Non-paper on the consideration of the interests of the OCTs in the MFF for the period 2028-2034 [FR, NL, DK]

Overseas countries and territories (OCTs), whose status is defined in Article 198 of the Treaty on the Functioning of the European Union (TFEU), have "special relations" with certain EU Member States, which justifies their association to some of EU policies. As outposts for the Union in strategic areas such as the Arctic, the Indo-Pacific and the Caribbean, they are structuring territories for the Union's action. From managing global issues to securing trade routes, including strategic supplies, the European Union has, through the OCTs, solid relays of influence throughout the world, which help to spread its interests far beyond the internal market.

However, the relationship between the EU and the OCTs still needs to be consolidated. It is being tested by foreign influence strategies and emerging challenges. In view of international instability and the interest shown by external powers, the Union must reaffirm its commitment to these territories commensurate with their geopolitical importance, and maximize the benefits from this relationship.

Therefore, it is important that the next Multiannual Financial Framework (MFF) secures access to the relevant Union's budgetary instruments by OCTs. Increased political support is indeed necessary to foster economic and social development and to establish close economic relations with the Union as set out in Article 198 TFEU. The Union must also ensure support and greater transparency in the allocation of the funding available under the Overseas and Greenland Association Decision (DOAG), the deployment of which must be carried out in close coordination with each OCT and the Member State concerned. Therefore, in order to enable the OCTs to exploit the potential of funds to which they are eligible, the financing provided for in the direct and indirect management programmes (pillar 2) must be accessible for these territories.

All these elements call for a deepening of the EU-OCT relationship, according to a balanced approach to the diverse geographies, without losing sight of the long period covered by the next MFF. In view of international instability, the Union must continue to offer all OCTs predictable support. These negotiations are also an opportunity to propose renewed partnerships in priority areas such as industry, infrastructure, critical raw materials, digital and maritime connectivity, energy transition, tourism, fisheries, waste management, fighting climate change and defense, and to prepare a real strategy for the integration and financing of the OCTs in the Union's internal and external action. As such, one of the challenges of the next MFF will be the operationalisation of the OCTs' eligibility into geographical (and global) pillars of the future instrument "Global Europe" in their respective locations, as included in the partial general approach adopted in the General Affairs Council on June 16th.

1. **Deploy the geostrategic potential of the OCTs in the next Overseas and Greenland Association Decision (DOAG)**

The next MFF will be an opportunity to improve the specific association decision between the EU and the OCTs (DOAG). As a tool for cooperation and development aid between the EU and the OCTs, the DOAG has already proved its usefulness and relevance to structure the relationship between the OCTs and the EU. Nevertheless, as the geostrategic importance of the OCTs increases, **the DOAG would benefit from maintaining financing channels in the form of direct budgetary support based on separate territorial and regional envelopes.** Maintaining the territorial envelope is essential to address island-specific challenges that cannot be addressed via the regional envelope. **A better involvement of Member States and OCTs in the decisions taken in the context of the implementation of DOAG (such as the allocation of the non-allocated funds for example) should also be promoted.**

The next DOAG must also ensure a balanced distribution of funding over the various OCTs according to the needs of the OCTs. The regional distribution of the envelopes must reflect the sustainable development imperatives as well as the geopolitical and demographic importance of each of the areas covered, in the short, medium and long terms. This balanced distribution involves that the allocation of funds is based on specific and transparent criteria while reflecting individual

OCTs' geostrategic importance to the EU and recognising the principles and historical reasons for specific allocation of funds.

In addition, the Union must secure and strengthen the spectrum of areas of cooperation with the OCTs, so that they contribute to its strategic interests and sustainable development imperatives. The negotiations for the next MFF are an opportunity to extend in the DOAG the eligibility of expenditure to other domains for the OCTs. Enlarged domains of cooperation will strengthen the EU's strategic autonomy in the area, and contribute to a sustainable growth in the OCTs. The OCTs' mineral wealth makes them key areas for achieving the objectives of the Global Gateway strategy, in conjunction with the RESourceEU strategy. Initiatives on telecommunications infrastructure, connectivity and digitalisation (submarine cables), satellite observation to improve weather forecasting and prevent natural disasters are being developed. These initiatives must be continued, and contribute to the necessary strategic autonomy of the Union.

2. **Improve OCT participation in direct management programmes (pillar 2).**

Pillar 2 regulations, including the European Competitiveness Fund (ECF) and Horizon Europe, represent significant funding opportunities for the OCTs.

It will be necessary, when the Commission will prepare calls for projects, to put the eligibility of OCTs to these funds into practice and, for the EU, alongside with respective Member States, to strengthen OCTs' administrative capacities in order to increase their participation to the funds under direct management, and to address the difficulties they face in submitting competitive projects. The obstacles encountered by the entities established in the OCTs are explained in particular by a less developed capacity in engineering of European projects and the limited number of potential promoters.

While maintaining and ensuring the integrity of an approach based on excellence, the Commission must provide that calls for projects and grant mechanisms are, also in the specific, accessible and that administrative burdens for potential beneficiaries are reduced, including in OCTs. Such involvement will demonstrate the Union's interest in the unique assets and potential of these territories and strengthen their sense of belonging to the European project. This can be further strengthened via calls for projects that take into account challenges and specificities that can be encountered by OCTs.

3. **Enhance the strategic positioning of OCTs by strengthening their access to the Global Europe instrument**

The OCTs are territories with the status of Associated States, as stated in Article 198 TFEU, and as such can benefit from EU External Action Funds. As they are located in strategic spaces, it is necessary to involve them in the achievement of the objectives of the EU's external action. **To this end, we welcome the extension of the eligibility for OCTs to all the pillars of the future Global Europe instrument in the partial general approach, including the geographical pillars of their respective location basins**.

The future framework should therefore facilitate, where appropriate, the complementary use of funding under the DOAG and the Global Europe instrument for regional projects involving OCTs, with a view to strengthening regional cooperation, promoting sustainable development and maximising the impact of EU external action. The arrangements for mixing Global Europe and Interreg programme funding should be clarified, in order to promote better cooperation between the OCTs and the outermost regions (ORs), with the benefit of a stronger foothold in their respective geographical basins.

France, the Netherlands and Denmark invite the Presidency, the Commission and the other Member States to support the inclusion of these suggestions in the draft revision of the DOAG for the period 2028–2034, as well as, where relevant, in the draft regulations of the other MFF headings such as "Global Europe", Interreg, the European Competitiveness Fund (and other sectoral regulations of Pillar 2 where appropriate), fully in line with the text as agreed by the Council in the partial general approach, and encourage to start thinking about the definition of an OCT strategy in the Union's external action and how it could be aligned with existing strategies such as *The Strategy for the Outermost Regions* and *the EU Strategy for Islands*, by soliciting all the actors concerned.