

**Executive Master
in EU Studies**

***From Barriers to Opportunities:
The Unique Geographical Potential
of Outermost Regions***

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Abstract

This paper examines the specific case of the European Union's Outermost Regions, namely, the Azores, the Canary Islands, Guadeloupe, French Guiana, Madeira, Martinique, Réunion, Saint Martin and Mayotte. The evolution of their legal-political position within the EU framework and their process towards differentiation, which culminated in a special legal status enshrined in Article 349 of the Treaty of the Functioning of the EU sets the floor for understanding the key obstacles impacting the development of these regions, including remoteness, limited economies of scale and high transportation costs. The paper highlights that despite these challenges, the Outermost Regions hold an endogenous potential, stemming from their strategic geographic location and natural assets. The document also underlines how the current trends and shifts in foreign and regional relations, ocean economy, technology (particularly renewable energy) and the agro-food areas present development opportunities for these regions. It touches upon the importance of interregional cooperation and tailored measures to harness opportunities for sustainable economic growth. Ultimately, it contributes to understanding how to optimise the integration of the Outermost Regions into the EU framework while addressing their specific needs and potential in fields that are particularly relevant for the future.

1. Introduction

“All islands, even known ones, are unknown until we set foot on them” – José SARAMAGO, *The Tale of the Unknown Island*, 1997.

It could be said that the sun never sets in the European Union (EU). What seems like a bold claim at first, when we consider the size and location of the EU from a pure continental perspective, is in fact a somewhat reasonable claim when looking at the whole extension of its territory. The EU's extent is not fully captured from its Atlantic coast to the Black Sea or from Scandinavia to the Mediterranean. A group of EU ultraperipheral regions is spread across various parts of the world. They stand as a remnant of European colonial expansion and fully integrate the European project with a special legal status, under Article 349 of the Treaty of the Functioning of the EU, which defines their role in European integration. Currently, there are nine ultraperipheral/outermost regions, namely: the Azores and Madeira as part of Portugal; The Canary Islands as part of Spain; French Guiana, Guadeloupe, Martinique, Mayotte, Réunion and Saint Martin as part of France. These are spread across the North Atlantic, the Caribbean Sea Basin, the Amazonian Sea Basin and the Indian Ocean.

Due to their specific characteristics in virtue of their geographic situation, these regions are commonly regarded as victims of their geography, suffering from structural disadvantages that hamper their socioeconomic development. However, while these regions face aggravated challenges when compared to other EU regions, there is another side to the coin, in which their unique characteristics comprise a great amount of potential assets. The purpose of this paper is to expand on the limited literature about the EU's outermost regions. Firstly, it addresses the evolution of the European project framework from its conceptualisation of regional policy, going through the establishment of differentiation for ultraperipheral regions, up until the culmination of a special legal framework for these regions in EU primary law. Secondly, it analyses the legal status defined under Article 349, including its possibilities and limitations when it comes to the applicability of EU law, thus setting a basis to understand EU policymaking for outermost regions. Thirdly, the paper takes stock of the special characteristics of these regions and displays specific areas, sectors and industries in which their geographical attributes can be leveraged as assets for both EU interests and the local development of outermost regions, such as foreign policy (through regional relations and cooperation), blue economy, energy technology (with particular focus on renewable energy) and the agro-food sector.

2. Developing the ultraperipheral concept – from distinguishing types of territories to amending the founding EU treaties

2.1. The emergence of a supranational regional perspective in Europe

Since the inception of the European project, there has been an understanding of the socioeconomic and territorial diversity across Europe. The Treaty of Rome, signed in 1957, enshrined in its preamble what would be a long-term mission to reduce the differences between the various regions and the backwardness of the less-favoured regions. (Treaty establishing the European Economic Community, 1957). Such a statement in the preamble signalled the importance that regional policy would have in European integration. The backbone of the current EU regional policy holds an essential decade-long argument, which is that the existence of large income disparities across the citizens and territories would lead to significant and disruptive socioeconomic problems, therefore, a balance development model stands as a pre-condition for the success of European integration in both economic and social terms (Artis & Nixon, 2007).

Entering the 1960s, a regional policy area began taking shape at the supranational level. One of the first institutional milestones that initiated a more concrete discussion of regional policies was the creation of a new administrative department in the European Commission in 1968 to address the topic. Under the name of Directorate-General for Regional Policy, this new department started the reflections on regional policy as a fundamental factor for furthering European integration. In 1973, the Thompson Report was published right after the enlargement from six to nine Member States and stated that while the continuous Community's expansion set out in the Treaty was being achieved, balance and harmony were lacking in the process, thus referring to the fact that regional disparities were persistent. George Thompson, the first European Commissioner from the UK, also reiterated that regional policy was a general European interest that concerned both the richer and the poorer regions of Europe. In this context, a momentum was building up due to the increasing recognition of geographical concerns (Hall, 2014).

In 1986, the European Community went through the third wave of enlargement that welcomed Portugal and Spain. Several dynamics within the European project were evolving, and the idea that Europe should be a construction of purely nation-states was becoming outdated. Hence, the emerging thought was that common European policies should not only be unitary for the European Community as a political entity but also differential for the communities and regions of different development levels that altogether

compose a common project. Some of these types of regions included mountainous regions, decaying industrial regions and islands, however, within the island typology, a specific category would eventually receive a specific status in the future, under the name, ultraperipheral or outermost regions (Valente, 2016).

In the 1980s, the Single European Act (SEA) was a landmark that brought regions into European integration. The legislative fields of the European Community were expanded and touched upon many regional competences. Furthermore, the structural policies and cohesion went through reforms that integrated principles such as “subsidiarity” and “partnership” that attributed clear responsibilities to regions as actors in the European project (Dialer & Richter, 2019).

The structural funds reform in 1988 introduced a new subnational dimension to policy implementation. Certain political pressures coming from the Iberian enlargement led to this funding reform, for instance, it generated a shift in EU funding distribution in which Britain, France and Germany became contributors with a much lower allocation for themselves, thus increasing their interest in the effective use of the resources that they transferred to the EU Budget. Moreover, the Common Agricultural Policy began facing the issue of spiralling costs due to its own architecture in that period, therefore, the magnitude of funding also became a political issue of increasing concern. The outcome of this reform in the 1980s was a multi-level partnership establishing that each region assisted by EU structural funding would need to have an active role in the implementation process (Bache, 2010).

Taking these conditions into consideration, the regional presence in Brussels grew rapidly, and while the Birmingham City Council was the first regional authority to open a representation in Brussels in 1984, the Spanish, French and German regions followed swiftly. The main goals for regions to ensure their physical proximity to decision-makers in Brussels can be explained through a more effective representativeness of their interests, particularly when it comes to accessing EU funds, gathering and providing information in the policy process, as well as cooperating with other regions. Regional authorities from centralised Member States tend to focus primarily on funding due to the limited competencies they hold in their national framework, however, regions with greater autonomy can aim to influence EU policy developments due to their expert knowledge and first-hand experience in various policy fields at stake (Dialer & Richter, 2019).

The door for regional participation in European integration was open, and in this early phase a lot was at stake regarding their future positioning and role in the European project.

Against this backdrop, consolidated political action led to a refinement of regional policy, which further recognised that regions face different realities, and some may have inherent conditions that affect their development (Valente, 2013).

2.2. The institutional path towards an ultraperipheral status

A group of Portuguese, Spanish and French territories now compose the group of outermost regions. However, the path leading up to their current status did not happen in parallel, as we must consider the 28-year gap between the beginning of European integration with France as a founding member and the later accession of Portugal and Spain (Valente, 2016). At the start of European integration, the territorial composition of Member States was quite different from the present, given that a considerable number of colonial possessions were still held by European nations. France held the biggest share of these non-European territories; therefore, Paris established a strong position on specific conditions for its overseas territories. In this context, the regime of Overseas Countries and Territories (OCTs) was born: a legal status that associated these regions with conditional access to the common market and envisioned full integration later. Eventually, the status went through some changes as it failed to combine a diverse set of territories, and a new special status was created under the name of *Départments Outre-Mer* (DOM), in which the current French outermost regions fall under (Kochenov, 2011).

Despite the early grouping of these regions, there was legal ambiguity on how to integrate them into the European Communities; in fact, this legal limbo persisted until the Hansen ruling by the European Court of Justice (ECJ) in 1978. The ECJ stated that EU law applied to these territories, nonetheless with specific provisions which recognised that they should be under a framework emphasising their economic and social disadvantages caused by their geographical characteristics (Case 148/77 Hansen, 1978). Following the Hansen ruling, a specific programme (*Programme d'options spécifiques à l'éloignement et à l'insularité des départements français d'outre-mer* - POSEIDOM) was established in the 1980s to address the isolation and insularity of the French DOM and support their economic and social development (Décision du Conseil Poséïdom, 1989).

Up until the late 1970s, ultraperipheral regions were not differentiated from other peripheral regions by the European Community. The starting points for establishing island regions as a self-standing category were in a resolution by the Conference of Local and Regional Power in 1978, addressing the specific problems of European Atlantic regions, as well as the first Convention of the Peripheral Islands organised by the Conference of

Peripheral Maritime Regions (CPMR) in 1980. From here onwards, the concept of island regions would become more nuanced, and the European Community would obtain an understanding of less favoured island regions or regions that have an intense peripheral level (Herrera & Dolores, 1999). In 1986, the European Commission under Jacques Delors created an administrative group with the mission of coordinating actions towards the OCTs, the French Overseas Departments as well as the Spanish and Portuguese regions disconnected from the European continent (Canary Islands, Ceuta, Melilla, Azores and Madeira). This approach by the European Community contributed to establishing a joint identity of the regions, which would later share the status of outermost regions (Valente, 2013).

2.3. The concerted action of the outermost regions

The interchangeable designation of “ultraperipheral” or “outermost” was arguably coined in the CPMR General Assembly in Lá Reunion by the ex-President of the Azores, João Bosco Mota Amaral, who contributed to this conceptual framework. The Council of Rhodes in 1988 is a milestone of a definitive high-level recognition of this concept by all Member States’ leaders (Valente, 2013).

The genesis of a differentiated framework for ultraperipheral/outermost regions was to clarify the status of French DOM and Algeria in European Law. Madeira and the Azores were initially envisaged for full EU integration after the transition period of the Iberian enlargement without any differentiation from other mainland regions. The Canary Islands were aiming to stay at the margins of Community law, even considering opting out of the customs union. In 1991, this changed as the Canary Islands were steering towards embracing the *Acquis Communautaire* but with a special status within the European Economic Community (EEC). As Madeira and the Azores were aware of their special handicaps compared to other EU regions in which full EU Law also applied, these Portuguese regions also began advocating for a special status, therefore, these territories of Portugal and Spain were grouped with the French DOM (Kochenov, 2012). In the 1990s, the European Community extended the French DOM measures to Madeira, the Azores (POSEIMA) and the Canary Islands (POSEICAN), providing a response to the special difficulties of these regions and facilitating their integration in the single market (Herrera & Dolores, 1999).

The 1990s represent a period of building impetus and achieving various milestones for outermost regions. In this sense, the importance of interregional cooperation on

supranational matters must be highlighted as a driver for these regions' interest to reach high institutional levels. Official representative bodies for regional authorities, such as the Committee of the Regions (of the EU) and the Congress of Local and Regional Authorities (of the Council of Europe), must be underlined as valuable tools for outermost regions to project their interests. Moreover, interregional organisations such as the Conference of Peripheral Maritime Regions (CPMR) and the Assembly of European Regions (AER) also provided valuable opportunities for building political momentum and fostering support from regional-level peers across Europe and its neighbouring areas (Valente, 2013). The participation of outermost regions in interregional networks contributed towards cooperation with a clearer and stronger scope, therefore, following the 20th CPMR General Assembly held in Saint-Malo in 1993, the governments of these regions took a step forward in their concerted action and organised among themselves the first Conference of Presidents of Outermost Regions (CP-OMR) (DAEC-Guadeloupe, 2013). This initiative evolved from an ad-hoc event to a cooperation framework between the outermost regions and allowed them to build a common understanding of their geographical situation and have a stronger voice in the various interregional bodies and organisations. It is worth noting that this also contributed to Portugal, Spain and France in effectively pooling together their negotiation power and providing a voice for their ultraperipheral regions at a high political level and in various instances in which a pure intergovernmental format was preferred (Valente, 2013).

As the Maastricht Treaty was concluded in 1992, outermost regions made a solid approach towards EU primary law through an annexed declaration addressing the specific circumstances of the French overseas departments, Azores, Madeira and the Canary Islands (Cabrera, 2005). This annexe to the Treaty recognised that this group of regions suffers from a structural disadvantage and various development barriers and set the goal of supporting them and bringing them close to the average social and economic levels of the European Community (European Communities, 1992). The moment of definitive enshrining of outermost regions in EU primary law would take place some years later in 1997 with the conclusion of the Treaty of Amsterdam. On Article 227 (2), this treaty would recognise the full binding of EU law for the French overseas departments, and the Atlantic archipelagos of Portugal and Spain, nonetheless, it also recognised the nuance of such territories, given their structural barriers to socioeconomic development thus stating the need to apply specific measures to properly accommodate their situation (European Communities, 1997). The European Union committed itself hereby to take into

consideration “the special characteristics and constraints of outermost regions without undermining the integrity and the coherence of the Community legal order, including the internal market and common policies” (European Communities, 1997, p.49).

As of now, the consolidated version post-Lisbon Treaty of the Functioning of the European Union (TFEU) has enshrined outermost regions under the following format:

“ Taking account of the structural social and economic situation of Guadeloupe, French Guiana, Martinique, Réunion, Saint-Barthélemy, Saint-Martin, the Azores, Madeira and the Canary Islands, which is compounded by their remoteness, insularity, small size, difficult topography and climate, economic dependence on a few products, the permanence and combination of which severely restrain their development, the Council, on a proposal from the Commission and after consulting the European Parliament, shall adopt specific measures aimed, in particular, at laying down the conditions of application of the Treaties to those regions, including common policies. Where the specific measures in question are adopted by the Council in accordance with a special legislative procedure, it shall also act on a proposal from the Commission and after consulting the European Parliament. The measures referred to in the first paragraph concern in particular areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, conditions for the supply of raw materials and essential consumer goods, State aids and conditions of access to structural funds and to horizontal Union programmes. The Council shall adopt the measures referred to in the first paragraph taking into account the special characteristics and constraints of the outermost regions without undermining the integrity and the coherence of the Union legal order, including the internal market and common policies” (European Union, 2012, p.195).

3. Article 349 TFEU: Outermost regions in primary EU Law

At the core of this legal status lies the balance between legal assimilation and differentiation. It was possible to achieve this as the understanding of the *acquis communautaire* moved from a rigid application towards more flexible solutions accounting for the territorial diversity (Cabrera, 2005).

3.1. What does the outermost regions’ legal status mean in practice?

The perception of outermost regions shifted from problematic regions to a more positive view of their possible contributions to the European project. In practice, this rationale led to a legal status in which ORs are bound by EU law but with certain

derogations due to their specific conditions related to geographical positions, typography and climate, among others (Kochenov, 2012). These particularities are handicaps for their development when compared to their regional peers, therefore, the Council could legislate in order to remedy the factors which pose as barriers to their development. The limitations of Article 349 are also clear in the sense that it is mentioned that the integrity and coherence of the EU's legal order must not be undermined in the process (European Union, 2012). Therefore, the legislation for outermost regions must find the delicate balance between full *acquis* application and the conferred degree of possible deviations (Kochenov, 2012).

The Hansen case in 1978, mentioned before, was the first time the ECJ shed light on what this legal status could imply. This case referred to the import of rum from Guadeloupe, a French DOM, into Germany, which classified and taxed it as outside of the European Community. The Court ruled that Guadeloupe fell within the geographical scope of Community law application as an integral part of the French Republic. Moreover, this was a big step toward what would be the present application of EU law towards ORs, as it stated that while being an integral part of the EU, possible derogations could be applied to better cater for the needs of that region (Case 148/77 - Hansen, 1978).

Despite making progress in Community law towards ORs, the Hansen ruling did not answer the fundamental question about the limits of Community law for these regions. The case-law of Hansen would be nuanced in the 1990s with the cases on Legros and Lancry by introducing an idea of hierarchy of norms deriving from the *acquis* that would signal what derogations could be accepted for ORs. For this purpose, it drew a redline concerning the core of the *acquis*, meaning that OR derogations could not go beyond matters such as the free movement of goods, therefore signalling that excessive leeway could not be given (Case C-163/90 - Legros, 1992 & Case C-363/93 - Lancry, 1994). However, this rigid application would be evidently unsuitable for the goals of diminishing the effects of the ORs handicaps, as the inability to deviate from many key areas greatly reduces manoeuvrability. These events capture the essence of the case-law concerning ORs, in the sense that there were constant movements from more to less restrictive flexibility on their *acquis* application. The current wording on Article 349 TFEU reflects the current attempt at balancing the application of EU law and derogation possibilities for ORs (Kochenov, 2012).

Another case worth noting to understand the legal-political framing of ORs, is the case of Saint-Barthélemy, which up until 2011 was an outermost region. However, its close

economic ties with partners from the Americas and the will of the elected officials in the regions led to a transition from an OR status to an OCT status that came into force at the beginning of 2012 (European Council, 2010). Nonetheless, the opposite is also possible, given that Article 355 TFEU allows for the current Danish, Dutch or French OCTs to change to an OR status without the need for a treaty revision (Perrot, 2021).

3.2. A sidenote on Overseas Countries and Territories

The status of OCT refers to 13 territories that are held under Denmark (Greenland), France (New Caledonia, French Southern and Antarctic Lands, French Polynesia, Wallis and Futuna Saint Pierre and Miquelon, Saint Barthelemy) and the Netherlands (Aruba, Bonaire, Curaçao, Sint Maarten, Sint Eustatius and Saba). Despite being under EU Member States, these territories are not part of the EU and therefore, are not bound by the Union's rights and obligations in the majority of cases. Nonetheless, the OCTs do have a more beneficial relationship with Brussels than other non-EU territories as the Treaty of the Functioning of the EU confers an Associated Country status that benefits them with certain common policies, thus supporting their socioeconomic and commercial development. Outermost regions have a different legal status when compared to other EU regions, nonetheless, they are fully integrated in the EU and subjected to EU legislation, although with differentiated treatment (Hruškovic, 2014).

One of the main reasons for OCTs not being part of the EU is tied to their much greater magnitude of autonomy and self-governance when compared to outermost regions and other EU regions/territories, which also reflects the desire of their populations. In line with this, these territories have deemed it preferable to remain on the margin of EU integration in order to maintain a greater independence in setting their policies. Furthermore, it should be mentioned that the governmental and administrative arrangements between these regions are not homogenous, which makes it more challenging to set up a uniform approach similar to the outermost regions (Kochenov, 2012). A good illustration of this is the case of Greenland being part of the European Communities up until the 1980s, when the Greenlanders decided via referendum to withdraw in great part to regain full control over their fishing quotas that would have been heavily conditioned by European law (Harhoff, 1983). Nowadays, the OCT governments engage with the EU either through their Member State, bilaterally or through an associative format (Overseas Countries and Territories Association, 2025).

The Outermost Regions



Figure A. Map of the EU's Outermost Regions.

(Map extracted from [INTERACT report: Stories of European cooperation: The outermost regions](#))

4. Development constraints in peripheral areas and the magnitude of geographical constraints in Outermost Regions

In economic terms, the concept of core-periphery refers to the relationship between two different types of areas. Core areas are typically more developed and industrialised, register higher productivity, technological advancement and access to resources, therefore being able to produce high-value goods. In contrast, periphery areas have an economic disadvantage, exporting lower value products and relying on the core for more sophisticated products and technological support (Grabner & Hafele, 2020). This polarisation can generate a cycle of dependency in which peripheral areas usually struggle to develop effectively. In this context, a great amount of empirical and theoretical works consider that geographical proximity and agglomeration advantages are catalysts for growth and development and that being in a favourable location close to the economic heartlands is a determining factor. Europe is no exception to this, as the “Blue Banana¹” (an axis going from London to Milan) is known as the main location of Europe’s geo-economic potential, thus being a breeding place for innovation and growth (Hospers, 2003).

¹ [The Blue Banana, or What Is a European Banana? | RXO Inc. | EU UK](#)

4.1. Permanent barriers for socioeconomic development

The outermost regions of French Guiana, Guadeloupe, Martinique, Mayotte, Réunion, Saint-Martin, Azores, Madeira and the Canary Islands are the most remote parts of Europe but home to five million EU citizens. Despite being spread across the Atlantic Ocean, Indian Ocean, the Caribbean basin and Amazonian basin, these regions share many common characteristics regarding their geography, economy, social matters, mobility, demographics and climate (European Commission, 2022). Their small size and remoteness from the European economic heartland pose various barriers to their socioeconomic development, as increasing transportation costs hinder their participation in the single market (Maucorps et al. 2024). The theories of economic geography underscore the tendency of economic agglomeration and clustering of specific economic activities in specific areas, establishing a core-periphery pattern which has been a recurring issue in the European integration process (Grabner & Hafele, 2020). Taking this into account, outermost regions are placed at the extreme end of the core-periphery dynamics, both geographically and economically. From a more local perspective, their size and distance from the economic centres undermined their possibilities to achieve economies of scale, thus production costs are higher than in the European continent. Consequently, their markets are smaller, limiting diversification of the economic structure, as the ORs tertiary sector is dominant and the industrial sector accounts for a small share of their economies (Maucorps, et al., 2024). Except for Martinique, all outermost regions had an average net disposable income below the EU average; in fact, French Guiana, Madeira, the Azores and the Canary Islands were only at about two-thirds of the average, and Mayotte was below half of the EU average (European Commission, 2024a).

4.2. Topography and remoteness in relation to transport and mobility

Mobility enables the efficient movement of goods and services, which is crucial for economic productivity, especially in outermost regions in which tourism is a major economic driver and reliable transport and mobility are strong preconditions for the sector's success. These factors are cornerstones for analysing social vulnerabilities, focusing on six core elements, namely, low transport availability, low transport affordability, low accessibility to transport, time poverty (excessive time travelling), inadequate transport conditions, as well as the degree of exposure to transport externalities. For the outermost regions, this is a crucial consideration as it reflects the shortcomings of a sector known to be important for territorial cohesion (even more so in archipelago regions)

and also their linkage with the rest of their Member States' territories or to other EU regions. Mobility poverty is therefore another reality deriving from the outermost regions' geographic constraints, and few alternatives for transport are available. The struggles with transport include both the intraregional and the interregional dimension, and there are many common issues, from the lack of transport availability in Mayotte and French Guiana to the unsafe transport conditions in the Azores and Madeira (Maucorps et al, 2025).

The remoteness factor also exacerbates the problem of strong import dependency, as logistics and transport constraints are stronger, while there is a dependency for key inputs from outside of their region, and the distance of ORs to their country's mainland can range from 1500 to 9000 km (Organisation for Economic Cooperation and Development, 2023d). Taking into account this reality, their populations face many challenges in infrastructure, education, employment, and income, which consequently affect their productivity, competitiveness, and wealth (Hammoud, Masquelin & Thomas, 2018).

4.3. Geographic situation in relation to climate change

Insularity is the main communality among these regions except French Guyana (an enclave in South America), however, there are some differences when it comes to topography and climate patterns due to their locations in different parts of the world. Nonetheless, a tropical maritime climate and volcanic activity is present in many of them, and this contributes to their unique biodiversity and ecosystems. Climate change has been noted as a major threat to these regions' infrastructure (particularly transport infrastructure) and their economic activities, such as agriculture and tourism, therefore affecting the prospects for future development (European Commission, 2022). The ORs follow the same pattern of increasing heatwaves, and given their insular geography, these regions are more vulnerable to marine-related risks such as rising sea levels and coastal flooding and erosion affecting their societies, economies and environments. Extreme weather events also become more recurrent and intense with many of these regions being affected by rough seas, strong windstorms, wildfires due to heatwaves and heavy rainfalls (i.e. 700 million EUR of estimated damage for a massive rainfall in Madeira in 2010), which all together pose a great threat not only to their rich biodiversity but also the populations. (Maucorps, et al, 2024). The most recent events of this kind include hurricanes Irma, Chido and Garance in Saint Martin, Mayotte and La Réunion, hurricanes Lorenzo and Beryl in Azores and Martinique, wildfires in Madeira, the volcanic eruption in La Palma in the Canary

Islands, storm Fiona in Guadeloupe, as well as drought or torrential rain in French Guiana (Conference of Presidents of Outermost Regions, 2025).

4.4. Demographic profile

We can observe diverse points on the demographic profiles of outermost regions both in size and dynamics. While Saint-Martin has around 36,000 inhabitants, the Canary Islands stand at the top of ORs with a population of 2.25 million. It is worth noting that the OR population trend as a whole was rising in the past years, contrary to the overall trend in the EU. Two different patterns can be evidenced from the 2014 to 2022 period, as one group struggles to maintain their population levels (Guadeloupe, Martinique, The Azores and Madeira), especially due to youth emigration and the other group is facing a rapid population rise due to immigration pressure (French Guiana, Réunion, Mayotte, Canary Islands). The issues arising from both situations are also different. On one hand, the decrease of local population is mostly due to low economic performance that pushes inhabitants to more prosperous areas. Moreover, the lack of workforce causes a spiralling effect in the form of deficit of skills, human capital and work force further contributing to the economic unattractiveness of the regions thus reinforcing the emigration patterns (i.e. from 2011 to 2021 the Azores lost 4% of its population) (Maucorps, et al., 2024). On the other hand, social and political tensions may arise from a rapidly growing population due to migration, and the pressure on infrastructure and labour markets may increase. The combination of youth outmigration and ageing population also add an additional burden as more financing will be needed for social structures such as welfare and healthcare, consequently reducing the room for financing manoeuvre for innovative and transformative investments (Marie & Rallu, 2012).

Social issues are also more prominent in ORs than in other EU regions. The share of people at risk of poverty in the Canary Islands, the Azores and Madeira stands around 28-32%, a much higher threshold than EU and national averages. The poverty rate itself in Guadeloupe is 34%, while mainland France registers 14%, and in other French outermost regions, children and other vulnerable groups face a greater risk of poverty. As indicated above, youth opportunities are also limited, as high youth unemployment and brain drain are common traits for these regions. Educational attainment itself is lower than the EU and national averages, and particularly in French outermost regions, illiteracy is widespread, and in some areas the threshold of 17-year-olds with reading difficulties can reach up to 73% (European Commission, 2022a). Regarding access to healthcare, their vulnerability

translates into lower life expectancy, higher infant mortality rates and tropical disease outbreaks (European Commission, 2022a).

5. Harnessing the potential of the EU's outermost regions

The core-periphery conceptualisation has normative connotations defining a role for each type of region; however, from another angle, the core and the periphery relationship does not necessarily have to be static. Instead, it can be considered as a relational position in a network in which peripheral areas can also drive innovation through leveraging local knowledge, often overlooked resources and using networks and collaboration for a more equitable and harmonious development model across the territories (Gluckler, Shearmur, & Martinus, 2023). As explained above, even though the Outermost Regions face a series of structural disadvantages that hamper their socioeconomic development, they simultaneously hold endogenous potential due to these same characteristics emanating from their geographical situation. Therefore, one must go beyond their inherent constraints and look at specific opportunities they present for both the EU and for their local communities, especially when looking at emerging trends and shifts in various industries and sectors across the world. This is recognised by the European Commission itself in its most recent strategy for Outermost regions (European Commission, 2022).

5.1. Outermost regions as political and economic frontiers of EU interests

Paradiplomacy refers to the involvement of subnational governments and authorities in international relations in various forms, such as establishing contact with foreign entities and engaging in various forms of external relations to address relevant issues. This most often intersects and complements the diplomacy of sovereign states and broadens traditional diplomacy by incorporating diverse actors. This phenomenon has emerged in alignment with globalisation as an adaptation of regions to the complexities of a globalised world, in which regions operate alongside firms, trade unions, social movements and transnational organisations (Aldecoa & Keating, 2013). Several think tanks argue that interregional cooperation brings great added value to the Union's neighbourhood policy. **Therefore, the contribution of ORs to foreign policy and regional relations takes the form of the existing cooperation between them and non-EU territories** (Lorincz, 2013). The opportunity to use ORs in political engagement and promote its geopolitical interests is a pivotal point of interest, as interregional engagement in the form of cooperation facilitates the EU's influence and presence in various global contexts (Balas, 2024).

In the North Atlantic region, the Canary Islands and Madeira are located near the Maghreb area, while the Azorean archipelago sits further northwest in the middle of the North Atlantic (Lorincz, 2013). Current territorial cooperation programmes steer towards cooperation between EU regions as well as with third countries surrounding their geography, particularly Morocco, Mauritania, Senegal and Cape Verde (Dirección General de Asuntos Europeos del Gobierno de Canarias, 2025).

Table 1. Specific example (North Atlantic): The Azores’ role in security and transatlantic relations

The Azores archipelago has been a crucial region bridging the EU and the USA. This is due to it being a crucial strategic point for NATO over the last few decades, even more so given the latest geopolitical developments involving Russia (Valente, 2022). It maintains its relevance for monitoring and securing the sea routes in the Atlantic and facilitating the USA’s operations in the EU and neighbouring regions (Paiva, 2024). It is also the headquarters of the Atlantic Centre, a multilateral cooperation structure that promotes capacity-building in defence (Valente, 2022).

The Caribbean ORs (Guadeloupe, Martinique and Saint Martin) have a privileged position to engage with CARIFORUM countries, the MERCOSUR and the United States. French Guyana, as an enclave in the South American region bordering Brazil and Suriname, can have a more developed relation with MERCOSUR members (Lorincz, 2013). The OACPS (Organisation of African, Caribbean and Pacific States) is a solid EU partner, and partnership-trade agreements have been repeatedly signed between the two blocs. Within the ACP (African, Caribbean and Pacific), the Economic Community of West African States (ECOWAS) and Mauritania compose 40% of all EU-ACP trade (European Commission, 2025a). In the Indian Ocean, Mayotte and La Réunion are active borders of the EU and act as both a European and an Indian Ocean region (Lorincz, 2013).

Table 2. Specific example (Indian Ocean): La Réunion's presence across the Indian Ocean

The Regional Council of La Réunion is involved in a series of cooperation activities in neighbouring territories. It participated over the years in partnerships with nearby partners, including the Indian Ocean Commission, Indian Ocean Rim Association for Regional Cooperation and the Southern African Development Community. As an integral region of the EU bound by its law and aligned with its values and principles, it gives presence to the Union in regional dialogues in a strategic area distant from Europe (Lorincz, 2013).

Merely looking at outermost regions as isolated European territories, one can hardly capture their geographic potential, meaning that it is important to analyse how they compare to their neighbouring territories regarding development patterns. Among non-European partners, ORs stand out as very appealing given their access to a market of around 500 million consumers in Europe, belonging to the free trade zone in the form of the single market, holding labels of European manufacturing, as well as greater political (and monetary) stability and jurisdiction. Given this, the ORs have been repeatedly included in the framework of trade agreements and serve as strategic links for the flow of goods, services and investments, thus facilitating the implementation of said agreements. These agreements have often specified measures for enhancing economic cooperation and deconstructing trade barriers, which benefit the economies of ORs and contribute to the development needs of adjacent ACP countries (Lorincz, 2013).

Multilateralism can thus be enacted by non-central governments and used in various geographical areas, **allowing the EU to have a presence in regional dialogues across the globe, promoting its interests and fostering partnerships and proximity with third-country partners through ORs as strategic outposts.** It is therefore an opportunity for the Union to project its geopolitical interests and possibly influence policies in order for these non-EU actors to lean towards the Union's norms and practices (Balas, 2024). Moreover, ORs acting as regional agents in their specific geographies can counter their influence of competing political and economic powers and support the EU's narrative in international platforms (Mira, 2011).

Therefore, **an increased regional integration between the ORs and their surrounding third-country areas could be a real growth factor and boost development in neighbouring countries,** while also improving their accessibility and better compensating the issues related to their isolation from continental Europe (Hahn, 2013). The financial support of the EU to OR is very much steered towards overcoming their structural handicaps and rightfully so; however, external relations are at the margin of this (Lorincz, 2013). A better connection to third-world countries through air or sea transport links could be envisaged to increase ORs' geostrategic attractiveness and help diversify and internationalise their economies through developing the relations with their neighbourhood (Mira, 2011). **A greater institutional focus for ACP countries** by creating a single institutional entity or several geographical structures for this in the ORs. In addition to this, **the relationship between ORs and OCTs could be further exploited.** Firstly, the relationship between these two categories could be further developed to exploit more

geographical areas. Secondly, the appeal of outermost region's status and their benefits as full members of the EU could further lead to the conversion of OCTs into ORs (as it is possible in the EU treaties²), which is particularly relevant for the Pacific area in which the EU has not taken advantage of its pacific region and the OCTs (Lorincz, 2013).

The efforts should not only be shaped by immediate geopolitical interests, but rather by long-term strategies that aim to foster a stable, cooperative international and interregional environment that reflects EU values and priorities (Mira, 2011).

5.2. The Oceans as catalysts for growth in the EU Outermost Regions

Due to the peripherality of ORs, they are often regarded as territories holding limited resources, away from major centres of production, with difficulty in attracting foreign direct investment (FDI) and issues in establishing strong trade links and local value chains. However, their geographic location also grants them an extensive exclusive economic zone (EEZ), which brings to the table a set of assets that are key for the future (European Commission, 2022).

Covering around 70% of the Earth's surface, the ocean is a crucial natural and economic resource for communities around the world. It holds 80% of all life forms, functions as one of the world's largest carbon reserves, produces an enormous amount of oxygen and it is also a major source of economic growth and livelihood. The ocean economy is composed of many economic activities, such as the extraction and exploitation of maritime resources, maritime transport, coastal tourism and emerging activities related to marine renewable energies, biotechnology and bioeconomy that are growing and innovating fast. **By 2030, the value of the global ocean economy is expected to double according to estimates by the Organisation for Economic Cooperation and Development (OECD).** For many policymakers, the ocean is now a priority area in both developing and developed economies, recognising its potential for economic growth and employment, however, sustainability must be a core element of this exploitation (European Commission, 2024b).

In ORs, oceans represent more than 75% of their territories, spreading across the Atlantic Ocean, the Caribbean basin, the Amazonian basin and the Indian Ocean, therefore, the logic of EEZs being a key economic resource and internationalisation asset is particularly relevant for these territories. To briefly capture its dimension, the Azores represent 2.5% of total landmass in Portugal mas account for 60% of the EEZ, furthermore,

² [Article 355 of the Treaty of the Functioning of the European Union](#)

the EEZ of Réunion is as large as the entire EEZ of mainland France (Organisation for Economic Cooperation and Development, 2023a). Given this, the **ORs have these enormous zones with hotspots of unique biodiversity that can foster competitiveness, innovation and internationalisation.** Most of the economic activities in the ORs' oceans are on traditional value chains related to tourism, transport, fishing and aquaculture. Coastal and nautical tourism represent important revenues for these regions and have the potential of generating important spillovers to the economies of these regions, while also being the main factor attracting FDI, however, they are also one of the most vulnerable activities when it comes to external shocks, as was the case during the COVID-19 pandemic (World Wide Fund for Nature, 2024). Marine transports and ports are also essential activities for ORs, accounting for 1% of total maritime freight transport in the EU (around 40 million tonnes), nonetheless, around 75% of the ports' activities are related to unloading operations, which reflects the strong dependency of these regions on imported goods. Fishing and aquaculture are also important but mostly concentrated in Macaronesia, and despite some heterogeneity in this matter, the OR's face common challenges such as small business scale and limited qualification of fishermen that undermine diversification possibilities and fishing techniques (Organisation for Economic Cooperation and Development, 2023a).

There are **emerging high-value-added activities that can be beneficial for the ORs,** particularly when it comes to science and research activities piloting innovation in bioeconomy and renewable energies (European Commission, 2022). Bioeconomy, defined as the capacity to generate sustainable economic value from natural resources, can generate new business opportunities and develop value chains in the ocean economy of these regions. The transformation of biological and biomass resources into intermediate or final products is a growing market, projected to expand further in the following years, as it has many applications, such as in wastewater treatment and biofuel production. Ocean-related innovation will be key for the EU, given its ambition for a sustainable blue economy and especially for shaping the economic development path of outermost regions. In the last 20 years, ocean research has quadrupled worldwide, and Portugal, France and Spain are among the list of highly specialised countries in oceanic studies (Organisation for Economic Cooperation and Development, 2023a). **New-developing technologies allow for the optimisation of ocean exploitation while following a sustainable base, thus allowing for increased productivity while accurately monitoring and tracing resource usage.** As increasing synergies among scientific fields and ocean sectors are created, the

entire value chains of oceans can benefit from this development and provide new market opportunities in which ORs will have a crucial role given their extensive maritime areas (Organisation for Economic Cooperation and Development, 2023b).

Ocean innovation activities have a global nature, therefore, they are usually the result of international and interregional networks encompassing public and private entities that share knowledge, financial resources, technologies and infrastructure, thus forming (ocean) clusters which are gaining ground in some ORs (i.e. Canary Islands and the Azores). Therefore, the EU OR's have a high potential of establishing start-up incubators in this field, which can lead to the creation of new products and services that can increase the diversification and value added of activities related to the ocean (Organisation for Economic Cooperation and Development, 2023a). Furthermore, a new generation of talent for innovative oceans will have to be fostered across the world and throughout maritime regions. The lack of skills is one of the main constraints for developing the ocean economy; therefore, a broad and multidisciplinary effort by engineers, biologists and social scientists, among others, will be needed (European Commission, 2024). In this context, **international/interregional partnerships are crucial for ORs to update and expand their training offers linked to the ocean economy**, especially when targeting niche areas and breakthrough technologies. Once again, the ORs can have an important role in developing talent for the future of the ocean economy for their own development as well as for the EU's ambitions (Organisation for Economic Cooperation and Development, 2023b).

The Ocean Economy is part of the backbone of regional development for ORs, while also holding the potential for transformation through innovation-oriented interregional partnerships (Organisation for Economic Cooperation and Development, 2023a).

5.3. The locations and natural endowments shaping the energetic potential

The shift towards a more sustainable production and consumption model has been established as a long-term mission for the EU, set under the EU Green Deal, and the ORs are no exception to it (European Commission, 2019). In fact, given their unique natural endowments and the possibility to generate sustainable value from their endogenous natural assets, it makes it an even more pressing priority. EU ORs are net energy importers, with around 90% of energy being imported, which imposes constraints on economic development, as many islands and territories with high tourism dependency rely on energy-intensive industries (Organisation for Economic Cooperation and Development, 2023c). **However, the global energy landscape is changing. Renewable energies are growing**

rapidly and diversifying with hydropower, solar and wind as leading technologies. On one side, these trends will appease climate change by reducing CO2 emissions and on the other, they create new economic opportunities (International Energy Agency, 2024).

Table 3. Specific example (North Atlantic): Renewable energy and Madeira’s topography

In the north of the Atlantic, Madeira’s archipelago is nearly achieving 50% of its electricity production through renewable energy, despite operating on an isolated energy grid (Organisation for Economic Cooperation and Development, 2023c). Solar and wind energy are increasing in share of energy production; however, the main island is exploiting its topography to increase the contribution of hydro power and water supply between the humid north and the dry south, thereby showing how its geographical constraints can be transformed into an opportunity, therefore receiving a [REGIOSTAR award in 2022](#) (Euronews, 2023). Due to its independent energy grid model, the region only suffered minor spillovers from the blackout in the Iberian Peninsula in April 2025 (Caires, 2025).

From a practical standpoint, **renewables are also becoming increasingly more cost-attractive** and can now compete with fossil fuels and nuclear options. Between 2010 and 2021, the renewable energy installed capacity (as in the total energy that power stations can produce) has almost tripled. Considering this momentum across the globe, Foreign Direct Investment (FDI) is also increasingly targeting renewable energy projects, reaching a flow of about 620 billion USD in global flows, which puts renewables as the top global greenfield FDI sector. In line with this, job creation is another result of growing renewables, as **the total sum of jobs in this sector has also grown rapidly**, and estimates for the upcoming years are quite high (International Renewable Energy Agency, 2022). The EU holds around 66% of the world’s patents on tidal energy and 44% in wave energy, nonetheless, competitors in China, India and Southeast Asia countries are emerging, thus showing how renewables are fostering technological and business dynamism (Organisation for Economic Cooperation and Development, 2023b)

These regions are in distinctive physical areas with different attributes that give them a wide spectrum of access to natural assets for renewable energies. Traditional renewable energy, such as hydro and biomass, has considerable potential, as well as emerging areas linked to new technologies, including solar, wind and marine energy. Challenges and opportunities in unlocking this potential are directly tied to the overall

economic development and economic structures of each OR and they advance at different paces (only French Guiana and Madeira have a renewable share of total energy production above the EU average). While economies of scale are difficult to achieve in small regions, **ORs have an enormous potential to be natural test laboratories for the development of new technologies, especially in renewables**, therefore providing the EU and global scientific communities the possibility to test frontier technologies. At the same time, this can promote local development and economic growth, set on a strong, sustainable footprint (Organisation for Economic Cooperation and Development, 2023c).

Table 4. Specific example (Amazonian Sea Basin): French Guiana as Europe's Spaceport

The Kourou Space Centre is located in French Guiana due to the region's favourable location for launching space missions. The proximity to the equator (latitude of 5 degrees and 3 minutes north) means that the Earth's rotation can be used as an extra source of propulsion for rockets launched into space, therefore considerably saving on the resources and fuel needed for these operations (European Space Agency, 2005). Although a remote area located around 7000 km from Brussels, its territory provides unique opportunities for the EU in scientific advances through space exploration (European Commission, 2022).

5.4. Biodiversity and the agro-food sector

The agro-food industry is going through transformations as new trends are emerging at a global level. On one hand, the global population keeps rising, and with it, the consumer market is expanding, which calls for adequate competencies and skills to harness the benefits. On the other hand, there is a trend of opting for shorter value chains for the sake of environmental sustainability and reducing trade disruption issues. Therefore, self-sufficiency and self-reliance policies are becoming more important across the world (Organisation for Economic Cooperation and Development - Food and Agriculture Organisation of the United Nations, 2024). Against this backdrop, environmental sustainability and climate change, the growing demand for quality, safety and trackability of agro-food, as well as new technologies and innovative value chains, are the main areas of importance for ORs (European Commission, 2022a).

Taking into account the variety of biodiversity, climate conditions and unique natural assets in the ORs, agro-food production is a key economic activity with favourable conditions in these regions. The nine outermost regions touch upon 25 biodiversity hotspots around the globe and represent nearly 80% of the entire biodiversity

in the EU, and together with the OCTs, they represent around 20% of the world's coral reefs and lagoons (Sieber, Borges, & Burkhard, 2018). The top 3 ORs with the greatest gross value added (GVA) in the sector are the Canary Islands (EUR 740 million), La Réunion (EUR 320 million) and the Azores (EUR 290 million) (Organisation for Economic Cooperation and Development, 2023d). Food processing is one of the big economic activities in the EU ORs, however, it is particularly challenging given the high costs resulting from insularity and remoteness, meaning that the transport costs, time to market and production capacities are at a disadvantage when compared to mainland European regions (European Commission, 2022b).

Due to the high exposure of ORs to climate risks, there is need to preserve their ecosystems, the uniqueness, authenticity and increased international visibility of their products by pursuing innovation as a common effort and a development strategy for the agro-food sector. Around 45% of the exports by the ORs account for agro-food (although there is a considerable degree of heterogeneity among the regions). The main export destinations are intra-EU, mainly the domestic markets of these regions (France, Spain and Portugal) and other EU Member States. **However, the exports are registering an increasing volume to global markets outside of the EU, such as North America, the Caribbean and Africa.** Guadeloupe and Martinique have a considerable footing in the intra-Caribbean trade, representing around 45% of their trade volume. (Organisation for Economic Cooperation and Development, 2023d).

The Canary Islands, the Azores, Madeira, Guadeloupe and Martinique have a much greater amount of Geographical Indication³ products than the EU average. The Geographical Indication not only protects the name and unique characteristics of regional products but also gives them greater visibility and appeal in the markets (European Commission, 2021). The emergence of smart farming through the optimal use of digital technologies is changing this sector, as the technological advances can provide greater returns and productivity while simultaneously reducing environmental impact and losses due to natural disasters. The ORs are actively engaged in research efforts to improve agro-food potential by leveraging local universities and specialised institutions or entities to achieve sustainable and ecologically friendly agro-food systems. Nonetheless, **to maximise innovation, a scale-up of partnership between the different stakeholders of the value chains is needed**, therefore requiring better links between academia, industry, government

³ [Geographical indications and quality schemes explained - European Commission](#)

and the private sector across the ORs and mainland Europe (Organisation for Economic Cooperation and Development, 2023d).

The signalling and branding quality of agro-food is an important point. The emerging trends are leading to greater importance in standards and certifications for market opportunities. **In line with the Geographical Indications practice, the accreditation and conformity assessment are expected to play a greater role in the future, as food security and production quality also potentially open more business opportunities, creating greater trust between trading partners** (Stranieri, Orsi, Noni, & Olper, 2023). An increase in the number of certificates in exporting countries often leads to an increase between 0.3% and 0.6% in agro-food exports. The ORs could capitalise on these market opportunities by setting up specific institutions in charge of metrology, standardisation, accreditation and certification, which would greatly contribute to their quality infrastructure (Organisation for Economic Cooperation and Development, 2023d). Referring to the geographic potential concerning regional cooperation, there could also be a greater involvement in regional standardisation bodies, such as the African Organisation for Standardisation (ARSO) and the Gulf Cooperation Council Standardisation Organisation (GCC) (Organisation for Economic Cooperation and Development, 2023d).

Greater attention to organic agriculture and circular economy not only diminishes the negative environmental impact on land and water bodies but also can contribute more to self-sufficiency (European Commission, 2019). For this purpose, the POSEI programme greatly supports shorter value chains and self-sufficiency in the ORs, given that it allows for direct imports (that must meet determined criteria and quantities) from third countries into these regions without applying customs duties. This ensures that local production is maintained and secures the needed supply of goods and fair prices. (European Commission, 2021). To maximise these efforts, the ORs are increasing their support to farmers in environmentally friendly methods of production with various tools, initiatives and specific funding mechanisms (Organisation for Economic Cooperation and Development, 2023d).

When it comes to agro-processing activities, a great deal of untapped potential lies in creating synergies with other value chains. The richness of their biodiversity goes beyond the traditional tourism and gastronomy sectors, as there is the possibility to venture into highly sophisticated value chains. This implies exploiting raw materials of interest for various sectors, including health, well-being and cosmetics, particularly within the biotechnology field, a common endeavour in most ORs that has many applications for the pharmaceutical area (European Commission, 2022a).

Table 5. Specific example (Caribbean): Combining sustainable farming with local high-value products in Guadeloupe

The regional government of Guadeloupe promotes the clustering of sustainable farming activities with the promotion of local high-value products in its "Agropark Caraïbes Excellence programme". This also provides an incubator to local businesses and a processing platform for agricultural products and a commercial hub (Organisation for Economic Cooperation and Development, 2023d). Other projects also specifically support the agro-food marketing and development of new products by local farmers (EU CAP Network, 2025).

A unique and diversified reserve of agro-food raw materials and products is held by the ORs. These current products already give them a certain recognition on the market that differentiates them from other regions with similar offers, however, the uniqueness factor can be much further exploited with the current trends in the sector favouring sustainability and shorter value chains, which calls for improving the quality assurance infrastructure and a greater presence of it in the regions and basins in which ORs are located. Furthermore, their agro-food value chains can benefit from harnessing synergy opportunities with other value chains, particularly those inserted in innovative ecosystems with high-value and sophisticated products (Organisation for Economic Cooperation and Development, 2023d).

6. Towards an updated Outermost Regions strategy

As part of the European Commission's cohesion policy mid-term review for the 2021-2027 period, it was announced that an updated strategy for outermost regions will be developed in the current mandate from 2024 to 2029 (European Commission, 2025b). Taking into account the previous strategy⁴ released in 2022, the following points, which were developed in this document, can contribute to a more refined and in-depth strategy:

Table 6. Recommendations for the future EU Strategy for Outermost Regions

Geopolitical role and paradiplomacy
Explore further the paradiplomacy opportunities of outermost regions, in which they can act as strategic outposts for the EU's geopolitical interests, particularly for non-EU territories from high-interest areas such as the ACP countries, thus enhancing the EU's geopolitical presence.
Greater focus on the Ocean Economy
Realise the significant potential of the blue economy as an engine for growth in these regions, both in terms of competitiveness in energetic and biotechnological innovations, as well as opportunities for employment in a growing sector in the world.
Explore the Natural Assets for Renewable Energies
Sustainably exploit the energy resources and conditions present in these regions to advance on frontier technologies for renewable energy and test autonomous energy models.
Sustainable Harnessing of Biodiversity Assets for the Agro-Food Sector
Develop a more nuanced view and analysis on the opportunities emerging from the agri-food sector, in virtue of the unique biodiversity of ORs and leveraging it for market advantage.
Economic opportunities through External and Interregional relations
Promote collaboration across sectors with other regions (EU and non-EU) to tackle shared challenges. Leverage the regions' geographical position to foster relationships with neighbouring areas, promoting trade, economic diversification, development and regional integration, while taking into account the changing global landscape in different sectors, areas and industries.

⁴ Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions – [COM/2022/198 final](#)

7. Conclusion

The European project brought together a vast number of territories with a high degree of diversity in terms of culture, language, administration, socioeconomic stages and of course geographical situations. European integration thus faced a long-term mission, which was recognised already in the Treaty of Rome, referring to the importance of supporting less developed territories. This composed the basis for a much-needed nuanced view on the Member States' regions and their disparities that had to be addressed. Institutional development followed this direction, and eventually the Single European Act opened the door for regional participation and gave a clearer voice to hundreds of regions across the European Communities. From here onwards, an understanding that not all territories started from the same point and that some of them faced inherent barriers limiting their socioeconomic development began to take shape and lead to the conceptualisation of some regions being beyond peripheral, therefore coining them as ultraperipheral or outermost regions.

The culmination of this consisted in the consolidation of a specific legal status for outermost regions in primary law, under Article 349 of the Treaty of the Functioning of the European Union. Such a status recognised their differentiation from other EU regions and allowed for tailored legislative measures that accommodated their unique situation. In line with this, the dynamics between the ORs and the OCTs have been analysed, looking at their distinction but also considering the link shared between both types of territories. The core-periphery concept is introduced as a way to frame the ORs given their specific geographical situation and the implications they face on the ground for socioeconomic development, while shedding some light on the specific difficulties related to climate change and demographic trends.

However, the same characteristics that represent their constraints are the factors that define their potential. Therefore, the outermost regions have a unique potential to contribute to EU interests while simultaneously fostering their local development. To elaborate on this argument, various areas and fields of interest (complementary to each other) are identified and linked with the specific assets of the outermost regions.

Firstly, they have the potential to act as strategic outposts for the EU's political and economic interests, given their location in high-interest areas in the North Atlantic, Amazonian Sea Basin, Caribbean Sea Basin and South Indian Ocean. In this area, the emergence of paradiplomacy in a highly globalised world means that they have the capacity to act in interregional networks and cooperation to express the EU's voice and

assert its presence in distant regions, thus contributing to its external action. Some examples include the leveraging of the Azores in the context of international security and defence, or the engagement of La Reunion in multilateralism in the Indian Ocean. Secondly, the potential of oceans as drivers for growth and competitiveness in outermost regions is key. Here, the emergent importance of the Ocean Economy is linked with the extensive maritime areas of the outermost regions and all the resources these represent in the form of biodiversity or the opportunities to excel and specialise in the various activities that compose the blue economy. Thirdly, the ORs and their natural endowments provide them with favourable conditions for technological development in the field of renewable energies. The changes in the global energy landscape point towards a growing positioning of renewable energy, and the outermost regions have the conditions to harness it in many forms, from the typical solar and wind to the leading technologies in the field. Finally, to harness the benefits of the high amount of unique biodiversity concentrated in these regions and favourable climate conditions, the agro-food sector is not only a considerable part of their economies but also holds opportunities for integrating outermost regions into non-EU value chains, including those of high-value with more sophisticated products, while having sustainability as a pillar.

As a final reflection, the common interpretation of these areas as lagging territories that need special attention should be better refined. Despite the various challenges that outermost regions face, they are not mere victims of their own geography. Throughout centuries, many of these regions have served European nations due to their strategic potential, and while the world has evolved and changed significantly, outermost regions can have a reframed potential for dual use of both the EU as a whole and the local communities in these regions.

Territory is but the body of a nation. The people who inhabit its hills and valleys are its soul, its spirit, its life. – James A. Garfield: The Future of the Republic, Its Dangers and Its Hopes (ed. 1880)

List of abbreviations

ACP: Africa, Caribbean and Pacific (countries/states)

AER: Assembly of European Regions

ARSO: African Organisation for Standardisation

CARIFORUM: The Caribbean Forum

CAP: Common Agricultural Policy

CPMR: Conference of Peripheral Maritime Regions

CP-OMR: Conference of Presidents of Outermost Regions

DOM(s): *Department(s) outre-mer*

EC: European Communities

ECJ: European Court of Justice

ECOWAS: Economic Community of West African States

EEC: European Economic Community

EEZ: Exclusive Economic Zone

EU: European Union

GCC: Gulf Cooperation Council Standardisation Organisation

GVA: Gross value added

MERCOSUR: Southern Common Market

OACPS: Organisation of African, Caribbean and Pacific States

OCT(s): Overseas Country(ies) and Territory(ies)

OECD: Organisation for Economic Cooperation and Development

OR(s): Outermost region(s)

POSEI: “Programme d'options spécifiques à l'éloignement et à l'insularité”

POSEIMA : programme d'options spécifiques à l'éloignement et à l'insularité - Madeira and Azores

POSEICA: Programme d'options spécifiques à l'éloignement et à l'insularité - Canary Islands

POSEIDOM: Programme d'options spécifiques à l'éloignement et à l'insularité
Departments outre-mer

SEA: Single European Act

TFEU: Treaty of the Functioning of the EU

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