ORs); – installation costs of agroforestry systems and improvement of the economic value of forests (85% for ORs except for State-owned tropical and subtropical forests); – higher added value for agricultural and forestry production (75% for the ORs). – aid for adding value to agricultural and forestry products can be paid at the maximum rate for all businesses in the ORs. – eligibility of State-owned forests in the ORs; – for the French ORs, the minimum financial contribution for priority 2 (land management) is 10% (instead of the 25% for other regions of the Community).
Reference documents	<ul style="list-style-type: none"> – Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005) – Commission Regulation (EC) No 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 368, 23.12.2006) – Council Decision 2006/20/EC of 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013) (OJ L 55, 25.2.2006)

Title	Reform of the common market organisation (CMO) for fruit and vegetables
Purpose	<p>The Commission proposals of 24 January 2007 aim to improve EU fruit and vegetables' competitiveness and market orientation, reduce fluctuations in fruit and vegetable producers' income resulting from crises, increase</p>

	<p>consumption, strengthen environmental protection, and simplify and where possible reduce the administrative burden for all concerned.</p> <p>The reform will encourage more producers to join producer organisations (POs), make available to POs a wider range of crisis management tools, include the fruit and vegetables sector in the single payment scheme, demand a minimum rate of expenditure on environmental measures and better financing of organic production and promotion measures, and abolish export refunds for the sector concerned.</p> <p>The financial aid is limited to 60% of the expenditure by producer members in the ORs.</p>
Reference documents	COM(2007) 17 final

Title	Aid scheme for the meat sector in the outermost regions
Purpose	The text lays down detailed rules for the application of the POSEI programmes established in 2001 and concerns assistance for traditional activities connected with beef and veal, sheepmeat and goatmeat production and measures to improve product quality, within the limits of the consumption needs of the outermost regions with the exception of the Azores.
Reference documents	Commission Regulation (EC) No 188/2005 of 3 February 2005 laying down detailed rules for the application of the aid scheme for the meat sector in the outermost regions (OJ L 31, 4.2.2005)

Title	Community guidelines for State aid in the agriculture and forestry sector 2007 to 2013
Purpose	The guidelines apply to all State aid granted in connection with activities related to the production, processing and marketing of agricultural products falling within the scope of Annex I of the Treaty. They apply to any aid measure, in whatever form. The Commission will examine proposals to grant State aid designed to meet the needs of these regions on a case-by-case basis, in the light of the specific legal provisions applying to these regions, and having regard to the compatibility of the measures concerned with the Rural Development Programmes for the regions concerned, and their effects on competition both in the regions concerned and in other parts of the Community.
Reference documents	OJ C 319, 27.12.2006

Title	State aid notification sheet under Article 87 of the EC Treaty
Purpose	<p>The Community guidelines for State aid in the agriculture and forestry sector changed the rules applied by the Commission in assessing the compatibility of State aid measures with the common market.</p> <p>The additional information needed for an assessment of a State aid measure in an OR must be supplied on a supplementary information sheet (the specimen for which is shown in part III.12 M, p. 90).</p>
Reference documents	Commission Regulation (EC) No 1935/2006 of 20 December 2006 amending Regulation (EC) No 794/2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty CE (OJ L 407, 30.12.2006)

5.3. Common fisheries policy

Title	European Fisheries Fund (EFF)
Purpose	<p>The European Fisheries Fund (EFF) gives Community support for the period 2007-2013 to the sustainable development of the fisheries sector, fisheries areas and inland fishing.</p> <p>The EFF will succeed the current Financial Instrument for Fisheries Guidance (FIFG).</p> <p>The ORs receive a special differentiation of the rates of EFF assistance. The EFF thus provides for increased assistance rates which vary according to the measure in question. Moreover, the specific provisions on small-scale coastal fishing (defined as the activity practised by boats no longer than 12 metres using passive gear) are particularly relevant to the ORs.</p>
Reference documents	Council Regulation (EC) No 1198/2006 (OJ L 223, 15.08.2006, p. 1)

Title	Fishing fleet management in the outermost regions
Purpose	The ORs are granted derogations from the structural measures applied to the Community fleet, enabling new capacity to enter a fleet registered in an OR, with or without public aid, within the limits of the specific reference levels. The measures adopted authorise aid for fleet renewal and modernisation until the end of 2006.
Reference documents	<ul style="list-style-type: none"> – Council Regulation No 639/2004 of 30 March 2004 (OJ L 102, 7.4.2004) – Council Regulation No 1646/2006 of 7 November 2006 amending Regulation No 639/2004 (OJ L 309, 9.11.2006).

Title	Additional costs compensation scheme (Fisheries POSEI)
Purpose	<p>The purpose is to meet the additional costs incurred in the marketing of certain fishery products via a compensation scheme under the EAGGF Guarantee Section.</p> <p>This applies to products from the Azores, Madeira, the Canary Islands, French Guiana and Reunion.</p> <p>The scheme was renewed by the Council on 21 May 2007, and now grants the ORs greater implementation flexibility. The new measure will expire on 31 December 2007.</p>
Reference documents	<ul style="list-style-type: none"> – Council Regulation No 2328/2003 of 22 December 2003 (OJ L 345, 31.12.2003) – Council Regulation No 791/2007 of 21 May 2007 (OJ L 176/1, 6.7.2007)

Title	Supplying the local market
Purpose	<p>The exceptional geographical situation of the Canary Islands in relation to the sources of supply of certain fishery products which are essential for domestic consumption entails additional costs for this sector. This natural handicap can be remedied, inter alia, by temporarily suspending customs duties on imports of the products in question from non-member countries within Community tariff quotas of an appropriate volume.</p> <p>To avoid directly affecting the working of the internal market, measures have been taken to ensure that fishery products for which suspension is requested are intended solely for the Canary Islands' domestic market.</p> <p>The measure expired on 31 December 2006.</p> <p>The competent Spanish authorities have submitted a report on the operation of the scheme. The Commission will review the impact of the measures adopted and, on the basis of its findings, will submit to the Council any relevant proposals for the period after 2006.</p>
Reference documents	Council Regulation (EC) No 704/2002 of 25 March 2002 (OJ L 111, 26.4.2002).

Title	Regional advisory councils
Purpose	The Council Decision of 19 July 2004 establishing regional advisory councils under the common fisheries policy, amended by Council Decision 2007/409/EC of 15 June 2007, grants financial packages enabling ORs in the Atlantic Ocean to set up and take part in sounding-board forums for

	expression and consultation on fishing problems under the Regional Advisory Council for the south-western waters.
Reference documents	<ul style="list-style-type: none"> – Council Decision 2004/585/EC of 19 July 2004 (OJ L 256, 3.8.2004). – Commission Decision 2007/222/EC

5.4. Common commercial policy

Title	Economic partnership agreements (EPAs)
Purpose	<p>The position of the ORs in the economic partnership agreements (EPAs) is explicitly addressed in the Commission negotiating directives, which stress the need to acknowledge the "particular interests" of these regions.</p> <p>The 2004 Commission Communication on a stronger partnership for the outermost regions proposes using the EPA negotiations to integrate the ORs more firmly with their geographical zones by reducing trade barriers. To address the special interests of the ORs:</p> <ul style="list-style-type: none"> – the interests of each of the outermost regions in regional trade flows must be precisely identified, bearing in mind the economic complementarity between these regions and the African, Caribbean and Pacific (ACP) countries; – the regions and the Member States must inform the Commission of the sectors and types of trade they regard as important to the ORs; – the Commission must assess these notifications within the limits of its powers.
Reference documents	<ul style="list-style-type: none"> – Cotonou Agreement of 23 June 2000 (OJ L 317, 15 December 2000) – General Affairs Council, 17 February 2002, No 9930/02

Title	Generalised tariff preferences
Purpose	<p>Under the common commercial policy, the scheme consists of general arrangements granted to all beneficiary countries and territories, and two special arrangements taking into account the various developmental requirements of developing countries in similar situations.</p> <p>Article 22 of the text reads "Where imports of products included in Annex I to the Treaty cause, or threaten to cause, serious disturbance to Community markets, in particular to one or more of the outermost regions, or these markets' regulatory mechanisms, the Commission, on request of a Member State or on its own initiative, may suspend the preferential arrangements in respect of the products concerned after consulting the management committee for the relevant common market organisation".</p>

Reference documents	Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences (OJ L 169, 30.06.2005)
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5.5. Development

Title	Tenth EDF
Purpose	<p>As proposed in the 2007-2013 financial perspectives, Article 1(2) of the internal agreement establishing the Tenth EDF makes available from the fund a sum of €22 682 million, of which €21 966 million go to the ACP countries, €86 million to the OCTs and €430 million on support expenditure.</p> <p>Given the importance attributed by Article 28 of the ACP-EC Partnership Agreement to regional cooperation between the ACP countries, the OCTs and ORs, facilitating this cooperation is one of the innovative elements enshrined in the Council Regulation on the implementation of the 10th EDF (COM(2006) 650 final, 27 October 2006). This facilitation is based on the possibility of identifying common priorities and specific resources. Special attention is also given to the possibility of stronger coordination of the selection of projects of common interest.</p> <p>More specifically, it is explicitly mentioned that multiannual indicative programmes – drawn up at the same time as the strategic documents concerning partner countries and regions – may include priorities and specific resources for the purpose of strengthening cooperation with the outermost regions (cf. Article 4(3)(d) of the Regulation). Moreover, if specific resources are made available in a multiannual indicative programme and if the project or programme concerned is regional or cross-border, the Commission may decide, in order to ensure the coherence and effectiveness of Community assistance, that the ORs may take part in these initiatives financed under the 10th EDF. These provisions will be incorporated in the annual action programmes to be run as part of the implementation of the multiannual indicative programmes (see Article 10 of the Regulation).</p> <p>The multiannual indicative programmes may also include arrangements for the identification and coordinated selection of common interest projects. This could be done by mobilising technical assistance or through programme monitoring committees involving the various stakeholders.</p> <p>For the sake of completeness it should be noted that Council Decision 2007/249/EC amending Decision 2001/822/EC on the association of the overseas countries and territories with the European Community also stresses the importance of stronger cooperation between the OCTs, the ACP countries and the ORs. It should be noted that the amount granted to the OCTs to finance regional cooperation and integration also covers cooperation with the ORs and that coordination with the other Community financial instruments is essential here (Cf. Article 3(2) of Annex II Aa of the amended Decision).</p> <p>The elements described above should improve the coordination between the</p>

	<p>EDF and the ERDF through "concerted" programming and resources earmarked to support any projects of common interest, so as to achieve "parallel cofinancing" of EDF and ERDF cooperation schemes. This is accompanied in practice by a growing dialogue between the ACP/OCT and OR authorities (e.g. between the Canaries and Cape Verde or, in the Caribbean, the EC/ACP/OCT/OR task forces under the auspices of Cariforum, following the Clovis Beauregard seminar in Martinique in November 2005).</p> <p>This approach does not alter the fact that the national and regional strategies for the ACP countries or OCTs are primarily the responsibility of the partner countries or territories. Nevertheless, the participation of DG REGIO in the internal dialogue between the various Commission departments when these strategies were assessed ensures that the question of cooperation between the ACP countries, the OCTs and the ORs is never forgotten.</p>
Reference documents	<ul style="list-style-type: none"> – Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multi-annual financial framework for the period 2008-2013 in accordance with the revised ACP-EC Partnership Agreement and the allocation of the financial assistance for the Overseas Countries and Territories to which part Four of the EC Treaty applies: OJ L 247, 9.9.2006, p. 32 – Decision No 1/2006 of the ACP-EC Council of Ministers of 02.06.2006 specifying the multi-annual financial framework for the period 2008 to 2013 and modifying the revised ACP-EC Partnership Agreement [Official Journal L 247, 9.9.2006]. – Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th EDF under the ACP-EC Partnership Agreement. – Council Decision 2007/249/EC amending Council Decision 2001/822/EC on the association of the overseas countries and territories with the European Community, COM(2007) 11 final, OJ L 109, 26.4.2007, p. 33.

Title	Commission Communication on an EU-Caribbean partnership for growth, stability and development
Purpose	On 2 March 2006 the Commission adopted a Communication on an EU-Caribbean partnership for growth, stability and development ⁴⁵ . The strategy proposed in this communication aims to promote a strong partnership between the EU and the Caribbean on development, combating poverty, democracy, fundamental rights, and peace, security and stability. The objective is a political partnership, based on shared values, to address

⁴⁵ COM(2006) 86 final, 2.3.2006

	<p>economic and environmental opportunities in the region and to promote social cohesion.</p> <p>Given the presence of ORs, especially French overseas departments (DOM), in the Caribbean and the converging interests of the various stakeholders in the region, the proposed strategy gives special attention to promoting cooperation between the ACP countries in the Caribbean, the French DOM and the OCTs as part of a wider integration process. The scope of this cooperation extends beyond the creation of synergies between the ACP and OCT development programmes financed by the EDF and the DOM programmes financed by the ERDF (see above), also aiming at closer cooperation and policy dialogue in other areas of common interest, such as trade, research, immigration, transport, ICT, education, environmental issues, risk prevention, health, justice and security.</p>
Reference documents	<ul style="list-style-type: none"> – COM(2006) 86 final, 2.3.2006 – SEC(2006) 268

5.6. EU external relations

Title	Financing instrument for development cooperation
Purpose	<p>With a view to eradicating poverty and promoting democracy, good governance, human rights and the rule of law, Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation ("the Regulation") provides for Community financing of the following:</p> <ul style="list-style-type: none"> – geographic programmes to support cooperation with developing countries which are recipients of aid from the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD/DAC) and are not financed by the European Development Fund (EDF); – thematic programmes in the countries, territories and regions mentioned above, but also in countries and regions covered by the EDF, i.e. the group of ACP countries which are signatories of the ACP-EC partnership agreement (with the exception of South Africa, financed via the Regulation) and the overseas countries and territories (OCTs); – accompanying measures for "Sugar Protocol" ACP countries. <p>One of the specific objectives of the financing instrument for development cooperation is to strengthen the relationship between the Community and partner countries and regions. Article 18(3) of the Regulation allows the Commission to include a specific financial allocation for the purpose of strengthening cooperation between the EU's outermost regions and neighbouring partner countries and regions when it determines the multiannual indicative allocations within each geographic programme.</p>

	<p>Since this cooperation is classed as Official Development Assistance (ODA) under DAC standards, it is possible to cofinance thematic or geographic measures with, inter alia, the Member States and their regional and local authorities, including the ORs, particularly their public and semi-public bodies. This cofinancing may be parallel or joint. In the case of parallel cofinancing, the project or programme is split into a number of clearly identifiable modules, each financed by the different partners providing cofinancing in such a way that the end-use of the financing can always be identified. In the case of joint cofinancing, on the other hand, the total cost of the project or programme is shared between the partners providing the cofinancing and resources are pooled in such a way that it is not possible to identify the source of funding for any given activity undertaken as part of the project or programme.</p>
Reference documents	Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 (OJ L 378, 27.12.2006)

Title	Commission Communication on a stronger partnership between the European Union and Latin America
Purpose	<p>To consolidate partnership relations between the EU and Latin America, the Commission proposes:</p> <ul style="list-style-type: none"> – stepping up and focusing political dialogue; – creating a climate conducive to trade and investment; – supporting the efforts of countries in the region to contribute to stability and prosperity; – cooperating more effectively and increasing mutual understanding. <p>The EU is present in this geographical area by virtue of its outermost regions. French Guiana borders Brazil, while Martinique and Guadeloupe are part of the Caribbean arch.</p> <p>The cooperation exchanges to be developed between all of these territories need to be exploited.</p>
Reference documents	COM(2005) 636 final

5.7. Research and technological development

Title	The Seventh Framework Programme for Research and Technological Development.
Purpose	This programme has been in application since 1 January 2007 and is subdivided into four specific programmes: the Cooperation Programme,

	<p>which supports research projects according to a thematic approach (health, food/agriculture/biotechnology, ICT, nanotechnologies/materials, energy, environment, transport, socio-economic research, security and space); the Ideas Programme for leading-edge research; the People Programme for researcher mobility initiatives; the Capacities Programme, giving horizontal support to infrastructures or SMEs, to international action, and to the creation of regional research-driven clusters.</p> <p>ORs have general eligibility for subsidised activities. One activity specially limited to ORs and convergence regions: research potential, to bring regional centres of excellence to European level and enhance the participation of the ORs in the European Research Area.</p>
Reference documents	OJ L 391, 400 and 412, 30.12.2006

5.8. Competition

Title	National regional aid 2007–2013
Purpose	<p>Revision of the Guidelines on National Regional Aid for 2007-2013.</p> <p>The ORs continue to be eligible for operating aid which is not progressively reduced or limited in time.</p> <p>For the first time, operating aid of up to 10% of the turnover of the beneficiary may be granted without the need for specific justification (cf. footnote 74).</p> <p>Regarding authorised investment aid intensity, the outermost regions will be eligible for a further bonus of 20 points GGE (gross grant equivalent) if their GDP per capita falls below 75% of the EU-25 average and 10 points GGE in other cases.</p>
Reference documents	OJ C 54, 4.3.2006, p. 13

Title	Objectives of State aid for Research and Development and Innovation
Purpose	<p>Promoting Research and Development and Innovation (R&D&I) is an important objective of common interest (cf. Article 163 of the EC Treaty) confirmed by the Barcelona European Council of March 2002.</p> <p>State aid to R&D&I will be compatible if the aid is likely to strengthen R&D&I activities and if the distortion of competition it causes is not judged to be contrary to the common interest. The aim is to ensure that this objective is met and, above all, to help Member States to target aid at the relevant market failures.</p> <p>Where aid for innovation clusters is concerned, in recognition of their</p>

	specific handicaps the outermost regions will be eligible for a further bonus of 20% if their GDP per capita falls below 75% of the EU-25 average and 10% in other cases (cf. paragraph 5.8).
Reference documents	OJ C 323, 30.12.2006

Title	Public-service obligations in the transport domain
Purpose	The Commission has proposed that the maximum duration of public-service obligations be raised to five years in the air transport domain for the ORs. Concerning maritime transport, it has suggested raising the threshold applicable to the number of passengers carried by sea to and from "small islands" from 100 000 to 300 000 for the application of simplified rules on the conclusion of public-service contracts.
Reference documents	– COM(2006) 396 final; Commission Communication on the interpretation by the Commission of Council Regulation (EC) No 3577/92 (COM (2003) 595; COM (2006) 196)

Title	Standard State aid notification forms
Purpose	The text provides a full specimen form for the compulsory notification of State aid (including specific questions applicable to the ORs from point 3.9 of the annex to the Regulation).
Reference documents	Commission Regulation (EC) No 1627/2006 of 24 October 2006 amending Regulation (EC) No 794/2004 as regards the standard forms for notification of aid (OJ L 302, 1.11.2006).

5.9. Transport

Title	Trans-European transport networks
Purpose	The European Parliament and Council Decision laying down guidelines for trans-European transport networks aims to facilitate the establishment and development of infrastructure encouraging the interconnection of national networks in order to facilitate the linkage of islands, areas similar to islands, and landlocked, peripheral or outermost regions with the central regions of the Community, particularly in order to reduce the high costs of transport in such regions.
Reference documents	Decision 2004/884/EC of 29 April 2004 (OJ L 167, 30.4.2004).

Title	Extension of the major trans-European transport axes to neighbouring countries
Purpose	<p>The Commission adopted a communication intended to ensure that the legislation, standards and technical specifications of our main trade partners are compatible with those of the EU and thus contribute to the achievement of the Lisbon agenda by encouraging trade, sustainable growth and social cohesion.</p> <p>The motorways of the seas linking the sea areas of countries with Atlantic Ocean coastlines incorporate the Spanish and Portuguese ORs.</p>
Reference documents	COM(2007) 32 final

Title	Mid-term review of the White Paper on transport: Commission Communication "Keep Europe Moving"
Purpose	<p>This mid-term review argues for a comprehensive, holistic approach to transport policy. Whereas future policies will continue to be based on the White Papers of 1992 and 2001, in many areas European intervention will not suffice. Mutually complementary action will be needed at national, regional and local levels of government as well as by citizens and industry themselves. That is why a permanent dialogue is essential.</p> <p>The outermost regions suffer from a strong accessibility deficit not only in relation to the continental internal market but also in their own hinterland. Transport policy instruments and State aids could be used to reduce the effects of remoteness on their competitive position and to improve connections with the rest of the EU and with neighbouring third countries.</p>
Reference documents	COM(2006) 314 final, 22.6.2006

Title	Marco Polo II
Purpose	<p>The aim is to boost intermodality, alleviate road congestion and improve the environmental performance of the freight transport system in the Community. To achieve this objective, the programme should support action in the freight transport, logistics and other relevant markets, taking into account the needs of small and medium-sized enterprises.</p> <p>The Regulation expressly mentions the ORs in the context of action on motorways of the sea: "if possible, the resources of the outermost regions should also be integrated".</p>
Reference	Regulation (EC) No 1692/2006 of the European Parliament and of the

documents	Council of 24 October 2006 establishing the second Marco Polo programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (OJ L 328, 24.11.2006).
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Title	State aid to air transport
Purpose	Recast of the Community guidelines on the financing of airports and start-up aid to airlines departing from regional airports. The text acknowledges the special situation of the ORs: the Commission agrees to examine the financing of start-up aid for routes from the outermost regions likely to gain benefit from more flexible compatibility criteria, particularly in terms of intensity and duration, and will not raise any objection to such aid for services to neighbouring non-member countries.
Reference documents	OJ C 312, 9.12.2005

5.10. Energy

Title	Internal market in electricity
Purpose	The purpose of the texts is to grant derogations for micro-isolated systems in the Azores and Madeira for the renovation, modernisation and expansion of existing capacity. These adaptations are necessary in view of the difficulties encountered in operating such networks.
Reference documents	<ul style="list-style-type: none"> – Commission Decision 2004/920/EC of 20 December 2004 on a derogation from certain provisions of Directive 2003/54/EC of the European Parliament and of the Council concerning the archipelago of the Azores (OJ L 389, 30.12.2004); – Commission Decision of 23 May 2006 on a derogation from certain provisions of Directive 2003/54/EC concerning the archipelago of Madeira (OJ L 142, 30.5.2006)

Title	Trans-European energy networks
Purpose	The European Parliament and Council Decision laying down guidelines for trans-European energy networks aims to facilitate the development and reduce the isolation of the less-favoured and island regions of the Community, thereby helping to strengthen economic and social cohesion. The priority action is to strengthen energy networks in island, isolated, peripheral and outermost regions while promoting the diversification of energy sources and the use of renewable energy sources, together with the connection of those networks, where necessary.

Reference documents	Decision No 1364/2006/EC of 6 September 2006 (OJ L 262, 22.9.2006).
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5.11. Environment

Title	Commission Communication on halting the loss of biodiversity by 2010 and beyond
Purpose	<p>The Commission presented a communication on the commitments made to halting the loss of biodiversity in the EU and substantially slowing the rate of loss worldwide by 2010.</p> <p>The text specifies that comparable measures for habitats and species are required in those EU outermost regions not covered by the nature directives.</p>
Reference documents	COM(2006) 216 final

5.12. Maritime policy

Title	Maritime Policy Green Paper
Purpose	<p>The Commission adopted a Green Paper to prepare the debate on the contents of an EU maritime policy aimed at coordinating the efforts of the national authorities in this area.</p> <p>Where the ORs are concerned, the document launching the debate (SEC(2005)290 "Towards a future maritime policy for the Union: A European vision for the oceans and the seas") includes the following:</p> <p>Point 4.1: "On account of its outermost regions the European Union has the world's largest maritime territory."</p> <p>Point 6.3: "Attention will also be paid to the added maritime dimension given to the Union by its outermost regions."</p> <p>The Green Paper on a maritime policy for the EU (COM(2006)275 final) refers to the ORs as follows:</p> <p>Point 1 "Introduction": "Through its outermost regions, in addition to the Atlantic Ocean, Europe is also present in the Indian Ocean and the Caribbean Sea. Their maritime stakes are many and concern the EU as a whole."</p> <p>Point 2.2: "The isolated outermost regions face specific challenges, in terms of natural conditions (cyclones or earthquakes) or illegal immigration, requiring specific responses."</p> <p>Point 4.3: Coastal regions receive financial support from several EU policies (...) (The aid granted) should also reflect the special role played by outermost regions in maritime affairs. These regions need to develop</p>

	<p>sustainable fisheries, the exploration of biodiversity and the development of new products based on it, sustainable tourism, improvement of links, including telecommunications and energy, and the development of planning systems through which all these can be brought into harmony."</p> <p>The maritime stakes of the ORs are many and concern the EU as a whole. These regions differ from the other regions of Europe not only through their specific geographical position in the Atlantic and Indian Oceans and the Caribbean Sea, but also in terms of the added value gained from their experiences in the sea areas surrounding them. They thus give the EU a unique maritime dimension and open up the possibility of exploring the potential on offer in several domains.</p>
Reference documents	<p>SEC(2005) 290</p> <p>COM(2006) 275 final</p>

5.13. Information society

Title	Broadband
Purpose	<p>The Commission Communication on bridging the broadband gap encourages the Member States to revise their broadband penetration strategies. The instruments of the cohesion, rural-development and information-society policies should thereby help to bridge the gap in poorly-served regions such as the ORs. Here, public or private initiatives, the introduction of new transmission technologies and a more active demand-aggregation policy may help to raise the critical mass which is often missing in these regions.</p>
Reference documents	<p>COM(2006) 129</p>

Title	Roaming on public mobile networks
Purpose	<p>The Commission proposal for a Regulation of the European Parliament and of the Council on roaming on public mobile telephone networks recommends that national regulatory authorities use their power to monitor developments in retail and wholesale prices for the provision of voice and data communications services, including SMS (Short Message Service) and MMS (Multimedia Message Service), to mobile customers when roaming in the Community, in particular as regards the specific costs related to roaming calls made in the outermost regions.</p> <p>The results of this monitoring are to be communicated to the Commission on request. This monitoring is intended to ensure that users of public mobile telephone networks when travelling within the Community do not pay excessive prices for international roaming voice services when making calls or receiving voice calls, thereby achieving a high level of consumer protection while safeguarding competition between mobile operators.</p>

Reference documents	COM(2006) 382
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5.14. Taxation and customs

Title	"Arbitrio sobre las Importaciones y Entregas de Mercancías en las Islas Canarias" - AIEM
Purpose	<p>The object is a tax on imports and deliveries of goods in the Canary Islands by the manufacturers of those goods, and on imports of similar goods in the same category, defined with reference to the common customs tariff nomenclature.</p> <p>The AIEM may allow exemptions for locally produced goods.</p> <p>The purpose of the measure is to compensate for the handicaps which force up the cost price of products made in the Canary Islands compared with "imported" products which do not suffer these handicaps. The derogation expires on 31 December 2011.</p>
Reference documents	Council Decision of 20 June 2002 on the AIEM tax applicable in the Canary Isles (OJ L 179, 9.7.2002, p. 22)

Title	Dock dues in the French overseas departments (DOM)
Purpose	<p>Dock dues are an indirect tax applicable in the French overseas departments. They apply to products from abroad (including those from mainland France or other Member States). They sometimes also apply to locally made products, but usually at lower rates than apply to products from abroad.</p> <p>The purpose of the measure is to compensate for the handicaps which force up the cost price of products made in the DOM compared with "imported" products which do not suffer these handicaps. The derogation expires on 1 July 2014.</p>
Reference documents	Council Decision of 10 February 2004 concerning the dock dues in the French overseas departments and extending the period of validity of Decision 89/688/EEC (OJ L 52, 21.2.2004, p. 64)

Title	Excise duty on "traditional" rum (DOM)
Purpose	France is authorised to apply, on the territory of mainland France, for traditional rum made in the French overseas departments, a reduced excise duty which may be less than the minimum rate of excise duty laid down in Directive 92/84/EC, but not less than 50% of the normal national rate of excise duty on alcohol. The reduction in excise duty is limited to an annual quota of 90 000 hl of pure alcohol. The derogation will expire on

	31 December 2009.
Reference documents	Council Decision 2002/166/EC of 18 February 2002 authorising France to extend the application of a reduced rate of excise on “traditional” rum produced in the overseas departments (OJ L 55 of 26.02.2002, p. 33)
Title	Excise – rum, liqueurs and eaux-de-vie (Azores and Madeira)
Purpose	Portugal is authorised to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs, and in the autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie. The reduced excise duty authorised may be less than the minimum rate of excise duty laid down in Directive 92/84/EC but not less than 75% of the normal national rate of excise duty on alcohol. The derogation will expire on 31 December 2008.
Reference documents	Council Decision 2002/167/EC of 18 February 2002 authorising Portugal to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in the autonomous region of the Azores on locally produced liqueurs and eaux-de-vie (OJ L 55 of 26.02.2002, p. 36)

Title	Temporary suspension of autonomous Common Customs Tariff duties on imports of certain industrial products and administration of autonomous Community tariff quotas on imports of certain fishery products into the Canary Islands
Purpose	These measures aim above all to foster the maintenance and development of local industrial and commercial activities, abolishing gradually and in parallel the suspensions of customs dut on goods for final consumption. These customs measures to support industrial products are accompanied by tariff exemptions, based on tariff quotas, for fishery products intended for local consumption, and add to those granted in the agricultural sector. The derogation expires on 31 December 2006.
	Council Regulation (EC) No 704/2002 of 25 March 2002 temporarily suspending autonomous Common Customs Tariff duties on imports of certain industrial products and administration of autonomous Community tariff quotas on imports of certain fishery products into the Canary Islands (OJ L 111 of 26 April 2002, p. 1)

6. LIST OF DECISIONS APPROVING STATE AID TO THE OUTERMOST REGIONS

6.1. State aid — regional and horizontal

6.1.1. Spain

Reference	Date of adoption of the decision	Region	Title of the aid
N 84/2005	21/12/2005	Canary Islands	Extension of the economic and tax arrangements (REF) for the Canary Islands
N 563/2004	26/01/2005	Canary Islands	Amendment of scheme N 708/98-Operating aid (Zona Especial Canaria, ZEC)
N 128/2004	26/01/2005	Canary Islands	Article 27 of the Economic and tax arrangements (REF) for the Canary Islands
N 376/2006	20/12/2006	Canary Islands	Extension of the State aid scheme @ Canary Islands Special Zone (ZEC)"; N 708/98, as amended by N94/2003 and N 563/2006
N 377/2006	20/12/2006	Canary Islands	Economic and tax arrangements (REF) for the Canary Islands

6.1.2. France

Reference	Date of adoption of the decision	Region	Title of the aid
N 107/2004	27/05/2004	DOM	Dock dues scheme in the French overseas departments (DOM)
N 95/2004	06/07/2004	DOM	Film (support for film production in the DOM)
N 758/2006	13/06/2007	DOM	Venture capital scheme in the DOM: Venture capital companies and investment funds
N 530/2006	27/06/2007	DOM	Reduced rate of excise on “traditional” rum produced in the overseas departments
N 522/2006	18/07/2007	DOM	Framework law for overseas departments - tax aid schemes for investment

N 524/2006	18/07/2007	DOM	Deductibility of VAT on certain exempted products
N 529/2006	18/07/2007	DOM	Dock dues
N 540/2006	18/07/2007	DOM	Employment access contract (DOM)
N 542/2006	18/07/2007	DOM	Exemption from employers' social-security contributions in the trading sector
N 559/2006	18/07/2007	DOM	One-third tax allowance on profits from holdings in the overseas departments
N 560/2006	18/07/2007	DOM	Non-application of increased payroll tax in the DOM and reduced taxation on wages paid in the DOM
N 627/2006	18/07/2007	DOM	"DOM Funds" guarantee funds
N 667/2006	18/07/2007	DOM	Young graduates employment support (SEJD)
N 668/2006	18/07/2007	DOM	Job-creation premium
N 359/2004	09/12/2004	Martinique	France Martinique 2000-2006 - Interest subsidies - Amendment of scheme N 378/2000
N 421/2005	07/10/2005	Martinique	France Martinique 2000-2006 - Interest subsidies – Second amendment of scheme N 378/2000
N 202/2004	24/10/2005	Martinique	Subscription to risk-capital companies - Martinique framework scheme
N 549/2003	30/11/2004	Reunion	Amendment of scheme N 324/2000 - Measure for energy conservation and development of renewable forms of energy

6.1.3. Portugal

Reference	Date of adoption of the decision	Region	Title of the aid
N 360/2005	25/08/2005	Azores	Extension of the regional framework scheme for the development of the Azores

N 421/2006	27/06/2007	Madeira	Free zone of Madeira
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6.2. State aid in the agriculture sector

Spain		
Reference	Date of decision	Title of the aid
N 213/2006	16/11/2006	Aid scheme to help repair the damage caused to agricultural output and infrastructure by the tropical storm "Delta" (Canaries)
N 167/2006	16/11/2006	Aid scheme to help repair the damage caused to agricultural output and infrastructure by the tropical storm "Delta" (Canaries)
N 161/2005	17/10/2005	Aid to compensate for losses caused by adverse weather conditions (in the Province of Ciudad Real and the Autonomous Communities of Extremadura and the Canaries)

France		
Reference	Date of decision	Title of the aid
N 550/a/2006	08/02/2007	Reduction of the contribution burden on unpaid farmers in the overseas departments (DOM)
N 165/2005	27/04/2006	Temporary aid granted to animal production in the overseas departments

NN 40/2004	06/09/2005	Aid to groups of banana producers (Guadeloupe and Martinique)
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6.3. State aid in the transport sector

Section	MS	Case Ref.	Title and description	Decision.	PV No	Letter sent to Member State	Publication - OJ and web
AIR	FR	N 656/2006	Individual social aid scheme between Reunion and the mainland	04/12/2006		04/12/06 (SG(06)D/207418)	
	FR	N223/06	Amendment to the Martinique territorial continuity scheme	13/09/2006	(06)1757	14/09/06 (SG(06)D/205157)	C 297 (07/12/06)
AIR	FR	N296/06	Notification of amendment to aid scheme N 385/2004	22/06/2006	(06)1750	22/06/06 (SG(06)D/203258)	W.L. (25/10/06)
AIR	FR	N236/06	Individual social aid scheme to assist certain categories of passenger on scheduled air services between Reunion and the mainland	07/06/2006	(06)1748	07/06/06 (SG(06)D/203009)	
AIR	FR	N 607/2004	Social aid – Reunion-mainland France air services	20/07/2005	(05)1711	(SG(06)D/203806)	W.L. (13/02/06) C 87 (11/04/06)

Section	MS	Case Ref.	Title and description	Decision.	PV No	Letter sent to Member State	Publication - OJ and web
AIR	FR	N 516/2004	Social aid scheme to assist certain categories of passenger on air services linking Martinique to mainland France	20/04/2005	(05)1698	21/04/05 (SG(05)D/201890)	C 138 (07/06/05) W.L. (27/05/05)
AIR	FR	NN 25/2005	Social aid scheme, known as the “mobility passport” scheme, to assist certain categories of passenger on air services linking mainland France to the French overseas departments	20/04/2005	(05)1698	21/04/05 (SG(05)D/201884)	C 137 (04/06/05) W.L. (27/05/05)
AIR	FR	N 385/2004	Individual social aid to assist certain categories of passenger	20/10/2004	(04)1675	22/10/04 (SG(04)D/204924)	C 131 (28/05/05) W.L. (08/12/04)
AIR	FR	N324/06	Air Caraïbes	24/10/2006	(06)1763	24/10/06 (SG(06)D/206443)	
AIR	FR	N321/06	Tax aid to overseas investment	24/10/2006	(06)1763	24/10/06 (SG(06)D/206444)	
AIR	FR	N 389/2005	Tax aid to overseas investment 05 - Air Caraïbes	22/02/2006	(06)1734	23/02/06 (SG(06)D/200811)	W.L. (09/06/06) C 272 (09/11/06)

Section	MS	Case Ref.	Title and description	Decision.	PV No	Letter sent to Member State	Publication - OJ and web
AIR	FR	N 269/2004	AIR CARAIBES	20/10/2004	(04)1675	22/10/04 (SG(04)D/204918)	C 77 (31/03/05) W.L. (08/12/04)
AIR	FR	N 474/2003	Overseas investment programme 2003 - Air Caraïbes (formerly Caraïbes Air Transport)	16/12/2003	(03)1639	17/12/03 (SG(03)D/233542)	C 38 (12/02/04) W.L. (12/02/04)
AIR	FR	N 427/2003	Overseas investment programme 2003 - Air Austral	16/12/2003	(03)1639	17/12/03 (SG(03)D/233540)	C 38 (12/02/04) W.L. (12/02/04)
AIR	FR	N 520/2002	Overseas investment programme 2002 - Caraïbes Air Transport	02/04/2003	(03)1607	02/04/03 (SG(03)D/229308)	C 196 (20/08/03) WL (15/08/03)

6.4. Public-service obligations in the air transport domain (list of all PSOs in force) and aid initiatives of a social nature

The dates indicated correspond to the dates of publication in the Official Journal of the European Union (Series C)

Country:	Country imposing PSO
Airport:	The two columns show the airports involved in the public-service obligation route
Imposition	Official Journal publication date of the PSO imposition (based on Article 4(1)a of Regulation 2408/92)
Amendment	Date of publication of PSO amendments
Cancellation	Date of publication of PSO cancellation for the route concerned
Invitations to tender:	Publication date of invitations to tender based on Article 4(1)d of Regulation 2408/92
Market access	<p>O – access open to all air carriers meeting the PSO conditions; R – restricted access; an exclusive concession has been granted following an invitation to tender, as laid down in Article 4 of Regulation 2408/92</p> <p>If the invitation to tender is inconclusive or if an air carrier agrees to provide the air link voluntarily without compensation, access to the route remains open (O) – At the end of the concession period of three years maximum, access to the route is re-opened unless a new invitation to tender has been published.</p>
Concession:	Concession period as specified in the last invitation to tender published
Operator:	Names of air carriers providing the link (by exclusive concession or on a voluntary basis)
Social aid schemes	For open-access routes, the Member State may be authorised to introduce a social aid scheme for passengers following approval from the Commission (the case number is shown in the "comments" column; further information is available on the relevant Commission' website: http://ec.europa.eu/dgs/energy_transport/state_aid/decisions/decisions_dg_tren_en.htm)

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
France	French Guiana [Cayenne]	Grand-Santi via St Laurent de Maroni	C221 - 30/07/96	C254, 13/09/2001 C83 - 05/04/2005	C11 - 17/01/2006 02/03/2006(cancellation) 05/05/2006	O	Invitation to tender inconclusive		No operator	Social aid scheme proposed
France	French Guiana [Cayenne]	Maripasoula	C221 - 30/07/96	C213 - 26/07/2000 21/12/2000 (suspension) C254, 13/09/2001 C83 - 05/04/2005	21/07/1996 29/07/2000 14/09/2001 C11 - 17/01/2006 02/03/2006(cancellation) 05/05/2006	O	Invitation to tender inconclusive		Air Caraïbes	Social aid scheme proposed
France	French Guiana [Cayenne]	Saint-Georges de l'Oyapock:	OJ C 221, 30/07/96, p.8	26/07/2000 21/12/2000 (suspension) 13/09/2001 05/04/2005	31/07/1996 29/07/2000 14/09/2001 C84 - 06/04/2005	R			Air Caraïbes	
France	French Guiana [Cayenne]	Saül	C221 - 30/07/96	26/07/2000 21/12/2000 (suspension) C254 - 13/09/2001 C83 -	21/07/1996 29/07/2000 14/09/2001 C11 - 17/01/2006 02/03/2006 (canc)	O	Invitation to tender inconclusive		Air Caraïbes	Social aid scheme proposed

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
				05/04/2005	05/05/2006					
France	Guadeloupe [Pointe-à-Pitre (le Raizet)]	Guadeloupe [La Désirade]	OJ C 172, 22/07/03		http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/c_159/c_15920050630en00330034.pdf	O			Air Caraïbes	
France	Guadeloupe [Pointe-à-Pitre (le Raizet)]	Guadeloupe [Marie-Galante (Les Bases)]	OJ C 172, 22/07/03		http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/c_159/c_15920050630en00330034.pdf	O			Air Caraïbes	
France	Guadeloupe [Pointe-à-Pitre (le Raizet)]	Guadeloupe [St Barthélemy]	OJ C 172, 22/07/03			O			Air Caraïbes	

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
	Raizet)]									
France	Guadeloupe [Pointe-à-Pitre (le Raizet)]	Les Saintes	OJ C 172, 22/07/03			O			Air Caraïbes	
France	Guadeloupe [Pointe-à-Pitre (le Raizet)]	St Martin (Esperance)	OJ C 172, 22/07/03			O			Air Caraïbes	
France	Mainland France [Paris/Charles de Gaulle,..]	Guadeloupe	08/09/1997	22/03/2003 21/06/2005		O			Air Caraïbes + Air France	Social aid scheme (case N296/2006)
France	Mainland France [Paris/Charles de Gaulle,..]	French Guiana	08/09/1997	22/03/2003 21/06/2005		O			Air France	
France	Mainland France	Martinique	08/09/1997	22/03/2003 21/06/2005		O			Air Caraïbes	Social aid scheme

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
	[Paris/Charles de Gaulle,..]								+ Air France	(case N223/2006)
France	Mainland France [Paris/Charles de Gaulle,..]	Reunion	08/09/1997	22/03/2003 21/06/2005		O			Air Austral + Air France	Social aid scheme (case N236/2006)
Portugal	Corvo	Flores	16/05/2002	30/04/2005 28/02/2006	30/11/2002 01/03/2006 (amended on 11/03/2006)	R	28 February 2006	27 February 2009	SATA	
Portugal	Funchal	Ponta Delgada	OJ C 200, 4.8.1995, p.3	26/08/98 26/09/01 28/09/01 23/03/02 27/04/02 27/03/03 12/03/04 07/10/04 30/04/05 01/12/05 22/04/06	06/03/97 C273 _ 2001	O			SATA	
Portugal	Funchal	Porto Santo	OJ C 200,	OJ C 267,	29/08/95	R			Aerocond	

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
			4.8.1995, p.7	26/08/98, p.9 C280 - 18/11/2006					or ceased activities on 1 January 2007; air links provided by SATA to the end of May 2007 pending an invitation to tender	
Portugal	Horta	Corvo	16/05/2002	30/04/2005 28/02/2006	30/11/2002 01/03/2006 (amended on 11/03/2006)	R	28 February 2006	27 February 2009	SATA	
Portugal	Horta	Flores	16/05/2002	30/04/2005 28/02/2006	30/11/2002 01/03/2006 (amended on 11/03/2006)	R	28 February 2006	27-Fév-2009	SATA	
Portugal	Lisbon	Funchal	OJ C 200, 4.8.1995,	OJ C 267, 26/8/98, p.7	29/08/95	O			TAP Air Portugal	Social aid scheme

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
			p.3	OJ C 261, 18/9/01, p.2 C280 - 18/11/2006						(case N414/98)
Portugal	Lisbon	Horta	OJ C 200, 4.8.1995, p.3	26/08/98 26/09/01 28/09/01 23/03/02 27/04/02 27/03/03 12/02/04 07/10/04 30/04/05 10/12/05 22/04/06	29/08/95 27/08/98 OJ C 273, 28/9/01, p.11	O			SATA	
Portugal	Lisbon	Pico	10/07/04	01/12/05 22/04/06		O			TAP Portugal + SATA	

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
Portugal	Lisbon	Ponto Delgada	OJ C 200, 4.8.1995, p.3	26/08/98 26/09/01 28/09/01 23/03/02 27/04/02 27/03/03 12/03/04 07/10/04 30/04/05 01/12/04 22/04/06	29/8/95 c273 - 2001	O			SATA	
Portugal	Lisbon	Porto Santo	JOCE 200, 04/08/95, p.3	JOCE 267, 26/08/98, p.7 OJ C 261, 18/09/01, p.2 C280 - 18/11/2006	29/08/95	O			TAP Air Portugal	
Portugal	Lisbon	Santa Maria	10/07/04	01/12/05 22/04/06		O			SATA	

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
Portugal	Lisbon	Terceira	JOCE 200, 04/08/95, p.3	26/08/95 26/09/01 23/03/02 27/04/02 27/03/03 12/03/04 07/10/04 30/04/05 01/12/05 22/04/06	29/08/95 OJ C 273, 28/09/01, p.10	O			SATA	
Portugal	Porto	Funchal	OJ C 200, 04/08/95, p.3	OJ C 267, 26/08/98, p.7 OJ C 261, 18/09/01, p.2 OJ C 271, 26/09/01, p.5 OJ C 74, 23/03/02, p.10 C280 - 18/11/2006	29/08/95	O			SATA + TAP Portugal	Social aid scheme (case N414/98)
Portugal	Porto	Porto Santo	OJ C 200, 04/08/95, p.3		29/08/95	O			TAP Air Portugal	

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
Portugal	Porto	Punta Delgada	8/04/1995	26/9/91 26/8/98 28/9/01 23/3/02 27/4/02 27/3/03 7/10/04 12/3/04 30/4/05 1/12/05 22/4/06	29/8/95 C273 - 2001	O			TAP Portugal + Sata International	
Portugal	Ponta Delgada	Flores	16/5/02	30/4/05 28/2/06 11/3/06	30/11/02 1/3/06 (amended 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Ponta Delgada	Horta	16/05/02	30/04/05 28/02/06 11/03/06	30/11/02 1/3/06 (mod 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Ponta Delgada	Pico	16/05/02	30/04/05 28/02/06	30/11/02 1/3/06 (amended 11/3/06)	R	1-Jun-2006	31-May-2009	SATA	

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
Portugal	Ponta Delgada	Santa Maria	16/05/02	30/04/05 28/02/06 11/03/06	30/11/02 1/3/06 (amended 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Ponta Delgada	Sao Jorge	16/05/02	30/04/05 28/02/06 11/03/06	30/11/02 1/3/06 (amended 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Ponta Delgada	Terceira	16/05/02	30/04/05 28/02/06 11/03/06	30/11/02 1/3/06 (amended 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Terceira	Corvo	16/05/02	30/04/05 28/02/06	30/11/02 1/3/06 (amended 11/3/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Terceira	Flores	16/05/02	30/04/05 28/02/06 11/3/06	30/11/02 1/3/06 (amended 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Terceira	Graciosa	16/05/02	30/04/05 28/2/06	30/11/02 1/3/06 (amended	R	1-Jun-2006	31-May-2009	SATA	

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
					11/3/06)					
Portugal	Terceira	Horta	16/05/02	30/04/05 28/02/06 11/3/06	30/11/02 1/3/06 (amended 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Terceira	Pico	16/05/02	30/04/05 28/02/06 11/3/06	30/11/02 1/3/06 (amended 11/03/06)	R	1-Jun-2006	31-May-2009	SATA	
Portugal	Terceira	Sao Jorge	16/05/02	30/4/05 28/2/06	30/11/02 1/3/06 (amended 11/3/06)	R	1-Jun-2006	31-May-2009	SATA	
Spain	Gran Canaria	El Hierro	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias	Social aid scheme (case N387/98)
Spain	Gran Canaria	Fuerteventura	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 -		O			Binter Canarias + Islas Airways	Social aid scheme (case N387/98)

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
				29/12/2006						
Spain	Gran Canaria	La Gomera	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias	Social aid scheme (case N387/98)
Spain	Gran Canaria	Lanzarote	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias + Islas Airways + Air Europa	Social aid scheme (case N387/98)
Spain	Gran Canaria	Santa Cruz de la Palma	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias	Social aid scheme (case N387/98)
Spain	Gran Canaria	Tenerife Nord	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias + Islas Airways	Social aid scheme (case N387/98)

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
Spain	Gran Canaria	Tenerife Sud	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias	Social aid scheme (case N387/98)
Spain	Santa Cruz de la Palma	Lanzarote	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias	Social aid scheme (case N387/98)
Spain	Tenerife Nord	El Hierro	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias	Social aid scheme (case N387/98)
Spain	Tenerife Nord	Fuerteventura	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias + Islas Airways	Social aid scheme (case N387/98)
Spain	Tenerife Nord	La Gomera	OJ C 267, 26/08/98, p.14	18/10/2002 C255 - 21/10/2006 C321 -		O			Binter Canarias	Social aid scheme (case

Country	Airport	Airport	Imposition	Amendment	Invitations to tender	Market access	Concession		Current operator	Comments
							from	to		
				29/12/2006						N387/98)
Spain	Tenerife Nord	Lanzarote	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias + Islas Airways	Social aid scheme (case N387/98)
Spain	Tenerife Nord	Santa Cruz de la Palma	OJ C 267, 26/08/98, p.13	18/10/2002 C255 - 21/10/2006 C321 - 29/12/2006		O			Binter Canarias + Islas Airways	Social aid scheme (case N387/98)

7. EIB LOANS AND INTERVENTIONS IN THE OUTERMOST REGIONS

Loans (other than global loans) signed by the EIB between 16 November 2003 and 31 December 2006 in the ORs (including multiregional loans partially classified in these regions)

Year of signature	Name of contract	Sector	Country	Region	Date of signature	Project description	Status	Amount signed (M€)
2005	ENDESA ELECTRICITY DISTRIBUTION III-A	ELECTRICITY TRANSMISSION AND DISTRIBUTION	SPAIN	CANARIAS	22/09/2005	Reinforcement and extension of electricity distribution networks in six regions of Spain	PAID	21,0
2005	ENDESA ELECTRICITY DISTRIBUTION III-A	ELECTRICITY TRANSMISSION AND DISTRIBUTION	SPAIN	CANARIAS	22/09/2005	Reinforcement and extension of electricity distribution networks in six regions of Spain	PAID	21,0
2006	ENDESA ELECTRICITY DISTRIBUTION III-A	ELECTRICITY TRANSMISSION AND DISTRIBUTION	SPAIN	CANARIAS	30/01/2006	Reinforcement and extension of electricity distribution networks in six regions of Spain	PAID	42,0

Year of signature	Name of contract	Sector	Country	Region	Date of signature	Project description	Status	Amount signed (M€)
2004	AENA VI - ATC - B	AIR TRANSPORT	SPAIN	CANARIAS	27/12/2004	Renovation, technical upgrading and extension of the air traffic control system	PAID	13,0
2005	AENA VI - ATC - A	AIR TRANSPORT	SPAIN	CANARIAS	21/01/2005	Renovation, technical upgrading and extension of the air traffic control system	SIGNED	39,0
2006	AENA VI - ATC - A	AIR TRANSPORT	SPAIN	CANARIAS	9/05/2006	Renovation, technical upgrading and extension of the air traffic control system	SIGNED	13,0
2005	SOYUZ-GUYANE	SPACE TRANSPORT	FRANCE	French Guiana	21/03/2005	Construction of a new launch pad at the French Guiana space centre and adaptation of the Soyuz rocket launcher	SIGNED	121,0
2006	MARTINIQUE CENTRE	HEALTH AND	FRANCE	MARTINIQUE	27/09/2006	Modernisation of the Centre	PAID	10,0

Year of signature	Name of contract	Sector	Country	Region	Date of signature	Project description	Status	Amount signed (M€)
	HOSPITALIER B	SOCIAL SCHEMES				Hospitalier Universitaire de Fort-de-France		
2004	REGION REUNION-ROUTE DES TAMARINS	ROADS & MOTORWAYS	FRANCE	REUNION	16/09/2004	Construction of a new expressway (Route des Tamarins) in the west of Reunion	SIGNED	200,0
2004	REGION REUNION-ROUTE DES TAMARINS B	ROADS & MOTORWAYS	FRANCE	REUNION	21/12/2004	Construction of a new expressway (Route des Tamarins) in the west of Reunion	SIGNED	75,0
2003	EDA POWER VI - A	ELECTRICITY PRODUCTION	PORTUGAL	AZORES	18/12/2003	Increased electricity production, transmission and distribution capacity in the Azores	PAID	26,8
2003	EDA POWER VI - A	ELECTRICITY TRANSMISSION AND DISTRIBUTION	PORTUGAL	AZORES	18/12/2003	Increased electricity production, transmission and distribution capacity in the Azores	PAID	13,2

Year of signature	Name of contract	Sector	Country	Region	Date of signature	Project description	Status	Amount signed (M€)
2005	EDA POWER VI B	ELECTRICITY PRODUCTION	PORTUGAL	AZORES	1/07/2005	Increased electricity production, transmission and distribution capacity in the Azores	PAID	20,1
2005	EDA POWER VI B	ELECTRICITY TRANSMISSION AND DISTRIBUTION	PORTUGAL	AZORES	1/07/2005	Increased electricity production, transmission and distribution capacity in the Azores	PAID	9,9
2004	MADEIRA WATER AND ENVIRONMENT II B	ABSTRACTION, TREATMENT AND DISTRIBUTION OF WATER AND IRRIGATION	PORTUGAL	MADEIRA	7/09/2004	Technical upgrading of the water supply network on the island of Madeira	SIGNED	7,0
2006	DESENVOLVIMENTO MADEIRA 2000-2006 B	COMPOSITE INFRASTRUCTURES	PORTUGAL	MADEIRA	24/03/2006	Cofinancing of the regional programme for multisectoral investment in the autonomous region of Madeira under the 2000-2006 Community support framework	SIGNED	135,0

Year of signature	Name of contract	Sector	Country	Region	Date of signature	Project description	Status	Amount signed (M€)
2003	PORTOS DA MADEIRA A	SEA TRANSPORT	PORTUGAL	MADEIRA	24/11/2003	Modernisation of port infrastructure at Funchal, Caniçal and Porto Novo on the Island of Madeira	PAID	30,0
2005	ELECTRICIDADE DA MADEIRA TRANCHE A	ELECTRICITY PRODUCTION	PORTUGAL	MADEIRA	3/05/2005	Expansion of electricity production and distribution capacity and upgrading of transmission and distribution networks in the Madeira archipelago	PAID	12,6
2005	ELECTRICIDADE DA MADEIRA TRANCHE A	ELECTRICITY TRANSMISSION AND DISTRIBUTION	PORTUGAL	MADEIRA	3/05/2005	Expansion of electricity production and distribution capacity and upgrading of transmission and distribution networks in the Madeira archipelago	PAID	27,4

Year of signature	Name of contract	Sector	Country	Region	Date of signature	Project description	Status	Amount signed (M€)
Total								837,0