198570/EU XXVII.GP
Eingelangt am 03/10/24

EUROPEAN
COMMISSION

Brussels, 3.10.2024
SWD(2024) 227 final

COMMISSION STAFF WORKING DOCUMENT

Role of cohesion policy in the implementation of the Communication "Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions"

Accompanying the document

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

on the implementation of the Communication "Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions"

{COM(2024) 435 final}

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1. Introduction

The European Union (EU) has nine outermost regions, which are geographically very distant from the European continent: French Guiana, Guadeloupe, Martinique, Mayotte, Réunion Island and Saint-Martin (France), Azores and Madeira (Portugal), and the Canary Islands (Spain).

This staff working document (SWD) complements the Commission report to the European Parliament, Council, European Economic and Social Committee and Committee of the Regions 'Implementing the Communication *Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions*'.

The SWD highlights the key support of cohesion policy funds in each outermost region during the 2014-2027 programming periods. A factsheet per region analyses a number of selected key areas where the needs are the greatest and the impact of cohesion policy funds has been most significant.

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2. Selected statistics on the outermost regions compared with national and EU averages

Region	**Population** 2023	**GDP** PPS per inhabitant % EU average **2000**	**GDP (*)** PPS per inhabitant % EU average **2022**	**Growth rate** 2000-2019 **Real GDP per head (in million EUR)** yearly average	**Male employment rate** % labour force aged 15-64 2023	**Female employment rate** % labour force aged 15-64 2023	**Unemployment rate** % labour force aged 15-74 2023	**Youth unemployment rate** % labour force aged 15-24 2023	**NEET (**)** % of population aged 15-24 2023	**Early leavers from education and training** % age group 18-24 2023	**Median age of total population** 2023 versus 2100 projections
Guadeloupe	410 013	69	66	2.2	52.8	50.8	18.6	40.1	16.2	13.0	2023: 46.5 2100: 46.2
French Guiana	292 092	57	40	0.3	50.4	38.4	14.0	31.9	25.5	21.7	2023: 26.5 2100: 35.1
Martinique	353 444	67	70	1.4	59.9	59.9	10.8	28.0	15.2	13.0	2023: 49.2 2100: 47.1
Mayotte	309 981	18	30	3.0 (2014-2019: yearly average)	41.9 (2020)	23.9 (2020)	27.8 (2020)	55.4 (2020)	-	-	2023: 17.7 2100: 28.0
Réunion	880 766	64	64	1.7	52.6	47.7	19.0	39.3	19.9	10.2	2023: 38.2 2100: 44.3
Saint-Martin	32 358 (2020)	-	-	-	-	-	-	-	-	-	-
France	68.2 million	118	100	0.8	71.0	66.0	7.3	17.2	10.5	7.6	2023: 42.4 2100: 47.5
Azores	239 942	68	71	1.3	73.2	63.6	6.4	-	13.0	21.7	2023: 42.7 2100: 52.3
Madeira	253 259	76	79	0.9	72.6	66.9	5.9	-	-	-	2023: 46.7 2100: 52.8
Portugal	10.5 million	85	79	0.8	74.8	70.3	6.5	20.3	7.9	8.0	2023: 47.0 2100: 49.5
Canary Islands	2 213 016	95	68	-0.2	66.2	55.5	16.1	32.8	11.1	14.7	2023 (Gran Canaria): 45.0 2100 (Gran Canaria): 54.4
Spain	48.1 million	98	86	0.9	70.0	60.7	12.2	28.7	9.9	13.7	2023: 45.3 2100: 50.2
EU-27	**448.8 million**	**100**	**100**	**1.2**	**75.1**	**65.7**	**6.1**	**14.5**	**9.2**	**9.5**	**2020: 43.9 2100: 48.8**

(*)GDP measured in PPS (purchasing power standard) per inhabitant in % of the EU average. It remains particularly low in the outermost regions, and ranged from 30% in Mayotte and 40% in French Guiana to 71% in the Azores and 79% in Madeira

(**) NEET- young people neither in employment nor in education and training

Sources: Eurostat, DG REGIO calculations (for indicator: growth rate 2000-2019 - real GDP per head)

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Region	Exclusive economic zone (maritime) in km²	Fertility rate 2022	Infant mortality rate Deaths per 1 000 live births 2022	Number of medical doctors per 100 000 inhabitants 2021	Human resources in science and technology % active population 2023	% households with broadband access to the internet 2021	% women in national and regional assemblies[1] 2023	% share of Erasmus participants among the ORs[2] (100% for all ORs) 2022
Guadeloupe	95 978	2.11	4.9	272	27.3	75	48.8	1.8
French Guiana	130 000	3.55	9.8	223	30.8	79	41.8	1.6
Martinique	47.64	1.85	9.2	312	30.4	86	45.1	1.8
Mayotte	63 078	4.56	10.1	86	-	-	50	0.7
Réunion	311 426	2.37	7.0	335	28.4	87	51.1	9.7
Saint-Martin	1 066	-	-	-	-	-	-	-
France	11 691 000 (world largest)	1.79	4.0	318	39.0	88	48.5	-
Azores	938 000	1.35	2.9	383	26.4	88	35.1	5.6
Madeira	442 248	1.26	1.7	501	25.9	87	40.4	11.2
Portugal	1 700 000	1.43	2.6	562	31.1	84	37.5	-
Canary Islands	356 000	0.84	3.1	502	20.1	97	47.1	67.7
Spain	1 039 233	1.16	2.6	449	27.7	96	47.0	-
EU-27	**-**	**1.53 (2019)**	**3.3**	**391 (2019)**	**35.9**	**90**	**-**	**-**

[1] European Institute for Gender Equality (EIGE).
[2] Erasmus+ Annual Report 2022 (ORs – outermost regions).

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3. Fact sheets per region[3]

3.1. Guadeloupe

3.2. French Guiana

3.3. Martinique

3.4. Mayotte

3.5. Réunion

3.6. Saint-Martin

3.7. The Azores

3.8. Madeira

3.9. The Canary Islands

[3] The 'At a glance' box included in the regional fact sheets use Eurostat data sources (except for exclusive maritime economic zone data).

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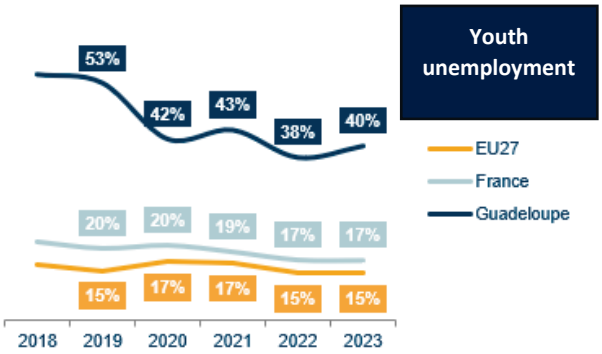
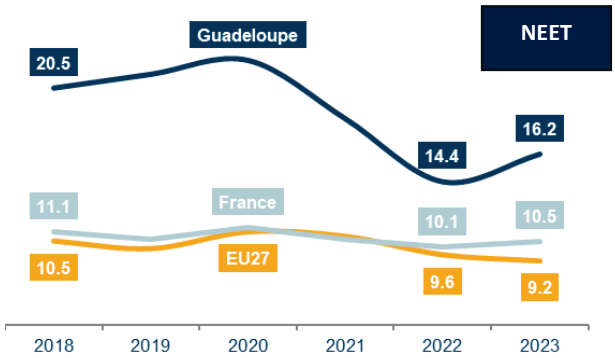
3.1. Guadeloupe

GUADELOUPE

At a glance

- Gross domestic product/capita (purchasing power standard) stands at 66% of the EU average.
- Unemployment (at 18.6% in 2023) and youth unemployment are more than double of the French and EU averages; youth unemployment dropped from 42% in 2020 to 40% in 2023.
- Rate of young people neither in employment nor in education and training (NEET) is significantly higher than the French and EU averages; it dropped from 22% in 2020 to 16% in 2023.
- The percentage of households with broadband access to the internet (75% in 2021) is significantly lower than in France.





INDICATORS			
	Guadeloupe	**France**	**EU**
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	66	100	100
GDP/capita at current market prices (EUR)	25 300	38 500	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	46.5	42.4	43.9 (2020)
Median age projections in 2100	46.2 (-0.3 y)	47.5 (+5.1 y)	48.8 (+4.9 y)
Total population 2023	410 013	68.2 million	448.8 million
Projections total population in 2100	277 231	69.6 million	416 million
Total population projections 2100 as % of total population 2023	68%	102%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	18.6	7.3	6.1
Employment rate 15-64 (%)	51.7	68.4	70.4
Youth unemployment rate 15-24 (%)	40.1	17.2	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	27.3	39.0	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	13.0	7.6	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	16.2	10.5	9.2
Tertiary education attainment 25-64 (%)	27.5	42.4	35.1
Less than primary/lower secondary education attainment 25-64 (%)	33.7	16.3	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	82	90	-
Households with broadband access to the internet (%)	75 (2021)	88 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	272	318	-
Number of hospital beds per 100 000 inhabitants	567	565	532 (2019)

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Cohesion policy funds in Guadeloupe	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 429 million* ***ERDF specific additional outermost region (OR) allocation:*** *EUR 98 million* **TOTAL:** EUR 527 million	**ESF 2014-2020** ***ESF mainstream:*** *EUR 234 million* ***YEI:*** *EUR 38 million* **TOTAL:** EUR 272 million
TOTAL Cohesion policy funds 2014-2020: EUR 799 million	
REACT-EU ERDF: *EUR 170 million*	***REACT-EU ESF:*** *EUR 40 million*
TOTAL REACT-EU (*): EUR 210 million *(*) NextGenerationEU for ERDF and ESF (2014-2020)*	
ERDF 2021-2027 ***ERDF mainstream:*** *EUR 465 million* ***ERDF specific additional OR allocation:*** *EUR 94 million* **TOTAL:** EUR 559 million	**ESF+ 2021-2027** ***ESF+ mainstream:*** *EUR 207 million* ***ESF+ specific additional OR allocation:*** *EUR 11 million* **TOTAL:** EUR 218 million
TOTAL Cohesion policy funds 2021-2027: EUR 777 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 1 786 million	

Key areas

Guadeloupe is facing major challenges in: (i) **access to water and sanitation**; (ii) **circular economy and waste management**; (iii) **education and training, and early school-leaving**; (iv) **employment**. It is benefiting from substantial EU support to address these areas. In **2014-2027 (both programming periods)**, the total ERDF and ESF(+) support to these key priorities is **EUR 802.6 million**.

(i) Access to water and sanitation

Guadeloupe faces significant issues related to the distribution and quality of both drinking water and wastewater services. The loss of drinking water and uneven access across the territory both highlight the pressing need for comprehensive strategies to improve the water infrastructure and management systems.

Disparities in water services

Guadeloupe experiences unequal access to drinking water and sanitation, water loss rates reach 63%, and it faces:

- uncontrolled access in various parts of the territory, leading to inequity in water distribution;
- persistent service disruptions affecting certain sectors;
- instances of 'red water' issues, indicating possible contamination or infrastructure corrosion;
- a growing distrust of public water services.

Sanitation and infrastructure deficits

Insufficient investment in wastewater treatment has affected the operation of essential wastewater collection systems. Despite efforts, drinking water supply faces major hurdles, and the quality of aquatic environments continues to deteriorate due to an inadequate maintenance and renewal of water networks, and a generalised decline in the condition and performance of power systems that support water distribution.

Strategic frameworks and support

To address these challenges, Guadeloupe relies on several plans, including:

- Water Development and Management Plans for 2016-2021 and 2022-2027;
- Eau DOM Plan of 2016 for sustainable access to quality water and improving wastewater management;
- Drinking Water Priority Action Plan for 2018-2020;
- Plan to combat leaks and the Multiannual Intervention Programme (PPI) from 2019-2024;
- Convergence and Transformation Plan to rebuild the capacity of the water and sanitation services.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by enhancing access to high-quality water and improved wastewater treatment. Both the 2014-2020 and 2021-2027 programmes set out targets for 2023 and 2029, respectively. To address water management challenges, it is thus necessary to invest in infrastructure.

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Support provided under the 2014-2020 programmes

The programme for Guadeloupe planned to invest EUR 68 million from the ERDF in access to water and sanitation. It set out result indicators such as the distribution network performance and output indicators such as the number of the additional population served by improved water supply. EUR 43.8 million has been invested and the following targets have been reached: 287 907 people with improved water supply (2023); 9 748 people with improved sanitation (2023); 39.55 % efficiency of the distribution network (2022); and 76 938 sewerage subscribers (2021).

Renewal Capesterre-Belle-Eau Drinking Water Project

Total budget: EUR 6 million *(EU support: EUR 4.2 million)* **Year of implementation:** 2021

Under the Water Priority Action Plan, the region supports local authorities in the work needed to improve and secure the supply of drinking water throughout Guadeloupe. A diagnosis of drinking water infrastructure carried out in Capesterre-Belle-Eau in 2018 highlighted that the municipality suffers significant leaks because of ageing of grey cast iron pipes. These water losses lead to overexploitation of water resources and significant reductions in pressure on distribution facilities. Therefore, many sectors of Capesterre-Belle-Eau and downstream of the municipality cannot be supplied with drinking water. Targeted work was undertaken to remedy these shortcomings, consisting of the renewal of approximately 15 km of drinking water networks (distribution), the renewal of connections to this grid line, the installation of pressure stabilisers, and the renewal of approximately 6 km of drinking water supply/discharge networks.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 80 million in access to water and sanitation. By 2029, it aims at connecting 119 000 people with improved public water supply and to reduce water losses in distribution of public water supply by 2 million m^3 per year (actual loss is 7.5 million m^3 per year). It aims at increasing the waste water treatment capacity to reach 18 758 more people and to improve drinking water treatment capacity to 2 783 m^3/h.

(ii) Circular economy and waste management

Guadeloupe faces significant challenges in managing waste due to limited land availability for landfills, high waste generation, and the logistical complexities of waste transport and treatment. The increased generation of waste, following natural disasters such as tropical storms and hurricanes, worsens the situation. These factors complicate the disposal of residual household waste and the transportation of waste between islands. To achieve a 'zero waste' status by 2035, the French government and regional authorities have introduced policies and plans to support waste reduction and promote a circular economy. This includes targets for reducing landfill waste, increasing recycling rates, and supporting innovation in sustainable materials and products in line with existing plans, such as:

- the Overseas Trajectory 5.0;
- the Convergence and Transformation Plan;
- the Regional Development Plan (SAR);
- the Regional Waste Prevention and Management Plan.

These plans aim to reduce household waste, drastically limit landfill use, and support a shift towards recycling, material recovery, and energy recovery. These efforts are supported by EU funds, contributing to higher recycling and recovery rates. The regional waste prevention and management plan sets targets, such as reducing the production of household and similar waste by 10% per inhabitant from 2012 to 2026 and halving the production of residual household waste from nearly 146 000 tonnes in 2016 to less than 70 000 tonnes in 2032. This plan aims to reduce landfilling by 91% by weight, and to achieve redirection of 68% of waste towards recycling and recovery sectors, with 21% of energy recovery.

Recycling and reduction efforts

There have been efforts to improve recycling rates and reduce waste generation, including recycling programmes, improving waste collection services, and raising public awareness about the importance of waste reduction and recycling. However, the effectiveness of these initiatives has varied, and increasing recycling rates remains a challenge.

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Circular economy initiatives

Guadeloupe is showing a growing interest in developing a circular economy, where resources are reused, repaired, and recycled to extend their lifespan and minimise waste. This includes promoting eco-design, supporting local recycling industries, and encouraging sustainable consumption patterns.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by setting out targets for 2023 and 2029. Guadeloupe's efforts towards efficient waste management and the circular economy show significant progress. However, the need for substantial infrastructural investment remains. The strategic application of EU funds, along with a commitment to the outlined plans, is essential to overcome obstacles and achieve the zero-waste goal for 2035.

Support provided under the 2014-2020 programmes

The ERDF planned to invest approximately EUR 47 million in waste management and the circular economy. EUR 28.5 million has been invested and the production of household waste has been reduced from 370 753 tonnes/year in 2013 to 239 460 tons/year in 2022.

Waste disposal site and waste transfer centre in Baillif

Total budget: EUR 5.7 million *(EU support: EUR 4.7 million)* **Year of implementation:** 2023

People in the area of '*Grand Sud Caraïbe*' (an agglomeration of 11 municipalities in Guadeloupe) now benefit from a new tool to help treating their waste located on the site of the former open landfill in Baillif. This is the fourth waste disposal site in Guadeloupe, aiming to significantly improve the sorting and recovery of waste in this part of the territory. The '*Grand Sud Caraïbe*' has made available land of 10 700 m², making it the archipelago's largest sorting complex. This facility addresses the environmental and health challenge of sorting waste, encourages environmentally friendly behaviour and prevents health risks. The equipment also has a 'data collection' space. In addition to the waste disposal site, the transfer quay is intended to group the collected waste before transporting it to appropriate treatment centres, reducing costs for the community and reducing the environmental impact of transport.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest approximately EUR 61 million in waste management and the circular economy. By 2029, the programme aims at increasing total household waste devoted to energy recovery by 23 000 additional households and to increase waste recycling by an additional capacity of 19 300 tonnes/year.

Other relevant EU funds or initiatives

The Interreg project SARGOOD (EUR 1.3 million budget – EU support EUR 0.458 million) aims to study the 'sargasso brown algae' in the Caribbean region (Guadeloupe, Trinidad and Tobago, and Anguilla) to better manage the biological clogging of algae and to develop biomass valorisation methods. Guadeloupe has been the managing authority for Interreg Caribbean for both programming periods (2014-2020 and 2021-2027).

(iii) Education and training, and early school-leaving

Education constitutes a major challenge for Guadeloupe. In 2014, 20.1% of young Guadeloupeans were illiterate and 34% had reading difficulties (versus 7 and 11% respectively in mainland France). The share of 30-34-year-olds with tertiary education was much lower than in mainland France (27.3% against 43.4%). Apprenticeships represented 11.5% of vocational secondary students, compared with 29% in mainland France. While some education infrastructure is well-equipped, in certain rural areas conditions need to be improved to address maintenance issues, outdated equipment, and overcrowding. The cohesion policy programmes have contributed to increase the safety of infrastructure against earthquakes. This will continue in the 2021-2027 period, in addition to the creation of a health campus, linked with the development of an institute of maritime professions.

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Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support education and training initiatives by improving the quality and efficiency of education and training systems, by facilitating access to a quality inclusive education or training pathway, and by promoting lifelong learning.

Support provided under the 2014-2020 programmes

The ESF and Youth Employment Initiative (YEI) planned to invest EUR 272 million in Guadeloupe. A key priority was to invest in education, training and vocational training for skills acquisition and lifelong learning. The aim was to upgrade the knowledge, skills and competencies of the workforce and promote flexible learning pathways, including career guidance and validation of skills. Over 2 660 participants benefited from this measure. Another priority was to strengthen the professional integration of young people (644 participants) unemployed and not in education or training (NEETs).

As regards infrastructure, the ERDF planned to invest EUR 80 million in strengthening public infrastructure against the risk of earthquakes. The programme has supported 4% of primary schools and 7% of secondary schools against seismic risks, protecting 5 687 students.

Saint-Claude Kindergarten School and seismic vulnerability project

Total budget: EUR 3 million *(EU support: EUR 0.685 million)* **Year of implementation:** 2023

An assessment of the seismic vulnerability of public schools in Guadeloupe, led by the Guadeloupe Municipalities Association in 2009, showed that the Rose Nelson school for children in nursery class, located in the city centre of the municipality of Saint-Claude, needed to be reconstructed. Technical solutions were proposed to enable the 132 children in five classes, as well as the educational community, to be accommodated safely. It was necessary to relocate the school to a site meeting the safety standards, town planning and national education rules. The aim of the rehabilitation project is to have a school with para-seismic standards as set in the Saint-Claude Urban Plan and to reduce the school's vulnerability to earthquakes and extreme disasters, and to improve safety and achieve a more climate-resilient structure. The renovation of the nursery aims in particular to promote equal opportunities for school success for all children in the kindergarten and to maintain and modernise the school.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to dedicate over EUR 88 million to the following priorities: professionalising and digitalising vocational education and training and opening up new fields of training such as health, improving access to training and supporting upskilling and reskilling; supporting young people to prevent early school/university leaving.

As regards infrastructure, the ERDF plans to continue supporting investments, with EUR 13 million for the new health university campus, and EUR 77.3 million to render infrastructure more resilient against the risk of earthquakes.

Health university campus project

Total budget: EUR 45 million *(EU support: EUR 15 million)* **Years of implementation:** 2023-2027

The Guadeloupe region aims to develop a university health campus hosting the faculty of medicine, paramedical schools, a health library, a simulation centre and a research building; and to install a university restaurant and residence. The health campus project lies in the mutual use of certain buildings: library, simulation centre, and some common areas (outdoor facilities, sports facilities), accommodating almost 2 800 people. The library and simulation centre will host both medical students and pupils from paramedical schools. The Guadeloupe region contributes to the financing of these two buildings. The regional authority is responsible for the construction of the faculty of medicine, and for the paramedical school buildings, the library, the simulation centre and the research building. The campus will be organised around a co-ownership between the State and the Guadeloupe region.

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(iv) Employment

Guadeloupe faces multiple challenges in the field of employment. In 2023, the unemployment rate stood at 18.6% and was particularly high among young people (40.1% for the age group 15-24).

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this area by promoting self-employment and the social and solidarity economy.

Support provided under the 2014-2020 programmes

The ESF supported good practices for young people in difficulty with the adapted military service and the second-chance schools. Of young people under the age of 25, who are NEET or in precarious situation, 8 975 have benefited from employment support thanks to the adapted military services. In 2023, the managing authority continued this support with an amount of EUR 13 million to train and support 800 additional young people. By December 2023, EUR 75 million had been invested.

Régiment du service militaire adapté (RSMA)

Total budget: EUR 10 million *(EU support: EUR 10 million)* **Year of implementation:** 2022

RSMA Guadeloupe is a professional training centre offering quality training in various fields such as IT, accounting, secretarial work, cooking, auto mechanics, plumbing, electricity and many others. The RSMA provides its trainees with cutting-edge equipment and qualified trainers to facilitate learning. Thanks to programmes adapted to the needs of the local market, trainees benefit from quality training that prepares them to enter the professional world.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest over EUR 62 million in the preservation and creation of jobs in order to address the challenge of developing and structuring the social and solidarity economy. It also supports actions aimed at promoting the integration of young people into the job market or at strengthening apprenticeship schemes. In addition, EUR 45 million are allocated to active inclusion, and social integration of people exposed to the risk of poverty and material deprivation.

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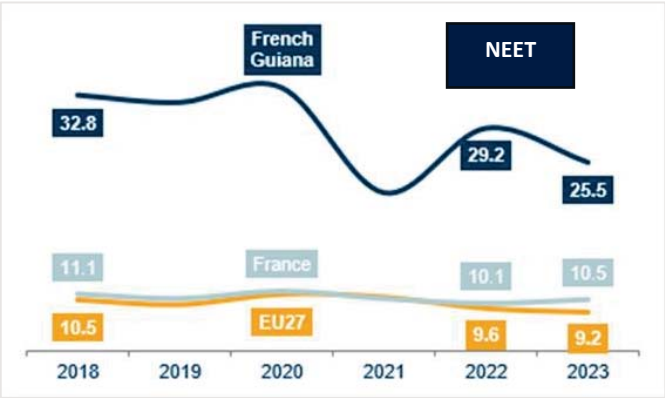
3.2. French Guiana

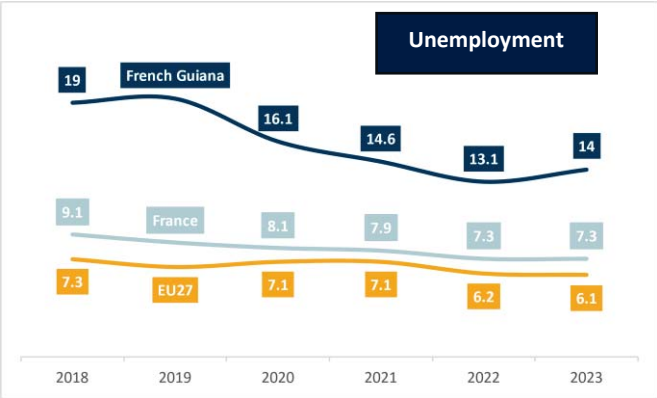
FRENCH GUIANA

292 092 | 7 000 km | 83 751 km²

At a glance

- Largest outermost region in terms of surface.
- Gross domestic product/capita (purchasing power standard) stands at 40% of EU average.
- Unemployment rate almost doubles the French average, but from 2020 to 2023, it dropped from 16.1% to 14%. Youth unemployment stood at 32% in 2023.
- Rate of young people neither in employment nor in education and training (NEET) is more than two times higher than French and EU averages, but from 2022 to 2023, it dropped from 29.2% to 25.5%.
- Human resources in science, as a percentage of active population, is above 30%.
- Fertility rate is one of the highest in the EU (3.55).





INDICATORS

	French Guiana	France	EU
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	40	100	100
GDP/capita at current market prices (EUR)	15 600	38 500	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	26.5	42.4	43.9 (2020)
Median age projections in 2100	35.1 *(+8.6 y)*	47.5 *(+5.1 y)*	48.8 *(+4.9 y)*
Total population 2023	292 092	68.2 million	448.8 million
Projections total population in 2100	591 746	69.6 million	416 million
Total population projections 2100 as % total population 2023	203%	102%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	14.0	7.3	6.1
Employment rate 15-64 (%)	43.8	68.4	70.4
Youth unemployment rate 15-24 (%)	31.9	17.2	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	30.8	39.0	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	21.7	7.6	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	25.5	10.5	9.2
Tertiary education attainment 25-64 (%)	23.7	42.4	35.1
Less than primary/lower secondary education attainment 25-64 (%)	47.3	16.3	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	85	90	-
Households with broadband access to the internet (%)	79 (2021)	88 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	223	318	-
Number of hospital beds per 100 000 inhabitants	343	565	532 (2019)

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Cohesion policy funds in French Guiana	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 294 million* ***ERDF specific additional outermost region (OR) allocation:*** *EUR 52 million* **TOTAL:** EUR 346 million	**ESF 2014-2020** ***ESF mainstream:*** *EUR 124 million* ***YEI:*** *EUR 24 million* **TOTAL:** EUR 148 million
TOTAL Cohesion policy funds 2014-2020: EUR 494 million	
REACT-EU ERDF: *EUR 133.5 million*	***REACT-EU ESF:*** *EUR 31.5 million*
TOTAL REACT-EU (*)**:** EUR 165 million ***(*) NextGenerationEU for ERDF and ESF (2014-2020)***	
ERDF 2021-2027 ***ERDF mainstream:*** *EUR 346 million* ***ERDF specific additional OR allocation:*** *EUR 65 million* **TOTAL:** EUR 411 million	**ESF+ 2021-2027** ***ESF+ mainstream:*** *EUR 145 million* ***ESF+ specific additional OR allocation: EUR*** *15 million* **TOTAL:** EUR 160 million
TOTAL Cohesion policy funds 2021-2027: EUR 571 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 1 230 million	

Key areas

French Guiana is facing major challenges in: (i) **access to water and sanitation**; (ii) **broadband and digitalisation**; (iii) **education, guidance and training, and early school-leaving**; (iv) **social inclusion**. It is benefiting from substantial EU support to address these areas. In **2014-2027** (both programming periods), the total ERDF and ESF(+) support to these key priorities is **EUR 385 million**.

(i) Access to water and sanitation

Access to water and sanitation remains a major challenge for French Guiana. Despite abundant water resources (heavy annual rainfall and an exceptionally dense hydrographic network), it is estimated that 15% of the population in French Guiana does not have access to drinking water and around 21% of the population is deprived of sanitation services. The quantitative and qualitative infrastructure shortages (particularly in isolated inland areas) and the increasing demographic pressure (French Guiana has the highest growth rate in France, population is estimated to double between 2014 and 2050) contribute to the deterioration in water quality and to increases in informal settlements.

Plans and strategies

The Water Development and Management Masterplan (SDAGE) provides the strategic orientations for the region's water policy over a 6-year period. As part of the French Overseas Departments' National Water Plan (Plan Eau DOM, 2016), 5-year 'progress contracts' have been signed with local authorities in French Guiana. These contracts specify, for each municipality, the short, medium and long-term actions to be implemented, particularly regarding asset management, planning, drinking water service and wastewater service.

Water supply

In French Guiana, coastal municipalities mainly use water of surface origin. However, river waters are often exposed to pollution from human activities, especially in the most populated areas. While the entire coastline is served by public networks that deliver good quality water to the connected populations, some areas of spontaneous habitation are still not connected. People are obliged to ensure their water supply from wells, by recovering rainwater or by extracting river water for their domestic needs. Bacteriological analyses generally classify these waters as unfit for human consumption. Illegal gold mining also disrupts local hydrosystems and ecosystems, notably through mercury and waste pollution. Despite EU support, delays in providing adequate infrastructure are still significant. The territorial diagnosis reveals weaknesses in the sustainability of existing infrastructure and the master plans of municipalities, especially when considering the population growth (Upper and Lower-Maroni regions). Some authorities have financial difficulties to finance infrastructure projects.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by focusing investments on the access to safe drinking water for the growing population and sanitation infrastructure, especially in urban areas.

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Support provided under the 2014-2020 programmes

The ERDF invested the amount of EUR 19 million in access to water and sanitation. These investments in 2014-2020 were a continuation of previous programmes to improve the water supply. Through the implementation of appropriate treatments and the improvement of networks, the objective consisted in increasing production capacity and improving the quality of water distributed. As for sanitation, the strategy was to increase capacity to meet the growing needs of urban areas, with operations related to the restructuring, construction and connection of urban drinking water and sanitation networks, and arrangements for monitoring, analysing and reporting bathing water. The ERDF improved access to drinking water for 5 045 people and access to sanitation for 7 017 people in French Guiana (December 2023). Between 2014 and 2021, the share of the population with access to drinking water increased by almost 4%, despite exponential population and spontaneous dwellings growth.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 36 million in access to drinking water (for almost 19 800 people) and in the quality of sanitation infrastructure (for around 15 800 people). It aims to finance 50 km of drinking water networks - in particular for populated areas not yet served; 25 km of sewerage pipelines and water treatment installations (i.e. collection, transport, storage and purification); studies and support activities. The current Water Office Multiannual Plan (2021-2027) plans to invest EUR 9.73 million (with EU support of EUR 5.8 million) in drinking water and sanitation (studies and works).

Paul Castaing drinking water tank, Saint-Laurent du Maroni

Total budget: EUR 9.8 million *(EU support: EUR 5 million)* **Years of implementation:** 2015-2022

To improve access to drinking water in the west of French Guiana, the ERDF funded the construction of the Paul Castaing water reservoir. The project included the construction of a pumping station and a storage tank of 400 m³ near the Saint-Louis drinking water plant, the installation of 4.7 km of pipeline, the construction of a 3 000 m³ tower tank, the creation of an access runway, the installation of a gravity pipeline between the Paul Castaing reservoir and the existing Malgaches reservoir, and a distribution pipeline.

ERDF support to DOM water plan

Total budget: EUR 11 million *(EU support: EUR 7.8 million)* **Years of implementation:** 2021-2027 (estimated)

The ERDF supports local authorities for the 'DOM water plan', with two projects planned in west French Guiana. The first would bring drinking water to 6 187 people (budget EUR 8 million, EU support EUR 6 million). The second, in the isolated municipality of Papaïchton, would support the treatment of wastewater in the province, based on a nature-based solution (budget EUR 3 million, EU support EUR 1.8 million).

Other relevant EU funds or initiatives

The French recovery and resilience plan has earmarked EUR 50 million for the French outermost regions and overseas countries and territories, including French Guiana, for the renovation of drinking water and wastewater networks. The European Agricultural Fund for Rural Development (EAFRD) finances similar operations for municipalities in isolated zones. In particular, the Rural Development Programme of French Guiana supports water supply systems in rural areas (EUR 8 million), and wastewater disposal and treatment (EUR 5 million). Between 2021 and 2023, 21 projects have been financed. Significant national funding, mainly from the National Water Agency and Aquatic Environment, enabled project implementation and a leverage effect of EU funds.

Co-financed through the Interreg Amazonia 2014-2020 programme, the BIO-PLATEAUX project (budget EUR 1.2 million, EU support EUR 0.9 million) aimed at developing a common approach to preservation of exceptional water resources and aquatic biodiversity in the aquatic environments between French Guiana and its neighbours Brazil and Suriname, in particular on the Oyapock (shared by French Guiana and the federal state of Amapá in Brazil) and Maroni (shared by French Guiana and Suriname) basins. The project also addressed shared human challenges across borders.

(ii) Broadband and digitalisation

French Guiana faces significant issues related to broadband and digitalisation. The region is divided between the coastal strip, concentrating population and digital infrastructure and isolated zones with a large deficit in basic communications (telephony, internet). The remoteness and territorial fragmentation entail additional investment and operation costs to connect the inhabitants, administrations and businesses. High-speed coverage for the coastal area is key, as it accounts for 80% of French Guiana's population and the bulk of economic activities, research and health facilities.

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Digital connectivity relies on submarine cables, via the Suriname-Guyana Submarine Cable System (2010) and the AMERICAS II cable (1999, 8 000 km). However, the latter is the only infrastructure used by telecommunications operators to interconnect their digital traffic with the rest of the world. This affects the quality of telephony and internet, and regional competitiveness, education/training and social inclusion. In terms of digital connectivity, 3 out of 17 remote municipalities were only covered by 2G networks. A major challenge is to strengthen the fibre network and increase the bandwidth to cover these needs. Progress has been made with the creation of a local public company for digital planning in French Guiana (SPLANG) to manage public digital infrastructure, the ongoing deployment of the fibre on the coastline, and securing data flows through a submarine cable project in the 2021-2027 regional strategy. This will complement the development of digital skills of the population, a strategic priority covered under several ERDF objectives.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by gradually bringing high-speed broadband to the territory, especially at the coastline, and by increasing the 3G coverage in isolated zones. In parallel, the ERDF helps to improve digital services to the population.

Support provided under the 2014-2020 programmes

The ERDF invested EUR 34.7 million in broadband and digitalisation in order to accelerate fibre deployment and related services. This included providing 10 000 additional sockets connected to fibre or satellite networks and ensuring that 70% of the population in isolated areas is covered by 3G. Thanks to these projects, 17 additional city centres in remote areas now benefit from telephony, and FTTH (fibre to the home) connections are now available on the coast, between Cayenne and Kourou, and in the municipality of Saint-Laurent du Maroni. The ERDF also enabled remote populations to access digital services from administrations, schools or in the medical field. These actions target e-education, e-health and remote public services. ERDF investments were also supported with REACT-EU funding (EUR 39 million) for the digital transition.

Local public company for the digital planning of French Guiana

Total budget: EUR 6.4 million *(EU support: EUR 2.6 million)* **Years of implementation:** 2018-2020

EU funds are financing the digital transition in western French Guiana (Saint-Laurent du Maroni). In a region with the weakest high-speed internet coverage in France, the ERDF has undertaken a digital development project of 120 km of optical fibre. It deploys fibre for 44 municipal sites, for sites of economic interest, and to 'digital points' that will be access points for the city's least connected areas.

Support envisaged under the 2021-2027 programmes

ERDF investments are aimed at stabilising network access and ensuring connectivity solutions for the entire population as a driver for economic development. The projects concern: the densification of the digital grid through optical fibre; the development of satellite connection solutions for the coastline or interior - not currently covered by fibre; and the deployment of infrastructure for improved fix and mobile telephone coverage - in areas without fibre or satellite solutions. The ERDF (EUR 20 million) aims to support operations of strategic importance for improving digital connectivity, including five FTTH operations and a public satellite initiative network. The objective is to provide 19 000 additional broadband or high-speed accesses. A close partnership between French Guiana, France and the EU can ensure synergies with national schemes such as France Relance, France 2030 and the convergence and transformation contract (CCT).

Construction of an FTTH network, sector of Régina and Saint-Georges

Total budget: EUR 9.3 million *(EU support: EUR 4.7 million)* **Years of implementation:** 2024-2026 (estimated)

French Guiana plans to deploy an FTTH public initiative network to connect people to high-speed internet.

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Other relevant EU funds or initiatives

The Connecting Europe Facility and the European Regional Development Fund are jointly funding the Subsea French Guiana project with about EUR 30 million and EUR 10 million, respectively. The project consists of building a branch to the EllaLink system, the submarine cable system between Europe and Latin America. This will directly connect French Guiana with the European continent and increase the digital sovereignty of the region by also improving the security and resilience of the European Space Centre in Kourou.

The Recovery and Resilience Facility (RRF) finances 100% of the programme 'Industrie du Futur' which supports industrial SMEs in deploying digital technologies and digitalising their production processes, including by using robotics and AI-based software. By the end of 2022, the initiative had supported one company in French Guiana. The RRF also supported the training of digital advisers hosted by local authorities and private actors from the social and solidarity economy (38 advisers in French Guiana).

(iii) Education, guidance and training, and early school-leaving

French Guiana is facing significant challenges in education, compared with national and EU averages. In 2023, only 23.7% of its population had completed tertiary education (France, 42.4%). Almost half the inhabitants of the region have less than primary/lower secondary education attainment (47.3% vs 16.3% France and 20.2% EU). Early school-leaving is also a major challenge, with 21.7% of early leavers from education and training (France, 7.6%). A significant share of young people (25.5%) is neither in employment nor in education and training (EU 9.2%).

Demographic growth is putting pressure on education infrastructure in French Guiana and existing schools are not adapted to educate all young people at the level required. According to the National Institute of Statistics and Economic Studies (INSEE), the secondary level should accommodate almost 54 900 pupils in 2030, an additional 21 300 pupils compared with 2015. The occupancy rate for secondary establishments is 127% for the municipality of Saint-Laurent du Maroni, 159% for Matoury, 112% for Cayenne and 135% for Macouria. Investment efforts are required to improve the territorial coverage of training facilities and to bridge the gap in the major infrastructure needs. There is also a lack of temporary shelters for young workers and of boarding schools to enable young people to access training and education throughout the region.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support regional and national authorities in their efforts to provide the local population with good access to training, in line with labour market needs, while diminishing early school-leaving. The ERDF invests in a better infrastructure in this sector.

Support provided under the 2014-2020 programmes

The ESF planned to invest approximately EUR 50 million in access to training opportunities for the local population. EUR 43 million has been spent to support these actions, with a focus on vulnerable groups and their needs and challenges. By December 2023, about EUR 21 million had been invested and supported 2 530 unemployed. Additional funds (EUR 31,5 million) were granted under REACT-EU, notably to support youth employment.

The ERDF aimed to enable the entire population to attend school and training, in order to combat illiteracy and promote the acquisition of basic knowledge. It invested EUR 32.5 million in creating, equipping or upgrading public education and training infrastructure such as the university, secondary schools and colleges, but also primary schools, training centres and campuses. The support focused on the west of the region and the implemented projects also improved reception and education conditions for 3 420 pupils, as of December 2023.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest over EUR 20 million in adult learning, giving 1 833 job seekers access to training opportunities by 2029, with about one in two gaining a qualification. The actions supported by the regional programme will include targeted investments to enhance the level of basic skills of the population, and to provide beneficiaries guidance and support towards employment. Regional authorities will also invest in measures to identify labour market needs and adjust programmes accordingly. The regional programme will act in synergy with the regional strand of the national ESF+ programme, which will invest notably in the training of employees.

The ERDF will contribute to improving access to training and education for schools and students, trainees and young workers by developing new and improving existing facilities. The ERDF will invest EUR 60 million in secondary education infrastructure to accommodate an additional 1 500 people, including a high school and a college, of 900 and 600 places respectively, to meet the challenges of population growth. Other projects concern the creation of a university training hub in tropical health, training centres and new fixed and mobile technical platforms (buses or boats). The aim is to develop

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continuous training with better territorial coverage and temporary accommodation for students, as distances between municipalities and a lack of transport infrastructure make travelling difficult and costly.

Construction of the Saint-Laurent VI College

Total budget: EUR 24.2 million *(EU support: EUR 8 million)* **Years of implementation:** 2015-2022

The secondary school population is continuously increasing due to population growth, in particular in the west of the territory. A major programme for the creation of colleges was set up within various municipalities. The ERDF invested in the construction of a college for 600 pupils in the municipality of Saint-Laurent du Maroni.

System of general economic interest (SGEI) Savanes No 3

Total budget: EUR 3.6 million *(EU support: EUR 2.9 million)* **Years of implementation:** 2018-2019

The French Guiana SGEI provides the towns of Macouria, Kourou, Sinnamary and Iracoubo with responses adapted to their wide heterogeneity and difficulties in accessing training and vocational integration. It aims to promote the pooling and coordination of the human and material resources of the various training (including new) operators. The deployment of the SGEI makes it possible to compensate for shortages in the provision of permanent training in these areas of French Guiana. The population in the eastern municipalities faces several challenges: entering the working life without a diploma, unemployment, early parenthood, financial and housing precariousness, administrative difficulties, language barriers, and reduced mobility. The SGEI operation offers job seekers social and employment guidance, supporting beneficiaries in their access to training opportunities.

Academic Health Training Centre, University of French Guiana

Total budget: EUR 12.5 million *(EU support: EUR 10.5 million)* **Years of implementation:** 2021-2025 (estimated)

French Guiana suffers from a chronic lack in health professionals and an underdeveloped infrastructure that the region struggles to address due to rapid population growth. During the social movements in 2017, one of the major demands related to the health system was the creation of an academic hospital centre. To prepare for this, the training capacity of future doctors in French Guiana, and for paramedical professions (nurses, physiotherapists, midwives, medical assistants) needs to be strengthened. The Academic Health Training Centre project will host all the necessary medical and paramedical training courses together with the buildings already located on the Troubiran campus. The University of French Guiana will offer medical and paramedical training for almost 1 200 students in this new health training centre.

Other relevant EU funds or initiatives

The EAFRD supports the *Maisons familiales rurales* network, which are training centres located in remote areas, through the Common Agricultural Policy Strategic plan (2023-2027) with EUR 1 million.

(iv) Social inclusion

The population of French Guiana is affected by significant social inclusion challenges. In 2022, 49.5% of the local population was at risk of poverty or social exclusion. This is more than twice the national average and 7.4 percentage points more than the average of the French outermost regions (EU statistics on income and living conditions (SILC) survey for Guadeloupe, Martinique, French Guiana, and Réunion). This challenge is worsened by education challenges and high unemployment, especially for young people, and aggravated by insufficient access to healthcare and social services, particularly in most remote areas of the territory. The administrative barriers prevent part of the population from benefiting from social aid, and from social and employment guidance.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, aim at preventing and addressing poverty and social exclusion through employment and social guidance initiatives. They also offer tailored support to the needs of vulnerable

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groups, with a particular attention to women and children. In 2021-2027, social inclusion challenges are also addressed through investments in training in the health sector.

Support provided under the 2014-2020 programmes

The ESF planned to invest over EUR 107 million (EU support EUR 78 million) in French Guiana to support in social inclusion measures. By December 2023, more than 5 700 unemployed and 1 400 inactive people had benefited from ESF support.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest over EUR 24 million (EU support EUR 21 million) in support to social inclusion measures. The programme aims at supporting, by 2029, about 8 400 people, including about 2 000 children and more than 2 300 people with disabilities. The programme will play an important role in lifting the administrative and social barriers faced by a significant part of the population. By 2029, the ESF+ social inclusion measures should help more than 4 000 people with tailored guidance, with regard to access to social benefits and guidance.

ENVI API

Total budget: EUR 0.8 million *(EU support: EUR 0.6 million)* **Years of implementation:** 2020-2022

ENVI API was a social inclusion project designed around beekeeping, agriculture and environmental protection. It aimed at offering an innovative approach to target those, among the young people, who are the furthest away from the labour market. It successfully promoted sustainable development and green professions, and minimum income beneficiaries were able to develop their skills in these areas. The project also raised beneficiaries' awareness of global environmental issues and encouraged the emergence of a more traditional approach to production and consumption, such as the use of old methods. The project provided beneficiaries with an innovative form of social and employment guidance through workshops and on-site training, supporting their integration on the labour market.

Other relevant EU funds or initiatives

Interreg Amazonia 2014-2020 supports two projects, Malakit and CUREMA, aimed at developing and implementing innovative strategies to control and eliminate malaria, particularly targeting vulnerable and isolated populations – especially mining workers – in the cross-border areas of French Guiana, Brazil, and Suriname. The projects contributed to reducing health inequalities and promoting social inclusion through improved access to health services. The Malakit project provided self-testing and malaria self-treatment kits, along with appropriate training. The CUREMA project continued the efforts of the Malakit project by further optimising the strategy of self-diagnosis and self-treatment of malaria. It specifically addressed the revival forms of malaria and aimed to eradicate reef forms of malaria.

The EAFRD 2014-2022 supports vocational training, with 61 projects (EUR 625 000) and more than 1 500 participants. For 2023-2027, this support will continue to finance in particular, training in agriculture, agri-food and forestry.

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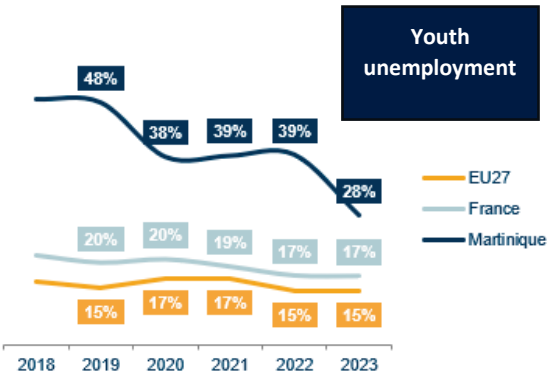
3.3. Martinique

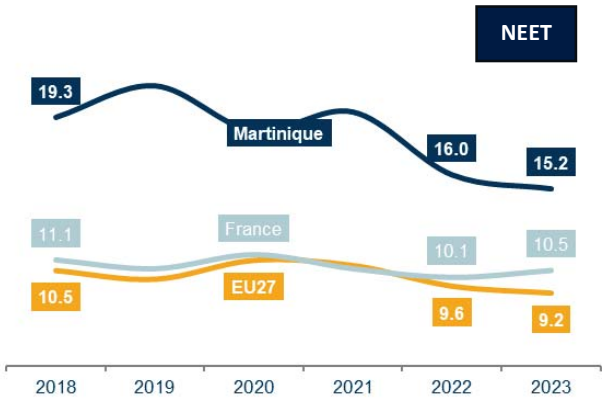
MARTINIQUE

353 444 | 6 845 km | 1 128 km²

At a glance

- Gross domestic product/capita (purchasing power standard) stands at 70% of the EU average.
- Unemployment (10.8% in 2023) and youth unemployment rates are well above French and EU averages, but the youth unemployment rate dropped from 38.3% in 2020 to 28% in 2023.
- Rate of early leavers from education and training (at 13% in 2023) and the rate of young people neither in employment nor in education and training (NEET), at 15% in 2023, are higher than French and EU averages.
- Human resources in science, as a percentage of the active population, is above 30%.





INDICATORS

	Martinique	France	EU
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	70	100	100
GDP/capita at current market prices (EUR)	27 000	38 500	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	49.2	42.4	43.9 (2020)
Median age projections in 2100	47.1 *(-2.1 y)*	47.5 *(+5.1 y)*	48.8 *(+4.9 y)*
Total population 2023	353 444	68.2 million	448.8 million
Projections total population in 2100	234 325	69.6 million	416 million
Total population projections 2100 as % total population 2023	66%	102%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	10.8	7.3	6.1
Employment rate 15-64 (%)	59.9	68.4	70.4
Youth unemployment rate 15-24 (%)	28.0	17.2	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	30.4	39.0	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	13.0	7.6	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	15.2	10.5	9.2
Tertiary education attainment 25-64 (%)	29.2	42.4	35.1
Less than primary/lower secondary education attainment 25-64 (%)	28.1	16.3	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	84	90	-
Households with broadband access to the internet (%)	86 (2021)	88 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	312	318	-
Number of hospital beds per 100 000 inhabitants	539	565	532 (2019)

Cohesion policy funds in Martinique	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 352 million* ***ERDF specific additional outermost region (OR) allocation:*** *EUR 93 million* ***TOTAL:*** *EUR 445 million*	***ESF 2014-2020*** ***ESF mainstream:*** *EUR 189 million* ***YEI:*** *EUR 30 million* ***TOTAL:*** *EUR 219 million*
TOTAL Cohesion policy funds 2014-2020: EUR 664 million	
REACT-EU ERDF: *EUR 159 million*	***REACT-EU ESF:*** *EUR 39 million*
TOTAL REACT-EU(*): EUR 198 million ***(*) NextGenerationEU for ERDF and ESF (2014-2020)***	
ERDF 2021-2027 ***ERDF mainstream:*** *EUR 393 million* ***ERDF specific additional OR allocation:*** *EUR 89 million* ***TOTAL:*** *EUR 482 million*	***ESF+ 2021-2027*** ***ESF+ mainstream:*** *EUR 160 million* ***ESF+ specific additional OR allocation:*** *EUR 28 million* ***TOTAL:*** *EUR 188 million*
TOTAL Cohesion policy funds 2021-2027: EUR 670 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 1 532 million	

Key areas

Martinique is facing major challenges in: (i) **support to SMEs**; (ii) **healthcare infrastructure**; (iii) **education and training infrastructure, early school-leaving**; (iv) **(youth) employment and mobility**. It is benefiting from substantial EU support to address these areas. In **2014-2027 (both programming periods)**, the total ERDF and ESF(+) support to these key priorities is **EUR 692.8 million**.

(i) Support to SMEs

Martinique is facing significant issues related to support to SMEs. Over the past few decades, Martinique's economy has evolved from a predominantly agricultural one to one largely dominated by services. The various additional costs induced by its remoteness from the EU domestic market affect the competitiveness of companies and contribute to their financial weakness. The banking system needs improvement, particularly in terms of supporting business development and investment. The key challenge for the region is to build a production base around companies that are financially sound and flexible.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by promoting entrepreneurship, the growth of start-ups, scale-ups, incubators, advanced business services and new business models for SMEs. They also aim to boost exports through internationalisation programmes.

Support provided under the 2014-2020 programmes

The ERDF supported collective and individual actions aimed at structuring and diversifying production, with a particular focus on five strategic sectors: agro-processing, resource enhancement, health and ageing, digitalisation and tourism. The ERDF has invested in SMEs through research and innovation (EUR 13 million), technology transfer, cooperation between universities and businesses, and advanced support services for SMEs (EUR 3 million). The ability to grow on regional, national and international markets was supported with EUR 98 million.

According to a study published by the INSEE in 2022, almost 73% of businesses created in 2014 were still active in 2019. Martinique is the French region with the highest 5-year survival rate for companies. The development of perennial businesses generated a 47% growth in salaried employment for all businesses created in the first half of 2014. By December 2023, EUR 232 million were invested reaching more than 200 SMEs. Support for businesses (530 companies) has focused on the following areas: creation of economic activity zones, investments to structure and diversify production, financial engineering, digital products and services, and support for the tourism industry.

Support envisaged under the 2021-2027 programmes

Martinique's economy needs to evolve from a fragmented system based mainly on small, low-financial-capacity, high-risk businesses, to a structured system based on sectors made up of bankable, profitable companies. The ERDF will finance the following actions, with a target of 30 000 beneficiary companies:

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- structuring of priority sectors, modernisation of production equipment for the future, creation of investment funds, and pooling of technical skills, including commercial development and internationalisation of SMEs (EUR 83 million);
- support for innovation processes and clusters (EUR 13 million) and EUR 6 million for research and innovation;
- digitisation of SMEs (including e-commerce, e-business and networked business processes, digital innovation clusters, living labs, web entrepreneurs and ICT start-ups, and business to business) with EUR 8 million;
- improving competitiveness by addressing the issue of additional costs.

Support to SMEs in improving access to healthcare

Total budget: EUR 197 million *(EU support: EUR 108 million)* **Years of implementation:** 2019-2021

clikOdoc is a start-up established in Martinique in 2018 and currently growing rapidly. It facilitates the relationship between patients and healthcare professionals by bringing together diary planning services with and without appointments, a secure means of communication between healthcare professionals and patients, and telemedicine services. This project will optimise patient care by making it easier to book appointments. It will also facilitate patient referrals between practitioners and will enable automated waiting lists to be set up to reduce waiting times. The platform, initially for practitioners in Martinique, has been extended to other French outermost regions. There are now 521 practitioners involved.

Project CTEBioM

Total budget: EUR 17.4 million *(EU support EUR 6 million)* **Year of expected implementation:** 2027

Martinique wants to make the most of its bioresources and biodiversity through complex fundamental research programmes. The territorial strategy for fundamental research will enable this project to be deployed throughout the region. The Centre Territorial d'Exploration de la Biodiversité Martiniquaise (CTEBioM) will be made up of high-tech laboratories and very high-added-value platforms that will be made available to the region and its stakeholders. CTEBioM will focus on metabolomics and genomics, as well as chemistry, biotechnology, pharmaco-toxicology and bioinformatics. The centre will have innovative equipment for acquiring results in Martinique, as well as a start-up incubator.

Other relevant EU funds or initiatives

Pole Europe Enterprise Innovation (PEEI) 2020-2021, funded with EUR 60 000 from Horizon 2020 and a consortium of the Chambers of Commerce and Industry of Martinique and Guadeloupe and the Technopole Martinique, provided local SMEs with growth-oriented, integrated business and innovation support services, facilitating their access to global markets.

(ii) Healthcare infrastructure

Among the French outermost regions, Martinique is the region closest to the health standards of mainland France. However, the access to affordable and high-quality services remains unequal. Martinique's health system is characterised by lower capacity and fewer health professionals than the national and EU averages. Most services are located in the largest urban areas. The limited and unequal healthcare capacity aggravates the situation of the most vulnerable groups, among which older people and children. Moreover, the island is increasingly affected by significant demographic changes, with an ageing population requiring specific healthcare and services.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by encouraging the improvement of local health centres and the critical role that they may play in the decentralisation of healthcare. There is a need to further invest in health infrastructure and equipment to support the development of equal access to healthcare on all islands and in all locations.

Support provided under the 2014-2020 programmes

The ESF planned to invest EUR 48.3 million in promoting access to affordable health services and reducing inequalities in terms of health status. REACT-EU greatly contributed to increasing investments in Martinique's health infrastructure and to supporting isolated young people, workers and entrepreneurs (e.g. home schooling, exceptional aids). By 2023, EUR 38.8 million had been invested. REACT-EU supported around 7 500 people.

The ERDF has focused on improving the quantity and quality of collective care facilities for older people and on increasing the rate of adapted individual housing. Following the COVID-19 crisis, the ERDF's action in health infrastructure was boosted by additional REACT-EU support totalling EUR 138.8 million for various beneficiaries. The operations covered

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by the ERDF relate to the development of centres of excellence in healthcare, the creation of the Caribbean Institute of Nuclear Imaging (ICIN), the modernisation of hospital centres and increase of the number of hospital beds, the creation of an improved accommodation unit, and equipment for a medical imaging centre. These initiatives have strengthened the region's hospital system. By December 2023, EUR 143 million had been invested in health infrastructures through the ERDF, mainly by REACT-EU.

EHPAD 'Habitation Fantaisie' Saint-Joseph

Total budget: EUR 13 million *(EU support: EUR 6.54 million)* **Years of implementation:** 2017-2023

The project involves the creation of an accommodation establishment for dependent older people (EHPAD), with a capacity of 80 permanent accommodation beds, four temporary accommodation beds and six day-care places. The EHPAD project is located in the municipality of Saint-Joseph, in the Centre Agglomération sector, which includes the municipalities of Fort-de-France, Le Lamentin, Saint-Joseph and Schœlcher. The surface area of the buildings subsidised is 4 428 m^2. The overall development of this plot involves the creation of a health centre, which will house a 60-bed rehabilitation unit in addition to the EHPAD, which is currently under construction.

Extension of the Bethléem nursing home

Total budget: EUR 1.42 million *(EU support: EUR 0.69 million)* **Year of implementation:** 2020

The Bethléem retirement home is located in Terreville in the town of Schœlcher, a fast-growing area. The project to extend the 11-bed EHPAD Bethléem and its ancillary premises meets a need for additional beds, the current occupancy rate being between 96% and 100%. It is managed by the 'Maison de retraite de Bethléem (Foyer Bethléem)' association, which owns the land on which the facility is located. A perpetual building lease has been signed between the société Martiniquaise d´habitation à loyer moderé and the association for a period of 40 years, at the end of which the association will become the owner of the premises. The retirement home aims to improve care for older people with moderate behavioural problems by offering them appropriate social and therapeutic activities. On a daily basis, the association helps residents to get through the day 'as if they were at home'.

Creation of Caribbean Institute of Nuclear Imaging

Total budget: EUR 49 million *(EU support: EUR 49 million)* **Years of implementation:** 2020-2023

Martinique has seen an exponential increase in the number of cases of cancer, endometriosis, heart disease and neurodegenerative diseases. The University Hospital of Martinique needs to be equipped with modern tools to improve the diagnosis and optimum management of these diseases. This will contribute to Martinique's progress towards self-sufficiency in healthcare. The project comprises the Caribbean Institute of Nuclear Imaging and its clinical research and medical training activities, which are the first of its kind in Martinique. The building's unique configuration brings together the cyclotron and clinical and radiopharmaceutical activities in a single location, providing optimum care for patients from Martinique and the Caribbean suffering from the aforementioned pathologies. The building houses nuclear medicine, anatomopathology and radiopharmacy facilities. The proximity of the cyclotron to the patient's bed means that new and more effective radio elements can be used.

Support envisaged under the 2021-2027 programmes

The ESF+ supports operations which address people's basic needs and providing access to essential services, in particular healthcare. It helps addressing shortages in health professionals by developing their training and establishment in areas that are lacking health services. Such operations aim at improving the accessibility, quality and sustainability of healthcare. EUR 20.8 million is dedicated to the improvement of healthcare services, through better accessibility, notably for older people, and quality training for professionals.

The ERDF will help to improve access to local healthcare and increase the number of nursing homes for older people in the region. It plans to invest EUR 13 million in health infrastructure and EUR 5 million in health equipment and aims to increase the capacity of healthcare facilities by 326 000 people per year. In addition to the actions financed by the ESF+, the ERDF will support the following: the increase and improvement of local healthcare provision for all; studies, works and healthcare infrastructures (local centres, nursing homes, medical centres); the transformation, renovation, equipment and digital upgrading of medico-social establishments; tools for the interoperability and modernisation of digital tools; healthcare equipment and facilities.

Other relevant EU funds or initiatives

In line with the guidelines from Ségur de la Santé, the French recovery and resilience plan earmarks EUR 6 billion over 5 years for investment in the medico-social sector, focusing on three priorities: priority hospital projects and city-hospital projects; renovating and equipping medico-social establishments; deploying and interoperating digital tools.

(iii) Education and training infrastructure, early school-leaving

In Martinique, access to quality education remains a challenge, further impeding the insertion of young people in the labour market. Only 29.2% of the population has obtained a tertiary level diploma (France 42.4%) and 28.1% of the population had no diploma (France 16.3%) in 2023. As a result, Martinique is affected by a persistent phenomenon of brain and skills drain. Moreover, the rate of early school-leaving remains high, impeding the socio-professional integration of such vulnerable groups. In 2023, only 10.8% of adults participated in education and training (France 14.9%). In this context, upskilling and reskilling of workers and access to quality and effective training for jobseekers is key to promote employability and secure professional transitions.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives. The ESF+will keep on supporting access to employment, notably through: self-employment and entrepreneurship; completion of quality education and acting against early school-leaving. It will also support lifelong learning, upskilling and reskilling measures for jobseekers and workers, active inclusion through integrated pathways, and the fight against poverty and social exclusion, including for children at risk.

Support provided under the 2014-2020 programmes

The ESF made a major contribution to the region´s needs with an overall budget of EUR 189 million. The Youth Employment Initiative (YEI) invested EUR 7.6 million for young people aged 18-25 who wereunemployed and without training. Under REACT-EU, an additional budget of EUR 38.8 million was allocated to these priorities. Moreover, to prevent early school-leaving and to accompany pupils towards the completion of a quality education, the ESF supported students most at risk. Under the ESF, EUR 1.2 million was dedicated to the completion of quality education by fighting against school dropouts. Additionally, EUR 54 million was dedicated to upskilling and reskilling of workers and jobseekers, and to facilitate labour transitions. The ESF has supported specific measures to increase employability and skills, in particular for young people, notably by supporting successful schemes such as the *Service Militaire Adapté*.

The ERDF invested EUR 7.9 million in education, training and vocational training for the acquisition of skills and lifelong learning. The investments concerned Martinique's vocational training infrastructure, which has a particularly high integration rate. The RSMA has created or modernised infrastructures in order to adapt the facilities dedicated to the professional integration of young people who are furthest from employment. Under the RSMA, 9 000 students have received training. The projects funded were the construction of a building for accommodation, management and supervision and the construction of a vocational training centre. As fishing is one of the strategic action areas identified by the Smart Specialisation Platform (agro-processing), the ERDF has contributed to strengthening this training structure, in synergy with the ESF and the European Maritime, Fisheries and Aquaculture Fund.

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CFA Santé Martinique

Total budget: EUR 1.9 million *(EU support: EUR 1.26 million)*

CFA Santé Martinique is the first apprentice training centre specialising in the health professions in the French West Indies and French Guiana. The solution is based on a model that has been in place for some 20 years in France. The aim is to listen and respond to the specific needs identified by the establishments and professionals in practice. The apprenticeship scheme enables solutions for students in difficulty, bringing the learner up to speed with the realities of the job market. In 2021-2022, 36 apprentices benefited from 6 training courses in medical-technical and public health; in total, 3 educational partners and 19 employers (15 in the private sector and 4 in the public sector - 14 in Martinique, 4 in Guadeloupe and 1 in French Guiana) have participated. Over 50 young people have benefited from training.

Régiment du Service Militaire Adapté – RSMA

Total budget: EUR 9 million (ESF and YEI) **Year of implementation:** 2020

For young people between 18 and 25, totalling 650 trainees per year, the RSMA, under the Ministry of the Overseas Territories, is a programme accompanying young people (NEETs) between 18 and 25 towards employment through acquisition of basic skills (e.g. first aid, driving licences), vocational training and job search workshops. This scheme supports young people towards a sustainable integration in the labour market and provides professional training in more than 20 different fields (e.g. administration, construction, tourism). The training supports young people to adapt their skills to the green and digital transitions. As a result, 75% of the trainees find themselves in employment or training following their participation in the RSMA.

Support envisaged under the 2021-2027 programmes

The ESF+ envisages EUR 168 million in funding between the programme managed by the regional council (EUR 118.8 million) and the strand managed by the government through the national ESF+ programme (EUR 49.3 million). The ESF+ supports quality training, the prevention of school dropout and career guidance, in order to facilitate youth employment in Martinique. It plans to invest EUR 10.9 million to improve the education and training systems, notably through the digitalisation of education tools. Moreover, EUR 13.4 million will be dedicated to the fight against early school-leaving (at least 2 200 children will be supported). The ESF+ supports young people and adults to adapt their skills in light of the ongoing green and digital transition.

The ERDF plans to invest almost EUR 5 million in infrastructure for primary and secondary education and almost EUR 8 million in infrastructure for vocational education and training and adult education. The ERDF will also support the renovation and construction of public schools to improve the training on offer in the region, which includes promoting equal access to inclusive, quality education and training, particularly for disadvantaged groups. The aim is to locally offer as many training opportunities as possible. Access to public schools for vulnerable groups will be facilitated by ESF+ support with an apprenticeship contract or alternatively France will finance grants for vulnerable groups.

(iv) (Youth) employment and mobility

Martinique is one of the French regions affected by significant demographic changes, with its total population progressively declining (by 4.1% between 2018 and 2023). The shrinking working-age population and lagging levels of tertiary education make Martinique at risk of being in a development trap. In Martinique, the employment rate remains relatively low, as 66.2% of the population aged 20-64 was in employment in 2023 (France 74.4%). Despite a slight increase in 2021 (12.8%), the unemployment rate in Martinique has been decreasing from 14.8% in 2019 (19.4% in 2014) to 10.8% in 2023, although it remains well above the French and EU averages (EU 6.1% and France 7.3%). Martinique has high youth unemployment and brain drain (24.3% of young people unemployed in 2023). The youth unemployment rate remained higher than in the EU (11.2%) and the national average (13.6%). The rate of NEET decreased from 19.6% in 2021 to 15.2% in 2023 (EU 9.2%, France 10.5%). Labour market integration remains a challenge, especially for young people.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, aim to support upskilling and reskilling operations, and access to self-employment or entrepreneurship.

Support provided under the 2014-2020 programmes

The ESF aimed at offering quality training and upskilling programmes, targeting especially the most vulnerable groups. The operations financed under the ESF have supported integration into the labour market through self-employment and the development of entrepreneurship. EUR 40.7 million was invested in youth employment and lifelong learning for the

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acquisition of relevant skills and integration into the labour market. EUR 54 million was dedicated to upskilling and reskilling of workers and jobseekers, and to facilitate labour transitions. The ESF and the YEI focused on supporting the integration of young people into the labour market, through equal access to quality education and career guidance. The YEI allocation of EUR 7.6 million supported better orientation instruments, tailored career guidance, formative and professional mobility, and training of NEETS.

Atout Inclusion 2.i – Integration of young people in the labour market

Total budget: EUR 3.8 million **Years of implementation:** 2020-2023

The *Atout Inclusion 2.i* scheme aims to promote the employment of 320 young NEETs under the age of 25. Participants are immersed in a professional situation, building their knowledge. With a duration of 12 months (7 months in the centre and 5 months for practical situational awareness), the ultimate objective of the *Atout Inclusion 2.i* scheme is to strengthen the employability and autonomy of young people. *Atout inclusion 2.i* covers simultaneously:

- harnessing the potential of young people and removing their disincentives to integration;
- raising companies' awareness of the understanding of NEETs;
- strengthening the experience gained by young people, including those from outside the labour market;
- skills to mobilise young people on interactive, collective and/or individual, digital and innovative projects;
- regular evaluation of young people's development, and adjustments to their career.

Support envisaged under the 2021-2027 programmes

The ESF+ continues to support upskilling and reskilling operations with EUR 15.9 million, and access to self-employment or entrepreneurship. The support to entrepreneurship especially aims at improving women's participation in the labour market, as women are particularly affected by unemployment (EUR 7.9 million planned). The ESF+ operations foster upskilling and reskilling opportunities to improve the employability of the unemployed and disadvantaged groups (at least 1 800 participants will be supported). The ESF+ supports the limitation of early school dropouts, youth employment, and the completion of quality training. The ESF+ supports the activation of skills needed in sectors with labour shortages, in the context of the Youth Guarantee. The ESF+ specific allocation for the outermost regions will support mobility in order to improve the skills of young people and facilitate their integration in the labour market.

Other relevant EU funds or initiatives

The Recovery and Resilience Facility financed the State Guarantee for study loans of up to EUR 20 000 for 586 young people in Martinique. The Odyssea Project, co-financed by the ERDF (EUR 2.9 million) in the framework of the Interreg Caraïbes programme, aims to develop the blue economy sector of coastal and maritime tourism, creating an international nautical route for the economic development of the Caribbean area. It will capitalise on the potential of the nautical sector to create employment, especially for young people.

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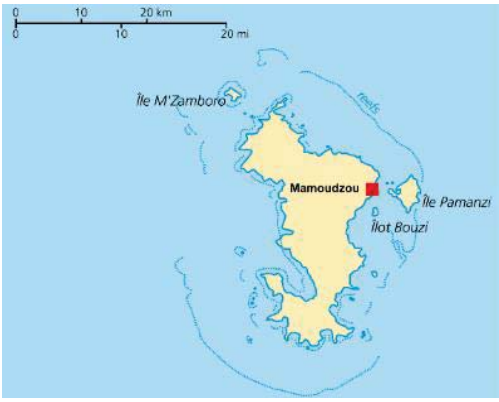
3.4. Mayotte

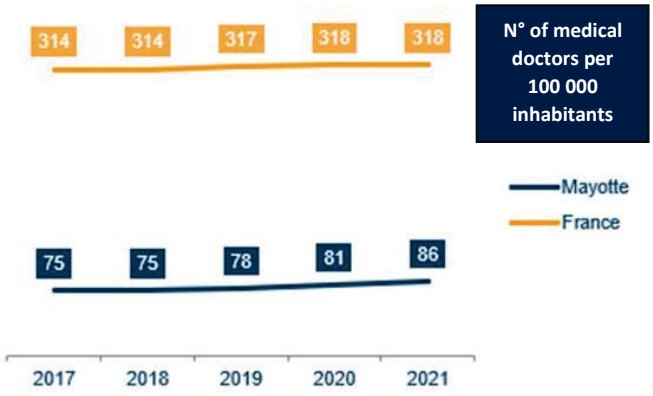
MAYOTTE



At a glance

- Gross domestic product/capita (purchasing power standard) stands at 30% of the EU average.
- Unemployment rate (27.8% in 2020) is more than 3 times higher than the French and EU averages; no more recent data available since 2020 for this indicator.
- Population is expected to multiply 2.5 times from 2023 to 2100.
- Fertility rate is the highest in the EU (4.56).
- Median age of population is 17.7 years (42.4 in France and 43.9 in the EU).

309 981 | 8 039 km | 367 km²



INDICATORS

	Mayotte	France	EU
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	30	100	100
GDP/capita at current market prices (EUR)	11 500	38 500	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	17.7	42.4	43.9 (2020)
Median age projections in 2100	28.0 (+10.3 y)	47.5 *(+5.1 y)*	48.8 *(+4.9 y)*
Total population 2023	309 981	68.2 million	448.8 million
Projections total population in 2100	782 043	69.6 million	416 million
Total population projections 2100 as % of total population 2023	252%	102%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	27.8 (2020)	7.3	6.1
Employment rate 15-64 (%)	32.2 (2020)	68.4	70.4
Youth unemployment rate 15-24 (%)	55.4 (2020)	17.2	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	17.8 (2020)	39.0	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	-	7.6	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	-	10.5	9.2
Tertiary education attainment 25-64 (%)	-	42.4	35.1
Less than primary/lower secondary education attainment 25-64 (%)	-	16.3	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	-	90	-
Households with broadband access to the internet (%)	-	88 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	86	318	-
Number of hospital beds per 100 000 inhabitants	127	565	532 (2019)

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Cohesion policy funds in Mayotte	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 146 million* ***ERDF specific additional outermost region (OR) allocation:*** *EUR 3 million* **TOTAL ERDF:** EUR 149 million	**ESF 2014-2020** ***ESF mainstream:*** *EUR 63 million* ***YEI:*** *EUR 15 million* **TOTAL ESF:** EUR 78 million
TOTAL Cohesion policy funds 2014-2020: EUR 227 million	
REACT-EU ERDF: *EUR 119 million*	***REACT-EU ESF EUR :*** *EUR 20 million*
TOTAL REACT-EU(*): EUR 139 million ***(*) NextGenerationEU for ERDF and ESF (2014-2020)***	
ERDF 2021-2027 ***ERDF mainstream:*** *EUR 289 million* ***ERDF specific additional OR allocation:*** *EUR 58 million* **TOTAL ERDF:** EUR 347 million	**ESF+ 2021-2027** ***ESF+ mainstream:*** *EUR 116 million* ***ESF+ specific additional OR allocation:*** *EUR 16 million* **TOTAL ESF+:** EUR 132 million
TOTAL Cohesion policy funds 2021-2027: EUR 479 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 845 million	

Key areas

Mayotte is facing major challenges in: (i) **access to water and sanitation**; (ii) **healthcare**; (iii) **sustainable urban mobility**; (iv) **guidance and training, and early school-leaving**; (v) **social inclusion**. It is benefiting from substantial EU support to address these areas. In **2014-2027** (both programming periods), the total ERDF and ESF(+) support to these key priorities is **EUR 589.5 million**.

(i) Access to water and sanitation

Mayotte faces significant challenges related to water and sanitation. One third of the population does not have running water in their house, and two thirds of households lack basic sanitation facilities (running water, toilet, shower). The existing water production and distribution infrastructure does not have the capacity to meet the increasing demand, due in large part to migratory pressure. The region's water resources are highly susceptible to climate change: in August 2023, the water levels in the hillside reservoirs fell to record low levels, as the region suffered the worst drought since 1997, resulting in severe water restrictions. The price of bottled water was fixed to ensure access to it and to prevent speculative pricing. According to the most recent data emerging from the 2017 census, In Mayotte, 3 out of 10 households do not have a water point inside their residence. Informal housing, the costs associated with installing water infrastructure, and the overall costs of purchasing water have an impact on the situation. Other challenges are the ageing of the infrastructure and the limited ability to efficiently manage water infrastructure.

Mayotte has set up a master plan for water planning and management that stresses the challenge of granting access to drinking water to the whole population, as drinking water resources are insufficient. The high demographic pressure and current efforts to bridge the gap in living standards will lead to an increase in water consumption.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by enhancing access to high-quality water and improved wastewater treatment. Both the ERDF 2014-2020 and 2021-2027 programmes set out financial support and targets for 2023 and 2029, respectively.

Support provided under the 2014-2020 programmes

The ERDF invested over EUR 21 million to increase the production, storage and distribution capacity of drinking water in Mayotte. It supported the search for drinking water resources and the creation of new reservoirs, secured the interconnection of networks and the protection of sites, and connected buildings to the network. These initiatives increased the number of households with access to the public drinking water network to 42 000. Drinking water production capacities have been increased by 4 800 m³. The ERDF supported wastewater collection and treatment capacities, particularly in municipalities with more than 10 000 inhabitants, benefitting to more than 18 000 inhabitants. Operations concerned the construction of

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treatment plants and collection networks, connection of buildings to the public systems, improvement of existing installations and networks, and support to protect and enhance water resources.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 47.5 million to improve access to drinking water and its preservation. Operations concern infrastructure for the production and storage of drinking water, supply and distribution networks, retention reservoirs, seawater desalination units, and drilling. They also cover the maintainance of existing installations and networks, protection of catchment areas, interconnection of structural networks, protection of sites, and network connections. Better control of consumption will also be supported, in particular through efficient hydro systems, equipment, rainwater recuperation, water purification systems, fountain terminals and awareness-raising measures on the rational use of water. The ERDF will invest EUR 30 million to develop wastewater collection and treatment, including the construction of treatment plants and associated networks, the equipment for the reuse of wastewater, and related studies. The objective is to add between 8 and 16 km of new or upgraded pipelines and create additional treatment capacity for 16 800 people.

Emblematic projects on water and sanitation in the period 2014-2020

The ERDF investments at the retention basins of Combani and Dzoumogné have been crucial in managing the various periods of recent drinking water shortages by the following actions.

- Increasing the water storage capacity of Combani's retention reservoir (June 2023) at a total cost of EUR 2 million; co-financed by the ERDF to the amount of EUR 1.2 million.
- Constructing a raw water transfer interconnector at the Dzoumogné reservoir (June 2022), which enabled the transfer of water taken from the retention reservoirs to the Ourovéni plant or the Bouyouni plant. This remedies a possible lack of water or pollution of one of the two colinear reservoirs. The ERDF co-financed 75% of the total cost of the operation of EUR 3.3 million.

The completion of the wastewater collection and draining networks of the future treatment plant in Mamoudzou Sud in March 2022 helped to comply with the Wastewater Directive for the municipality of Mamoudzou and to ensure the functioning of the plant through efficient wastewater collection. The total cost of the operation is EUR 5.9 million, of which 55% is covered by the ERDF.

Emblematic project on water and sanitation in the period 2021-2027

Estimated total budget: EUR 80 million *(estimated EU support: EUR 24 million)*

The creation of a new seawater desalination plant at Ironi Bé will increase the daily production capacity of drinking water by 10 000 m³ at a total estimated cost of EUR 80 million, with an ERDF contribution of 30%. It should be ready in 2025. The construction of the Mamoudzou Sud wastewater treatment plant is to be put into service in 2026. It will be able to treat wastewater of 6 000 inhabitants. Total costs are estimated at EUR 12 million.

Other relevant EU funds or initiatives

The European Agricultural Fund for Rural Development (EAFRD) 2023-2027 programme's funding in Mayotte amounts to EUR 40.5 million and can support water infrastructure: to modernise and develop water infrastructure capable of supplying the water needed by farms, with the aim of making them more resilient.

(ii) Healthcare

Improving access to healthcare is a major challenge for Mayotte. The average medical density is three times lower than in mainland France, and 10 times lower for certain professions (dentists and other specialist doctors). Access to medical and social care and care for young people in isolation are part of the Strategic Plan and the Regional Health Plan for the Indian Ocean (ARS-Indian Ocean) and the 2010-2015 Master Plan for Children and Families of the Departmental Council. The outlook for demographic change highlights the major challenges facing the healthcare system, with the risk of saturation of medical and social facilities and maternal and child support services. Follow-up care and rehabilitation activities are concentrated on Mamoudzou (Grande Terre) through the Hospital Centre of Mayotte (CHM), which brings together most of the technical platforms and provides specialist consultations, hospitalisations and surgery, and accounts for more than half of the island's childbirth. There is no follow-up care and rehabilitation in the rest of the territory. The geographical coverage of care provision is not sufficient, and it is concentrated on Mamoudzou. Care for people with disabilities is lacking. There exists only one Healthcare and Social Centre (CMS) and 22 mother-and-child protection centres (PMI) centres, many of which are outdated.

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Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by strengthening the availability and resilience of the local health system, investing in equipment and the modernisation of hospital logistics circuits and the deployment of digital support.

Support provided under the 2014-2020 programmes

The ERDF invested EUR 27.4 million in a hospital on Petite Terre and the provision of health and medico-social services to ensure sufficient and equal access to care. With support of EUR 30.5 million from REACT-EU, the ERDF strengthened the resilience of the health system and invested in equipment, the modernisation of hospital logistics circuits and the deployment of digital use (telemedicine, simulation, data processing, medical imaging). Moreover, finance has been provided for the fitting-out and extension of training centres for nurses and the development of community-based reception facilities of patients (e.g. dispensaries) to strengthen localised capacity to respond to health crises.

Hôpital de Petit Terre

Total budget: EUR 33.7 million *(EU support: EUR 21.6 million)* **Year of implementation:** 2023

The project, carried out in June 2023, led to the creation of the first follow-up care and rehabilitation unit in Mayotte. The hospital offers consultations, activities of two dispensaries and the Dzaoudzi Hospital, a 24h/24h nursery, an 8-bed maternity, dental practice, radiology, a pharmacy and 50 new beds for follow-up care and rehabilitation in one single location. The project amounted to a total of EUR 33.7 million, co-financed by the ERDF at the rate of 64%.

Support envisaged under the 2021-2027 programmes

The ERDF , with an amount of EUR 17.4 million, plans to strengthen health infrastructure by accommodating an additional 630 patients per year and by improving the capacity of health and care systems in crisis situations. In complementarity with ESF+ actions, the ERDF will support the development of health infrastructure, the resilience to health crises and the provision of training for health professions. These actions will improve existing health infrastructure and move from hospital to more outpatient, primary and community-based care.

CliniFuture - Emblematic project in the period 2021-2027

Estimated total budget: EUR 40 million *(EU support (estimated): EUR 16 million)*

The ERDF should contribute to the creation of the 'CliniFuture' project to supplement the care offer of Mayotte's Hospital Centre (CHM), including cardiology and orthopaedic care. The project, estimated at EUR 40 million, should be co-financed by the ERDF with EUR 16 million.

Other relevant EU funds or initiatives

The Interreg programme (2014-2020) aims to improve healthcare services in three territories (Mayotte-Comoros-Madagascar) by facilitating the mobility of medical and paramedical staff, developing knowledge transfer and improving emergency services, especially sea rescue services. It also aims to prevent the spread of waterborne and vector-borne diseases by promoting the transfer of knowledge regarding water analysis, sanitisation and waste management.

(iii) Sustainable urban mobility

Sustainable urban mobility is a significant challenge for Mayotte. Given the geographical remoteness of the mainland and the insular nature of Mayotte, transport infrastructure plays a major role in the economic development of the territory. Improving the airport services with a view to reducing environmental impact should make it possible to strengthen trade, develop the direct link to mainland France, and strengthen Mayotte's integration into its regional environment.

The port of Longoni is key for the economy of Mayotte as the unique entry for goods (excluding hydrocarbons). However, the significant and steady growth in traffic for several years, linked to changes in population and consumption patterns, has led to the gradual saturation of the main quay, which would require further investments. A second quay, dedicated to the handling of containerised goods, was put into operation in January 2010. An extension for unloading and storage of goods is envisaged in the Sustainable Development Plan. The extension of the port area should make Longoni a central port hub for Comoros or Madagascar. Yearly, almost 200 merchant vessels stop over at Longoni (more than 99% of goods entering

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Mayotte by volume). This involves around 500 direct jobs, mainly in transhipment (more than 50% of traffic) of containers to France (44%) and Asia (21%).

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by investing in the development of clean public transport infrastructure, like cycling lanes, the creation and extension of bus lines, car-sharing and charging areas, multimodal hubs, port activities, ferry passenger transport between the islands, and investments in a more competitive and sustainable airport.

Support provided under the 2014-2020 programmes

The ERDF invested EUR 15.8 million in optimising transhipment activities and in the functioning of the airport area; a total capacity of 6.7 million passengers was reached in 2023. Assistance from the ERDF-financed studies included investments in quays, areas dedicated to stripping and storage, means of transport between Petite and Grand-Terre, the upgrading of the port's safety standards, access near the port to the roads and airport infrastructure. REACT-EU support accelerated the energy transition momentum and the deployment of a low-carbon mobility offer. The ERDF invested EUR 36.3 million in 2.5 km of public transport lines for 700 000 urban passengers and new multimodal hubs, it and supported the renewal of ferries for vehicles and passengers between islands (EUR 12.4 million).

Improved mobility between the islands

Total budget: EUR 14.8 million *(EU support: EUR 12.4 million)* **Year of implementation:** 2023

Two new double-ended vessels were bought to improve the transport of passengers and vehicles between Mayotte's two main islands (Petite and Grand-Terre). By 2023, the investment totalled EUR 14.8 million, out of which 84% was financed by the ERDF.

Support envisaged under the 2021-2027 programmes

With EUR 37 million, the ERDF plans to support the development of clean public transport infrastructure. It will support cycling lanes, the extension of the bus line, car-sharing and charging areas, multimodal hubs, maritime passenger lines and multimodal platforms. It will fund data management tools enabling the calculation of all modes of route and the dissemination of information to passengers. The number of new public transport users is expected to be about 1 million. The ERDF will also invest EUR 24 million in non-urban collective transport and the port area of Mayotte (including quays and their equipment and passengers and port services) and EUR 55.7 million in the airport.

Caribus

Total budget: unknown *(EU support (estimation): EUR 37 million)*

Caribus is an emblematic project of the ERDF programme 2021-2027 which will eventually put into operation the first lanes dedicated to public transport in Mayotte. The first phase was financed by the ERDF in 2014-2020. The second phase, and in particular the network and upgrading and maintenance sites, will be financed under the ERDF programme 2021-2027. The ERDF will invest EUR 37 million in sustainable urban mobility in the Mamoudzou-Dembéni agglomeration, with a start of operations in 2025.

(iv) Guidance and training, and early school-leaving

Education and training are at the heart of the challenges facing the region, which is experiencing strong demographic growth (over 50% of the population is of foreign nationality). The undersized education system must cope with this increase in the number of school-age children in primary and secondary education, and the resulting lack of infrastructure. Difficulties in integration and access to education have been identified as major sources of poverty among young people.

In 2017, 34% of the adult population had never been to school, more so women (39%) than men (29%). Young people born in Mayotte leave the school system early, but slightly less girls than boys. In 2019, 44% of young women who had left the school system were not in employment, education or training, 10 percentage points more than men. Native islanders have higher levels of education than those from Madagascar and the Comoros. In 2020, only 30.9% of school-leavers aged 15

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and over had a qualification, and illiteracy affected 42% of 16-65-year-olds. Some 58% of the population is under 20 years old, 75% of whom were undocumented, 5-10% of whom were on waiting lists to be enrolled in school, with a theoretical shortfall of 700 classrooms to enrol all children. While Mayotte's university centre became a fully-fledged university on 1 January 2024, it is important to improve the structure of the private sector and stimulate research and innovation to create jobs and strengthen economic development. The lack of higher education opportunities on the island leads to brain drain (mainly to Réunion or to mainland France).

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by enhancing access to training leading to qualifications for different population groups, in particular jobseekers and other groups excluded from the training system, and by improving employment opportunities. The ESF/ESF+ aims to support individuals in acquiring the skills and qualifications needed to secure sustainable employment, and to promote equal opportunities. It also aims to strengthen the capacity of local organisations and institutions to deliver effective employment.

Support provided under the 2014-2020 programmes

The ESF invested nearly EUR 80.6 million in education, training and vocational training for the acquisition of skills and lifelong learning and has targeted its investment priorities on operations to prevent early school-leaving (EUR 47 million of ESF funds has been allocated for eight selected operations) and to increase the skills of a population far removed from the job market (EUR 33.6 million for 25 selected operations). Over 8 500 participants have benefited from these initiatives. Up to EUR 27.7 million of ESF funding has been mobilised for large-scale projects to help 2 943 young people into work through the RSMA (Régiment de service militaire adapté), which offers 21 training courses. By 2022, 85% of young people graduating from the RSMA found a job or returned to education. An additional contribution of EUR 17.2 million has been made to the RSMA through REACT-EU. The positive results and innovative experiments under the ESF programme include sharing good practices and encouraging results for young people in difficulty, particularly with the RSMA's training courses leading to qualifications, MLEZI MAORE's (an association) integration sites and the support and mediation provided by the *Communauté de communes de Petite Terre*. A total of 4 931 NEETs under the age of 25 have received support.

Socio-professional integration for young people run by the Adapted Military Service

Total budget: EUR 9 million *(EU support: EUR 7 million)* **Year of implementation:** 2023

The project is a global educational project that includes vocational training in 40 fields, divided into 23 different streams (know-how), preparation for and passing of the driving licence (increasing mobility), refresher courses (acquisition of basic skills), first aid training, training in job search workshops, and daily action aimed at boosting self-confidence, willingness and eagerness to work.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to support the integration of young people and educational success (EUR 25 million) and actions to improve skills and education, vocational training and guidance systems in order to better anticipate and support economic change (EUR 10 million). In 2023, the ESF+ provided EUR 26.6 million in support for the training of 2 335 young people.

Other relevant EU funds or initiatives

The 2014-2020 Interreg Programme Mayotte-Comoros-Madagascar promotes access to education via mobility. The initiative aims to promote mobility for high school and university students and teachers in subjects relating to the economic needs of the region. It will operate in tandem with the EU Erasmus+ programme and promote mobility particularly between the University Training and Research Centre (CUFR) in Mayotte, the University of the Comoros and the Madagascan universities (Antananarivo, North Madagascar and Mahajanga).

(v) Social inclusion

Living conditions remain very difficult in Mayotte, in a context of strong demographic growth and a significant increase in the population of foreign nationality. The inclusion of younger people and especially unaccompanied minors (almost 9 000 in 2020) is a major challenge, in a context where the labour market is insufficient to absorb the demand for employment. In 2020, 77% of the population lived below the poverty threshold. Migration flows from the Comoros highlight the difficulties faced by a population that is highly vulnerable, both economically and in terms of access to basic rights. Moreover, 4 out

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of 10 households live in a house made of sheet metal, wood, plants or earth. With regard to young people in serious difficulties, socio-occupational integration solutions are already in place (such as the Adapted Military Service of Mayotte). A policy of providing educational care for minors at risk is in place but there is a lack of dedicated emergency reception facilities outside host families.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by enhancing social inclusion initiatives, actions aimed at responding to the increase in the number of people receiving minimum social benefits and supporting unaccompanied minors.

Support provided under the 2014-2020 programmes

With the support of the ESF, the French government has made the fight against child poverty and for the social inclusion of children from an early age a priority objective. EUR 6.2 million was earmarked to support and foster care in the context of six projects run mainly by associations.

Opération M'Sayidié

Total budget: EUR 1.7 million *(EU support: EUR 1.4 million)* **Years of implementation:** 2017-2018

The project supports the management of a day centre that provides young people with better support and helps them prepare for school by offering remedial activities. An educational team works on the streets, at drop-in centres and in group workshops. They make contact with young people, listen to them, identify their problems, offer help (support in accessing healthcare, guidance towards the relevant schemes and services, etc.) and refer young people aged between 11 and 16 who are not attending school to the day centre.

Support envisaged under the 2021-2027 programmes

ESF+ supports the professional integration and social inclusion of people furthest from employment (EUR 47 million) ,the promotion of an inclusive labour market and an adapted and healthy working environment (EUR 3.7 million), material aid for the most disadvantaged (EUR 1.9 million), social innovation and the dissemination of innovative schemes (EUR 2 million) and the specific challenges of the French outermost regions and overseas countries and territories (EUR 16 million).

Other relevant EU funds or initiatives

Mayotte's Rural Development Programme sets out a strategy for mobilising more than EUR 103 million in public funding, including EUR 83 million from the European Agricultural Fund for Rural Development (EAFRD). It promotes social inclusion, and improving living conditions in rural areas is one of the priorities of the programme. In rural areas, the EAFRD will contribute to improving access to basic services, improving both the living environment and access to employment.

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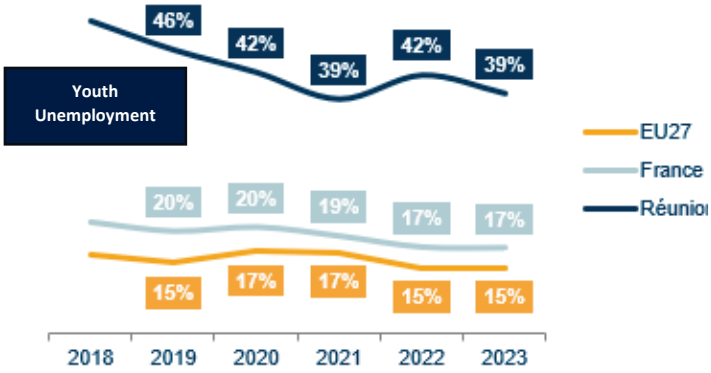
3.5. Réunion

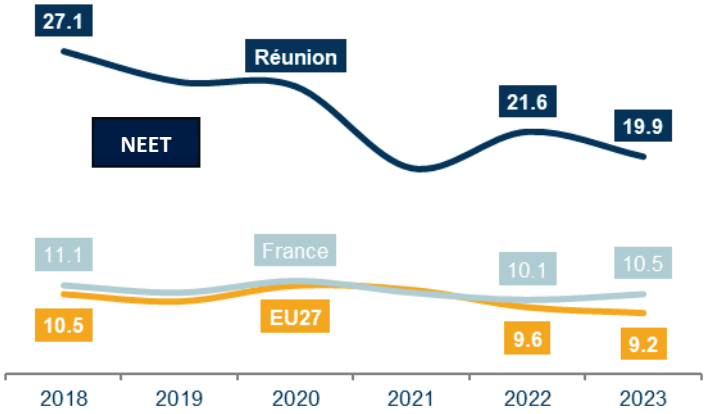
RÉUNION

880 766 | 9 373 km | 2 512 km²

At a glance

- Gross domestic product/capita (purchasing power standard) stands at 64% of the EU average.
- Unemployment (19% in 2023) and youth unemployment rates are more than double of the French and EU averages; youth unemployment dropped from 42.3% in 2020 to 39.3% in 2023.
- Rate of young people neither in employment nor in education and training (NEET) at 20% in 2023 more than doubles the French and EU averages, but it dropped slightly between 2022 and 2023.
- Percentage of households with broadband access to the internet (87% in 2021) is almost as high in Réunion as in France.
- Exclusive maritime economic zone: 311 426 km².





INDICATORS

	Réunion	France	EU
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	64	100	100
GDP/capita at current market prices (EUR)	24 500	38 500	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	38.2	42.4	43.9 (2020)
Median age projections in 2100	44.3 *(+6.1 y)*	47.5 *(+5.1 y)*	48.8 *(+4.9 y)*
Total population 2023	880 766	68.2 million	448.8 million
Projections total population in 2100	879 651	69.6 million	416 million
Total population projections 2100 as % of total population 2023	99%	102%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	19.0	7.3	6.1
Employment rate 15-64 (%)	50.0	68.4	70.4
Youth unemployment rate 15-24 (%)	39.3	17.2	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	28.4	39.0	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	10.2	7.6	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	19.9	10.5	9.2
Tertiary education attainment 25-64 (%)	24.4	42.4	35.1
Less than primary/lower secondary education attainment 25-64 (%)	36.0	16.3	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	83	90	-
Households with broadband access to the internet (%)	87 (2021)	88 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	335	318	-
Number of hospital beds per 100 000 inhabitants	411	565	532 (2019)

Cohesion policy funds in Réunion	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 940 million* ***ERDF specific additional outermost region (OR) allocation:*** *EUR 190 million* ***TOTAL:*** *EUR 1 130 million*	***ESF 2014-2020*** ***ESF mainstream:*** *EUR 501 million* ***YEI:*** *EUR 105 million* ***TOTAL:*** *EUR 606 million*
TOTAL Cohesion policy funds 2014-2020: EUR 1 736 million	
REACT-EU ERDF: *EUR 341 million*	***REACT-EU ESF:*** *EUR 148 million*
TOTAL REACT-EU(*): EUR 489 million ***(*) NextGenerationEU for ERDF and ESF (2014-2020)***	
ERDF 2021-2027 ***ERDF mainstream:*** *EUR 1 034 million* ***ERDF specific additional OR allocation:*** *EUR 203 million* ***TOTAL:*** *EUR 1 237 million*	***ESF+ 2021-2027*** ***ESF+ mainstream:*** *EUR 429 million* ***ESF+ specific additional OR allocation:*** *EUR 61 million* ***TOTAL:*** *EUR 490 million*
TOTAL Cohesion policy funds 2021-2027: EUR 1 727 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 3 952 million	

Key areas

Réunion is facing major challenges in: (i) **access to water and sanitation**; (ii) **urban mobility and transport**; (iii) **education (including infrastructure), guidance and training, and early school-leaving**; (iv) **(youth) employment and mobility**. It is benefiting from substantial EU support to address these areas. In **2014-2027 (both programming periods)**, the total ERDF and ESF(+) support to these key priorities is **EUR 1 975 million**.

(i) Access to water and sanitation

The management and quality of drinking water has significantly improved in recent years in Réunion, notably through the support of EU funding. However, the quality of drinking water continues to be at risk, due to the lack of appropriate infrastructure for human consumption and the ageing of the water supply network. Only about 60% of the population has access to quality drinking water. Distribution networks are vulnerable to water losses due to leaks or breaks. The efficiency of the networks is still almost 30% lower than the national average. Around 45% of households are not connected to a public wastewater collection network. In addition, wastewater treatment plants need to be adapted to population growth. The relief, the volcanic and insular character, and the climate of Réunion affect the spatial and physical distribution of water. There is a risk of water shortage at the end of the dry season in the west and south, and a vulnerability of groundwater resources along the coastline, due to the risk of saline intrusion.

The 2016 Action Plan for Drinking Water and Wastewater Services (Plan Eau DOM) is the key policy framework for action on water in the French outermost regions, as it supports local authorities in improving drinking water and sanitation services by strengthening their technical and financial capacities. Under this plan, 5-year 'progress contracts' were signed with local and regional authorities in Réunion. These contracts specify, for each municipality, the short, medium and long-term measures to be implemented, particularly regarding asset management, development, drinking water and sanitation services. To plan the strategic orientations of water management in the region, Réunion relies on the Master Plan for Water Development and Management (SDAGE) approved in 2022.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by enhancing access to high-quality water and improved wastewater treatment. Both the 2014-2020 and 2021-2027 programmes set out targets for 2023 and 2029, respectively. For the optimisation and efficient management of water resources, it is necessary to invest in new or upgraded infrastructure, ensuring the quality of service provided to the population and the sustainability of systems, with a view to controlling and reducing losses in water distribution and supply systems.

Support provided under the 2014-2020 programmes

The ERDF support aimed at securing and improving both the supply of drinking water by increasing the number of purification units and the treatment of wastewater by extending and upgrading collective wastewater treatment plants to recognised standards. The investments provided access to quality drinking water for an additional 215 000 people by the end of 2023. Operations financed by the ERDF amounted to EUR 64 million and related to the improvement of structures

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and equipment for drinking water, the resilience of water abstraction and actions contributing to the good status of water bodies. The ERDF was complemented by additional REACT-EU support of EUR 9.2 million to improve the efficiency of drinking water networks.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 106 million to improve both the quality of drinking water for almost 200 000 additional people and the quality of sanitation infrastructure for around 42 000 inhabitants. The ERDF will invest in 105.5 km of drinking water production and distribution networks to improve network efficiency and for the MEREN project studies (Mobilisation des Ressources en Eau des micro-régions Est et Nord). The ERDF supports water resources and quality and the deployment of drinking water production and wastewater treatment capacities across the island, particularly to rural areas, which are still lagging behind metropolitan regions. It also contributes to increasing the efficiency of the water supply network and reusing wastewater, along with other support actions.

Creation of a water purification plant on the Dassy – Municipality of Saint-Pierre

Total budget: EUR 16.5 million *(EU support: EUR 7.5 million)* **Years of implementation:** 2019-2021

Over 50% of the municipality of Saint-Pierre is supplied by the surface resource of the Bras de la Plaine. These abstracted waters are subject to significant turbidity variations in rainy conditions. This project consisted in the creation of a water purification plant of 24 500 m^3 /day and a 5 000 m^3 treated water reservoir.

Etang-salé drinking water production unit

Total budget: EUR 7.5 million *(EU support :EUR 4.8 million)* **Year of implementation:** 2023-2025

The drinking water production unit consists of two components: a water sector concerning water treatment and including a 3 000 m^3 treated water tank; and a discharge chain consisting of the collection of dirty washing and purge water, including a 200 m^3 dirty water tank. The project was also funded during the previous programming period (2014-2020) with EUR 4.2 million from the ERDF.

Other relevant EU funds or initiatives

The European Agricultural Fund for Rural Development (EAFRD) finances water management and support operations for agricultural irrigation and to improve water supply conditions (EUR 106 million for 2014-2022, and EUR 23 million for 2023-2027).

(ii) Urban mobility and transport

Réunion is facing significant challenges in terms of decongesting and securing its road traffic and developing collective transport. Roland Garros airport, the seaport, and the entire primary road network have reached their maximum capacity. Réunion is also facing a steady increase in traffic despite the recent development of clean transport (bus lanes). There are few alternatives to the predominance of car transport, as there is no rail network and public transport accounts for only 7% of the modal share of journeys, compared with 66% for private cars. Infrastructure projects focusing on sustainable and new modes of transport can increase the range of public transport supply, increasing its attractiveness and reducing associated CO_2 emissions. The Regional Plan of La Réunion Transport Infrastructure (SRIT) sets a target of increasing the modal share of collective transport to 15% by 2030. Réunion is dependent on its port and airport infrastructure and the development of this infrastructure has been supported by EU funds since 1989. This has made it possible to respond to changing standards and to the need to extend and adapt the equipment for freight traffic for the port and for passengers for airports.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by investing in sustainable transport and renewed port and airport infrastructure.

Support provided under the 2014-2020 programmes

The ERDF invested EUR 278 million in sustainable mobility, of which EUR 44 million from REACT-EU. The measures aimed at creating exchange hubs to improve connections between interurban and local transport networks, and at the promotion of intermodality and the harmonisation of fares. Moreover, studies and works for the installation of cable transport were supported. The 2014-2020 programme also co-financed the construction of the New Coastal Road, which is the only functional route between the north, west and south of the island. In terms of transport infrastructure, the ERDF contribution amounts to EUR 111 million, including the improvement and increase of port reception capacities and the

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extension of Roland Garros airport. The ERDF support enabled the construction or rehabilitation of 11 multimodal stations, 36 km of cycle paths, and the construction of a cable car and 33 km of transportation lanes.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 195 million in clean urban transport, multimodal transport (TEN-T), railways, seaports and airports. It aims to enhance or improve the provision of public transport in urban areas (cable cars, development of light rail networks, new transportation lanes). Particular attention will be paid to the development of multimodality through the deployment of park-and-ride facilities, car-sharing areas, or the coordination of the various transport networks. The programme includes the development of new cycle and pedestrian paths. ERDF support will contribute to saving travel time by 38% by 2029 and building 19 km of cycle paths.

Transport by cable car 'Papangue' – Municipality of Saint-Denis

Total budget: EUR 40 million *(EU support: EUR 17.3 million)* **Years of implementation:** 2020-2022

The project consists of the creation of a 2.7 km long cable car line, connecting five stations (Chaudron, Campus, Moufia, Bancoul and Bois de Nèfles) in the municipality of Saint-Denis. The total travel time is 13 minutes and the line will comprise 46 cabins with 10 seats, i.e. a station crossing frequency every 35 seconds.

Extension of the Roland Garros Airport

Total budget: EUR 113 million *(EU support: EUR 66 million)* **Years of implementation:** 2021-2023

The renovated airport comprises a new arrival terminal, optimised spaces and upgraded baggage sorting systems to meet current standards. The new arrival terminal is the world's first bioclimatic terminal, using the wind to cool the building rather than air conditioning. This innovative design, focusing on optimal renewable energy use and natural ventilation, sets a new standard for tropical airports. With a direct impact of over 18 600 jobs and contributing to 4% of the island's GDP, Roland Garros Airport is a vital economic driver in the region. The airport plans to increase passenger numbers from 2.3 million in 2022 to 3 million by 2030.

(iii) Education (including infrastructure), guidance and training, and early school-leaving

Réunion is facing challenges linked to education, such as early school-leaving and low levels of graduates in the population. Strong demographic growth is putting the education infrastructure under pressure. In 2022, 120 000 people were illiterate (23% of the population), three times as many as in France (7%). Raising the level of education is therefore a major priority and the objective is to enable 50% of 18-25-year-olds to obtain a higher education qualification by 2030. Despite some improvements, there are still significant delays in education infrastructure, particularly for professional and higher education courses.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by investing in education, skills and lifelong learning, by promoting access to employment and by supporting labour mobility. The funds also promote social inclusion and combat poverty, foster COVID-19 crisis repair, and prepare the green, digital and resilient recovery of the economy.

Support provided under the 2014-2020 programmes

The ESF planned to invest almost EUR 204 million in education, training and vocational training for the acquisition of skills and lifelong learning and has focused its investment priorities on operations to reduce early school-leaving (EUR 5 million earmarked for 22 operations) and to increase the skills of the population far from the labour market (EUR 199 million for 141 operations). Over 38 000 participants benefited from these measures. The ESF has supported structural schemes such as the School of Second Chance, the Adapted Military Service or those aimed at removing obstacles to the entry into employment of young people with no qualifications. Training aims at a positive entry, e.g. beneficiaries are supported in job searches, training, qualifications or employment upon leaving (77% have a positive exit). In addition, EUR 83 million of ESF funding under REACT-EU was spent to develop skills for access to a weakened and more selective labour market by encouraging the use of digital educational resources (15 000 participants).

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Adapted Military Service of Réunion (RSMA-R)

Total budget: EUR 102 million *(EU support: EUR 102 million)* **Years of implementation:** 2014-2020

The project supports the vocational integration of young Reunionese aged 18-25 who are far from training and employment. The Adapted Military Service Regiment (RSMA) has been designed to offer comprehensive support to young people by combining vocational, civic and military training, and 8 out of 10 young people find a job at the end of their training. An average of 1 400 volunteers are trained in one job every year. With 38 courses run by professionals, the RSMA offers basic training courses for integration (first aid, driving licences, etc.), supplemented by periods of application in the company and a chosen vocational training, from 60 courses adapted to the needs of the Réunion labour market. Since 2014, more than 11 312 trainees and 310 managers dedicated to youth action have benefited from the project, with 80% positive outflows and an average duration of training of 6 months to 1 year.

The ERDF planned to increase the school enrolment capacity of young people. Efforts in education infrastructure have greatly contributed to improving the level of training of the population. However, the specific demographic dynamics of the island require a further increase in student reception capacities, particularly at secondary education level. The ERDF invested EUR 173 million (of which EUR 120 million under REACT-EU) in the creation, equipment, modernisation and thermal renovation/heat insulation of public education and training infrastructures. Under this, 3 secondary schools, 3 colleges, 2 training centres and 4 higher education buildings were renovated or constructed, and 8 secondary schools and 2 colleges have benefited from thermal renovation work. In addition, school buildings were prioritised for national appropriations (2015-2020).

Rehabilitation/extension of the Hotelier Vocational School 'Renaissance' – Municipality of Saint-Paul

Total budget: EUR 10 million *(EU support: EUR 9.3 million)* **Years of implementation:** 2020-2023

The Renaissance Hotels and Restaurants School, located in the municipality of Saint-Paul, is a secondary school specialising in the catering and hospitality sector. The floor area is 10 859 m² for a reception capacity of 700 pupils. The overall operation for the rehabilitation/extension of the secondary school, covering all existing buildings, will increase the floor area of the school to 12 301 m², of which 6 731 m² for buildings A, B and F have been supported under the ERDF programme.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to support actions on training at all levels for jobseekers and inactive people (including young people aged under 30), effective guidance, development of digital skills, and support for mobility. At least 6 000 participants will be supported by 2024 and 21 600 by 2029. The estimated ESF+ budget is EUR 144 million. Thanks to the upgraded Youth Guarantee, EUR 18 million will be used to support 4 000 young people by 2026. The ESF+ programme focuses on the integration of young people in difficulties, through an adapted training offer. It will support at least 1 900 participants by 2024 and 6 800 by 2029. The estimated ESF+ budget is EUR 21.1 million. A quarter of ESF+ resources are programmed to promote social inclusion and aid to the most deprived (EUR 7 million under contract and 6 400 final beneficiaries by 2026). To this end, EUR 4 million will be allocated to training teachers on inclusive methods to combat discrimination in school.

The ERDF will contribute to improving the access to training and education for pupils, students, and young workers. It plans to invest EUR 114.8 million in infrastructure for secondary and higher education to accommodate an additional 4 250 people. The ERDF will support the development of high-quality training, and it will support new secondary schools in meeting the 'quasi-zero carbon' standard, the construction of new higher education infrastructure, and the rehabilitation of

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public training centres. The aim is to increase the provision of professional advanced learning by creating and adapting training, secondary and university infrastructure, and promoting an increase in training levels and the number of people trained.

Lycée des métiers de la mer – Commune du Port

Total budget: EUR 77 million *(EU support: EUR 30 million)* **Years of implementation:** 2025-2028

The project supports the construction of a high school for maritime professions, with a focus on initial professional training, complemented by a general pathway focused on mathematics and science (capacity: 726 students). It will have a regional cooperation dimension around three strands: professional training targeted at maritime professions; excellent scientific training; and high-level higher education. The construction will comply with the nearly-zero energy buildings standard.

(iv) (Youth) employment and mobility

Réunion faces significant challenges related to (youth) employment and mobility. The working-age population in employment is well below the national average: in 2023, the employment rate of 15-64-year-olds in the region was only 50% (18 percentage points lower than France) and is also particularly low for women and young people. The poverty rate is declining but remains very high (36% of the population lives below the level of poverty). The youth unemployment rate in Réunion stands at 39.3% and the acquisition of basic skills remains a major challenge. In 2021, 41 000 young people aged 15-29 were not in employment, training or education (NEETs). They account for 26% of this age group (twice that of mainland France), although this proportion has decreased since 2019 (34%). Only 27% of young people (15-29-year-olds) were in employment in 2021, compared with the national average of 47% (INSEE, 2022).

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives notably by enhancing the promotion of sustainable, quality employment, by supporting labour mobility, a social and solidarity economy, and business start-ups.

Support provided under the 2014-2020 programmes

The ESF allocated EUR 226 million to promote sustainable and quality employment and support labour mobility. The mobility schemes performed well, achieving their financial targets (EUR 109.4 million of ESF support for 20 operations). The ESF increased the number of young people moving to employment (EUR 104.3 million of programmed ESF support, of which EUR 79.6 million for apprenticeship support (36 operations)). It also supported business start-ups and the social and solidarity economy (EUR 11.2 million for 56 operations) and increased the skills of the workforce (EUR 8.5 million, 19 operations). By the end of 2023, more than 91 000 participants benefited from the above actions.

The School of Second Chance of Réunion

Total budget: EUR 10.5 million *(EU support: EUR 8 million)* **Years of implementation:** 2014-2020

The School of Second Chance of La Réunion (E2CR) was set up in 2010 and certified by the E2C France Network in December 2011. Its aim is to ensure the professional and social integration of young Reunionese without a diploma or qualification. The E2CR offers young people aged 18-25 an individualised pathways linked to the business world. The measures put in place combine appropriate pedagogy, strong involvement of the business community and networking, support, guidance and inclusion. Trainees receive individualised support to help them progress at their own pace in a restricted group (maximum 15 students per class). Since 2010, 3 913 trainees and 51 employees dedicated to youth action benefited from the project, with 60% of positive outflows per operation, with an average duration of training of 5 months.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to improve employability through access to training and mobility, and to support the integration of young people in difficulty. The provisional ESF+ budget in the national programme for this purpose is EUR 171 million and it will support social inclusion of those furthest away from employment, and socio-professional integration of those under the age of 30. In addition, EUR 16 million is allocated to active inclusion, and social integration of people at risk of poverty and material deprivation.

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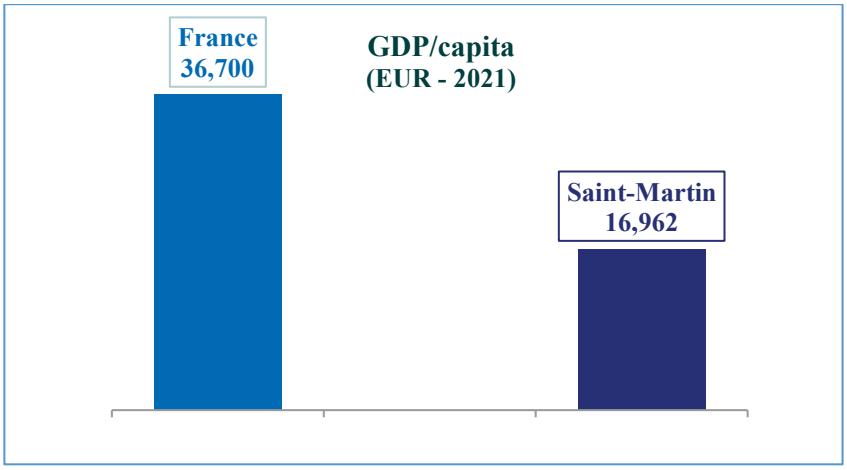
3.6. Saint-Martin

SAINT-MARTIN

32 358 | 6 712 km | 53 km²

At a glance

- Located in the Caribbean on the same island as the overseas country and territory of Sint-Maarten.
- Tourism (+144.8% in 2022 compared with 2021) and the construction sector are main drivers of economic growth.
- Unemployment rate (33.1% in 2019) higher than in other French departments; many young and qualified people search for jobs abroad and leave the territory.
- Fragile labour market, with a high share of the population without tertiary education, and a high poverty rate.
- Approximately 50% of the regional population aged 15 years or older does not have a diploma or, at most, a high school diploma.



Source: IEDOM + INSEE (*)

(*) INSEE (Institut national de la statistique et des études économiques) Guadeloupe is responsible for Saint-Martin statistics, limited to the population census and employment data.

Cohesion policy funds in Saint-Martin	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 32.1 million* ***ERDF specific additional outermost region (OR) allocation:*** *EUR 7.4 million* **TOTAL:** EUR 39.5 million	**ESF 2014-2020** ***ESF mainstream:*** *EUR 16.6 million* **TOTAL:** EUR 16.6 million
TOTAL Cohesion policy funds 2014-2020: EUR 56.1 million	
REACT-EU ERDF : *EUR 34.2 million*	***REACT-EU ESF :*** *EUR 8 million*
TOTAL REACT-EU(*): EUR 42.2 million *(*) NextGenerationEU for ERDF and ESF (2014-2020)*	
ERDF 2021-2027 ***ERDF mainstream:*** *EUR 51.2 million* ***ERDF specific additional OR allocation:*** *EUR 7.6 million* **TOTAL:** EUR 58.8 million	**ESF+ 2021-2027** ***ESF+ mainstream:*** *EUR 22.0 million* ***ESF+ specific additional OR allocation:*** *EUR 2.5 million* **TOTAL:** EUR 24.5 million
TOTAL Cohesion policy funds 2021-2027: EUR 83.3 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 181.6 million	

Key areas

Saint-Martin is facing major challenges in: (i) **access to water and sanitation**; (ii) **road transport**; (iii) **early school-leaving, and (youth) employment**; (iv) **social inclusion**. It is benefiting from substantial EU support to address these areas. In **2014-2027 (both programming periods)**, the total ERDF and ESF(+) support to these key priorities is **EUR 66.2 million**.

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(i) Access to water and sanitation

Access to water and sanitation is a significant issue for Saint-Martin. While the need for drinking water is increasing, the current production is not sufficient during certain periods of the year. This results in water distribution restrictions divided between the different districts of the island. Water production is also highly energy consuming, as it is produced by an oil-fired power plant. The only water resource on the island is seawater, treated by a filtration plant (set up in 2006 and located in Marigot) with a reverse osmosis process. Rehabilitation works in 2021 have increased the production by 25%, bringing it from 6 000 to 8 000 m³; once produced, the water is stored in six tanks with a total capacity of 15 000 m^3. In 2022, the volume distributed on average each day was 6 774 m^3. In 2021, the distribution network extended over 201 km (including 54 km of connections). The technical rate of return fell to 57% after the passage of Hurricane Irma, before rising to 64% in 2020 and then to 70% in 2021 and 2022. The pre-Irma level was reached thanks to the search and repair of leaks and the renewal of certain infrastructures. The public collective sanitation network is made up of 71 km of pipes and 32 recovery stations. Around 70% of the population is served by a network sanitation system. The island of Saint-Martin also has six public wastewater treatment stations.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, massively finance infrastructures for wastewater treatment, water access and water production (to solve the current needs for drinking water) and to reduce leaks and improve wastewater treatment. It also considers reducing non-renewable energy in the process with the goal to guarantee a sustainable and general access to drinking water for the entire population and for tourism purposes.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 14.5 million under REACT-EU for wastewater treatment projects and EUR 2.4 million for water access. By December 2023, all the amounts for the wastewater treatment had been invested. The target of 21 000 inhabitants served by the new investments has been reached with the construction of the new wastewater treatment plant in the Orleans district and the renovation and extension of the network.

Construction of the new wastewater treatment plant in the Orleans district

Total budget: EUR 13 million *(EU support: EUR 5.3 million)* **Year of implementation:** 2021

This water purifier is intended to treat the wastewaters of 18 000 inhabitants and is designed to cover the long-term disposal needs of half of the territory of Saint-Martin. The installation uses an innovative concept associating the classic sewage water treatment to the purifying capacities of the plants. This treatment performance helps to guarantee the quality of the water returned to the natural environment and to preserve the ecosystems. Designed to resist natural hazards, the purification station is also a cornerstone of education and awareness for sustainable development, ecology and protection of the environment. The plant has a processing capacity of 3 730 m^3/d.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 10 million to improve the water production and storage infrastructure (EUR 6.3 million) and to support the renovation and extension of sanitation networks, treatment and reuse of wastewater (EUR 3.8 million). Climatic and geological conditions have a very negative impact on the durability of these networks, taking into account the wear and tear created by the required chlorine levels and the temperature of the desalinated water. An expansion and renovation of the desalination plant will reduce its energy consumption. Its development will take into account resilience issues, the rehabilitation of boosters, the installation of water disinfection systems, renovation, and the creation or securing of reservoirs. The renovation and extension of sanitation networks mainly targets construction and installation operations of pipes, equipment and wastewater structures in the territory, as well as any action contributing to their compliance and improved quality.

(ii) Road transport

As a small island, Saint-Martin suffers from a bi-dimensional transport challenge. External maritime and air transport is essential to connect the island to other islands and the rest of the world and is key for tourism, while internal transport suffers from congestion created by tourism and population growth. Currently, the island is under-equipped and not multimodal. Demographic pressure risks congesting the networks in the coming years. The need to improve the road

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network has become a priority to facilitate mobility, reduce traffic jams – and associated static fuel consumption – and facilitate soft mobility along the main road.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, aim at improving the transport situation in Saint-Martin. Under the 2021-2027 programme, the need to improve the road network has become a priority and the specific additional allocation will entirely support this priority.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 3 million under REACT-EU for transport, mainly devoted to the Marigot Ferry Terminal, but with a limited amount of EUR 166 000 for local roads. By December 2023, the investments planned had been achieved and are now operational.

Rehabilitation and transformation of the Marigot Ferry Terminal into a multimodal exchange hub

Total budget: EUR 1.5 million *(EU support: EUR 1.5 million)* **Year of implementation:** 2024

The Marigot ferry terminal was built in 2008. Lined with traditional and local shops and restaurants, it is a popular place due to its proximity to the city centre. Following the passage of Hurricane Irma, the building suffered significant damage. It initially underwent emergency repairs to remain functional. The rehabilitation and transformation of the ferry terminal into a multimodal exchange hub was launched in 2020. The ferry terminal is intended to become once more a major facility in the economic development of the island.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 7.3 million in road transport infrastructure. The planned developments will respond to the intensification of traffic, so as to improve and decongest the road networks and guarantee the safety of users, but also to develop a road network including more pedestrian routes.

Other relevant EU funds or initiatives

The 'Joint Assistance to Support Projects in European Regions' (JASPERS) supports capacity for developing large projects, such as for transport. JASPERS is supporting Saint-Martin authorities in unlocking road investments.

(iii) Early school-leaving, and (youth) employment

Saint-Martin is facing significant challenges related to early school-leaving and (youth) unemployment. Saint-Martin is a small island, and some higher education programmes are not available locally. Scholarships offered by the Collectivity of Saint-Martin allow students to travel to other countries or regions to access specialised training. They aim to encourage mobility, intercultural learning, and personal development for students from Saint-Martin and to contribute to their academic and professional success.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by encouraging geographical mobility (particularly student mobility, with higher co-funding rates) and developing young people's skills.

Support provided under the 2014-2020 programmes

The ESF planned to invest 13.7 million to establish a system that meets the orientation and integration needs of young people and to encourage geographical mobility. During the whole period, 1 857 students under 25 received support.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest EUR 4.4 million to improve access to employment and activation measures for all jobseekers, in particular young people. Through the implementation of the Youth Guarantee, the promotion of self-employment and the social economy, it will support long-term unemployed and disadvantaged groups on the labour market and the inactive population. It will dedicate EUR 11.5 million to education and training, promoting lifelong learning, in particular flexible upskilling and reskilling opportunities.

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Aid for student mobility in 2022-2023

Total budget: EUR 3 million *(EU support: EUR 3 million)* **Years of implementation:** 2022-2023

This mobility assistance aid has been allocated on a "general case" or as an "incentive grant". Regarding students on mobility in the EU, the "general case" has five levels and the amounts vary from EUR 4 400 to EUR 11 400; the "incentive grant" has four levels, and the amounts vary from EUR 6 400 to EUR 13 600. The "general case" targets higher education from Bac+1 going to doctoral students without specifying sectors. On the other hand, the "incentive grant" is provided for the benefit of students registered in priority sectors meeting needs in sectors identified as generating qualified employment. For student mobility assistance in the EU, non-incentive aid was allocated to 405 post-baccalaureate students and incentive aid was allocated to 80 post-baccalaureate students, for a total of 485 post-baccalaureate students with a complete application.

(iv) Social inclusion

Social inclusion is a key challenge for Saint-Martin. The geographical isolation of Saint-Martin can lead to challenges in connecting with other regions. The economic disparities make addressing economic gaps crucial for social inclusion. Balancing tourism and integration of migrants as well as equal access to education and job opportunities is of special relevance. Healthcare and social services should also ensure equitable access to services. The preservation of cultural heritage while promoting inclusivity is another key area. In this line, a thematic axis of action is to promote employment, inclusion and the fight against poverty with EUR 2.2 million. Its objective is to structure and develop the social and solidarity economy sector to fight against social exclusion.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by promoting social inclusion through work integration, which is essential for creating a more equitable and cohesive society.

Support provided under the 2014-2020 programmes

The ESF planned to invest EUR 2.2 million in the area of social inclusion. It aimed to support six operations, including a 'professional immersion action for people with disabilities'. By December 2023, a total of EUR 1.5 million had been invested.

Creation of a workshop and integration project dedicated to roofing framework work

Total budget: EUR 0.6 million *(EU support: EUR 0.5 million)* **Years of implementation:** 2020-2023

The project supports integration into the workplace and provides social support and professional supervision, including the training of employees. ESF supports the construction of roofing frames for 25 participants (25 projects), the technical supervision and a carpenter's helper, to support the socio-professional support during their integration path. The results included a rate of 25% success related to sustainable employment, 15% for permanent employment transition and 20% for (pre)qualifying training.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest EUR 5 million for social inclusion to promote equal opportunities, non-discrimination, and to enhance employability, in particular for disadvantaged groups. It will also promote the social integration of people at risk of poverty or social exclusion, including the most deprived people and children.

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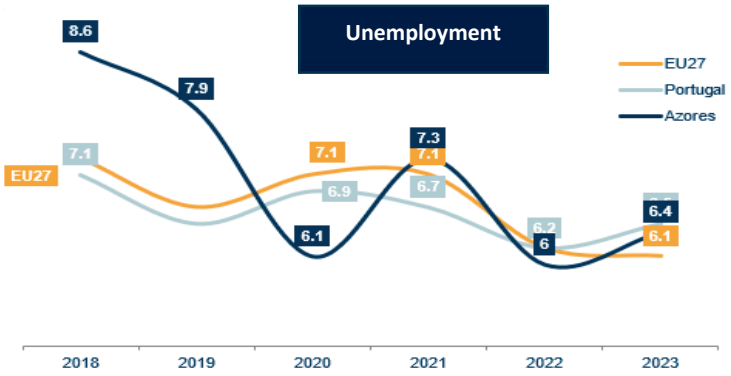
3.7. The Azores

THE AZORES

239 942 | 1445 km | 2.322 km²

At a glance

- Gross domestic product/capita (purchasing power standard) stands at 71% of the EU average.
- Unemployment rate (6.4% in 2023) is only slightly above the EU average.
- Rate of young people neither in employment nor in education and training (NEET), at 13% in 2023, is well above the Portuguese and EU averages, but it has been dropping over the last years.
- Percentage of households with broadband access to the internet (88% in 2021) is higher in the Azores than in Portugal.
- Exclusive maritime economic zone: 938 000 km².



INDICATORS

	The Azores	Portugal	EU
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	71	79	100
GDP/capita at current market prices (EUR)	21 100	23 500	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	42.7	47.0	43.9 (2020)
Median age projections in 2100	52.3 (+9.6 y)	49.5 *(+2.5 y)*	48.8 *(+4.9 y)*
Total population 2023	239 942	10.5 million	448.8 million
Projections total population in 2100	152 550	7.9 million	416 million
Total population projections 2100 as % of total population 2023	64%	75%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	6.4	6.5	6.1
Employment rate 15-64 (%)	68.2	72.5	70.4
Youth unemployment rate 15-24 (%)	-	20.3	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	26.4	31.1	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	21.7	8.0	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	13.0	7.9	9.2
Tertiary education attainment 25-64 (%)	17.2	29.9	35.1
Less than primary/lower secondary education attainment 25-64 (%)	58.4	40.6	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	85	83	-
Households with broadband access to the internet (%)	88 (2021)	84 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	383	562	-
Number of hospital beds per 100 000 inhabitants	672	351	532 (2019)

Cohesion policy funds in the Azores	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 736 million* ***ERDF specific additional outermost region (OR) allocation****: EUR 57.5 million* **TOTAL ERDF**: EUR 793.5 million	**ESF 2014-2020** ***ESF mainstream:*** *EUR 343.7 million* **TOTAL:** EUR 343.7 million
Cohesion Fund: *EUR 177.5 million, of which:* ***- Operational Programme Compete 2020****: EUR 122 million (maritime transport)* ***- Operational Programme Sustainability and Resource Efficiency (POSEUR)****: EUR 55.5 million*	
TOTAL Cohesion policy funds 2014-2020: EUR 1 314.7 million	
REACT-EU ERDF: *EUR 100 million*	***REACT-EU ESF:*** *EUR 28.5 million*
TOTAL REACT-EU(*): EUR 128.5 million *(*) NextGenerationEU for ERDF, CF and ESF (2014-2020)*	
ERDF 2021-2027 ***ERDF mainstream:*** EUR 622 million ***ERDF specific additional OR allocation***: EUR 58 million **TOTAL ERDF:** EUR 680 million	**ESF+ 2021-2027** ***ESF+ mainstream:*** *EUR 441 million* ***ESF+ specific additional OR allocation***: EUR 19 million **TOTAL:** EUR 460 million
Cohesion Fund *(Sustainability Programme):* EUR 304 million of which: ***- EUR 59.5 million for air transport*** ***- EUR 244.5 million for maritime transport***	
TOTAL Cohesion policy funds 2021-2027: EUR 1 444 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 2 887.2 million	

Key areas

The Azores are facing major challenges in: (i) **healthcare**; (ii) **access to water and water treatment**; (iii) **transport**; (iv) **education and training, early school-leaving, and (youth) employment**; (v) **social protection**. The Azores are benefiting from substantial EU support. In **2014-2027** (both programming periods), the total ERDF, Cohesion Fund and ESF(+) support to these key priorities is **EUR 1 418 million** (about 41% of the total allocation for programmes for the Azores 2014-2020 and 2021-2027).

(i) Healthcare

Access to healthcare remains a challenge for the Azores. The performance of the regional health service is conditioned by the territorial dispersion of the Azores, leading to higher costs because of dispersed resources and infrastructure. Only three out of the nine islands have a hospital, and the remaining populations are supported by a system of health centres in the 19 municipalities. The offer of medical specialties varies among the three hospitals, and connectivity is a key issue to move patients, health professionals and equipment. Specialists also move from hospitals on the mainland to the Azores to cover gaps in some clinical specialties and treatments. Furthermore, the ageing of the population, new social trends, and technological developments have all contributed to an expansion in the demand for health and social services. These require further investments to enable better access to these services and to achieve greater territorial homogeneity, and to provide special attention to marginalised groups and people at risk of poverty.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by encouraging the improvement of local health centres for the decentralisation of healthcare. There is a need to further invest in health infrastructure and equipment to support the development of equal access to healthcare on all islands and locations.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 56.8 million in healthcare infrastructure (new health centres, upgrading and upscaling of hospitals and health centres and equipment). By December 2023, EUR 51.7 million had been invested in health

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infrastructure and 125 246 individuals had been covered by improved health services. The programme provided new equipment in 36 social and health centres.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 72.4 million for the renovation or construction of new energy-efficient healthcare buildings, health equipment, and measures to improve the delivery of family and community-based care services. By 2029, the regional programme aims to provide new or modernised healthcare facilities for a capacity of 500 000 people and to increase the annual users of these facilities to 1 million people.

Other relevant EU funds or initiatives

The Recovery and Resilience Facility also supports the digitalisation of the regional health service in the Azores with the creation of an electronic health record.

Construction of the New Body C of the Horta Hospital and the Horta Health Centre

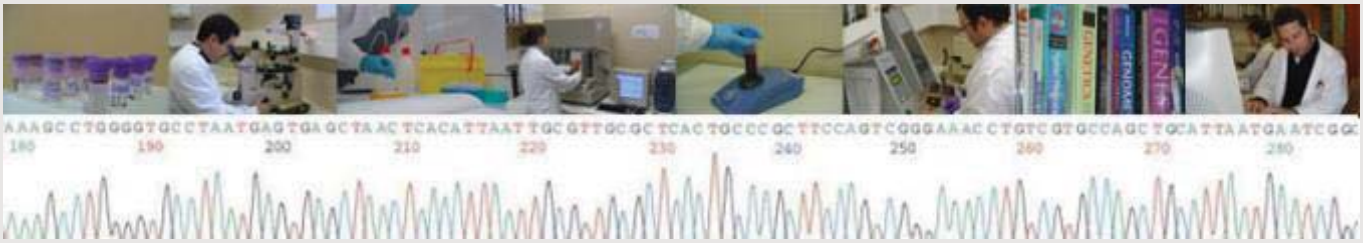
Total budget: EUR 7.5 million *(EU support: EUR 6.4 million)* **Year of implementation:** 2023

This investment project has renewed and extended the scope of the Horta Hospital and promoted the geographical concentration of primary care in the hospital building. This has in turn increased the response to the hospital's demand for external consultation, the capacity for dialysis and inpatient services. Actions have delivered on the refurbishment of the emergency service, the creation of a new intensive care unit, room adaptation for a hyperbaric camera, the extension of the haemodialysis service, and the replacement of air conditioning systems in the operating room. The geographical concentration, ensured by the integration of the Horta Health Centre into the hospital building, has enabled an integrated service between primary and hospital care. Therefore, this investment has greatly contributed to enhancing access to healthcare for the population, alleviating one of the fundamental challenges caused by territorial dispersion in the archipelago.

Construction of a new building for SEEMBO – Specialised Service for Epidemiology and Molecular Biology

Total budget: EUR 4.5 million *(EU support (estimated): EUR 3.8 million)* **Year of implementation:** expected start 2024

COVID-19 highlighted the important role of regional medical laboratories. Around 10 years ago, during another epidemic, the SEEMBO played a pivotal role as it established itself as the reference laboratory for medical tests in the Azores. It was the first laboratory to obtain accreditation from Dr Ricardo Jorge's National Health Institute and to obtain autonomy in carrying out these tests. The current infrastructural contingencies (partial occupation of an old building not owned and shared with other services, which present a high biological risk) increase the challenges to providing a sufficient assistance and laboratory response that is crucial for the regional response in critical situations.



(ii) Access to water and water treatment

Strengthening access to water, and its efficient management, is a priority in the Azores. Positive changes addressing some structural delays have taken place in the last years. Still, efforts should be increased in view of the persistence of some deterioration in water quality, quantity and its treatment. The expansion and/or rehabilitation of water supply networks,

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increased storage capacity, and monitoring and resolution of network losses are the priority areas for action in the coming years. The integrated regional strategy to promote and guarantee water quality and to improve the services provided to the population includes investments in water infrastructure, the optimisation of water use and management, and the assessment and monitoring of water resources. These investments contribute significantly to the action plan 'Towards Zero Pollution for Air, Water and Soil', which is one of the main achievements of the European Green Deal.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by encouraging the increased access to high-quality water and improved wastewater treatment. Both the 2014-2020 and 2021-2027 programmes set out targets for 2023 and 2029, respectively. For the optimisation and efficient management of water resources, it is necessary to invest in new or upgraded infrastructure, ensuring the quality of service provided to the population and the sustainability of systems. This entails controlling and reducing losses in water distribution and supply systems, improving wastewater sanitation systems, reducing urban pollution in water bodies, and reducing and controlling infiltration, collapse and flooding.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 19 million in the provision of water for human consumption (extraction, treatment, storage and distribution infrastructure, water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)) and wastewater treatment. By December 2023, EUR 19.2 million had been invested and 87 148 people had been served by improved water supply.

Support envisaged for the 2021-2027 programmes

The ERDF plans to invest EUR 46 million in the provision of water for human consumption compliant with efficiency criteria, water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse and leak reduction) and wastewater collection and treatment compliant with energy efficiency criteria. By 2029, the programme for the Azores will provide 290 km of new or upgraded pipes for the distribution system of public water supply, connecting 150 000 people to improved public water supply.

Water with quality – Municipality of Calheta

Total budget: EUR 2.2 million *(EU support: EUR 1.9 million)* **Year of implementation:** 2020

The supply of drinking water to the villages in the municipality of Calheta was provided through natural springs connected to infrastructure from the 1980s, along the lines of the entire supply and distribution system. Apart from the wear and tear of the previous system, the perimeters of protection to the springs were not implemented. This action to rehabilitate the water network and increase the hydraulic availability of the municipality included the implementation of spring protection perimeters, the replacement of sections of pipeline, the construction of water reservoirs and charge-depleting chambers, and the rehabilitation of the existing infrastructure (both construction and equipment). This has led to an improvement in the efficiency of systems, lower costs, better quality of the service, and higher sustainability.

(iii) Transport

Strengthening the integration, intermodality and sustainability of the regional mobility system is crucial for the economic and social development of the Azores, due to its geography and remoteness. The small size of its internal market, the absence of economies of scale, and territorial discontinuity all place a particular emphasis on the need to enhance the efficiency of maritime and air connections. Despite some improvements in recent years, the intensification of the movement of people and goods – between 2015 and 2019, the flow of passengers increased by 29% and the flow of cargo increased by 19% by sea and air (INE, 2021) – puts pressure on the mobility system and highlights the need to strengthen and adapt it.

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Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by encouraging an increase of the efficiency, sustainability and security of regional mobility. They also enhance external accessibility by improving access to the trans-European transport network (TEN-T). These investments contribute to achieving the objectives of the Portugal 2030 Strategy 'An externally competitive and internally cohesive country', focusing on territorial cohesion and reducing disparities between the levels of development of the various regions.

Support provided under the 2014-2020 programmes

The ERDF (Azores 2020) planned to invest EUR 38.2 million on airport infrastructure and equipment, road networks, ports, and sustainable urban mobility. By December 2023, EUR 28.9 million had been invested.

- Airports: support to infrastructure and equipment in regional public aerodromes in order to guarantee the safety of their operability.
- Roads: works on sections of the regional road network, necessary for the improvement and safety of road traffic.
- Maritime transport: investments in modernisation and expansion of the regional commercial port network are concentrated in a national thematic operational programme (not exclusively for Azores).
- Sustainable urban mobility: investments in clean public transport; construction of cycle lanes; multimodal integration for public transport; improving integrated ticketing solutions; information systems for users in real time; management and information systems for innovative and experimental transport solutions.

By December 2023, the following targets had been reached: 82 km of regional roads improved, and 506 000 maritime passengers reached in 2022 (compared with 463 000 in 2013).

Support envisaged under the 2021-2027 programmes

The ERDF (Azores 2030) includes measures for infrastructures in airports and ports (only for those not included in the trans-European transport network, TEN-T) and for sustainable urban mobility. It plans to invest an amount of around EUR 46 million.

- Airports (non-TEN-T): renewal and requalification of support infrastructure; purchase of air traffic equipment, protection, safety, and management systems; purchase of vehicles to support air mobility (EUR 8 million).
- Ports (non-TEN-T): actions to strengthen, adapt, renew and/or requalify port infrastructure; port management equipment and systems (EUR 27 million).
- Sustainable urban mobility: construction of cycle lanes (EUR 1 million); expansion of the public charging network for electric vehicles (EUR 1.5 million); renewal of public buses, shared mobility solutions (bike-sharing, scooter-sharing), awareness-raising actions and promotion of electric mobility (EUR 8.5 million).

As an outermost region, the Azores also receive a specific additional allocation amounting to EUR 58 million in 2021-2027. With this, the ERDF supports the costs of public service obligations on transport, strengthening the links between rural and urban areas and between the islands.

In addition, the regional maritime and air transport system is also being supported through the national sustainability programme under the Cohesion Fund (EUR 304 million). The investments in the Azores aim to increase the efficiency, sustainability and security of regional mobility, and to enhance the external accessibility of the islands. Maritime transport is the only mode of transport that guarantees supplies to the islands. The investments from the national programme will contribute to strengthening territorial cohesion, broadening the regional economic base, and increasing climate proofing. It covers actions to improve navigability conditions and maritime and port accessibility and operating conditions, including equipment. Air transport is the main entry point for the Azores; the objective of air transport investments from the national programme (EUR 59.5 million) is to expand and upgrade infrastructure and airport equipment to ensure basic operational and security conditions.

Other relevant EU funds or initiatives

The Recovery and Resilience Facility will fund the construction of two electric ships for the transport of passengers and vehicles in the Azores, promoting sustainable mobility and the decarbonisation of the maritime passenger and inter-island car transport sector. The EMOBICITY project, co-financed by the Interreg Europe programme (EUR 1 million), supported the promotion of electric mobility in the Azores.

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Reconstruction of Port of Lajes das Flores

Total budget: EUR 198 million *(estimated EU support: EUR 168.3 million)* **End year:** 2028 (estimated)

This project is supported by the national sustainability programme (Cohesion Fund) and has the following objectives.

- Ensuring the reconstruction of port infrastructure in Port of Lajes das Flores with the aim of increasing its resilience to climate change. The passage of hurricane Lorenzo completely destroyed the port, leaving it without access to essential goods for the people.
- Ensuring the supply of goods to the population of the island of Flores and then to the population of Corvo Island. Both islands are characterised by their remoteness, deep insularity, small land area, difficult topography and climate.
- Increasing the efficiency, sustainability and security of regional mobility, in particular inter-island, and enhancing external accessibility.
- Ensuring that infrastructure and equipment are sufficient to meet international demand needs and safety parameters.
- Improving safety and shelter conditions in the port basin, to improve their functioning and to minimise the risks of accidents, and to increase the resilience of the port infrastructure to adverse weather events.

This project was identified as of strategic importance pursuant to Article 22(3) of Regulation (EU) 2021/1060 in the European Commission Decision approving the national sustainability programme. The related notice was published on 29.9.2023 and was open until 30.6.2024. JASPERS is also supporting the beneficiary .

(iv) Education and training, early school-leaving, and (youth) employment

Education constitutes a major challenge for the Azores. In 2023, 58.4.% of the population aged 25-64 had no more than lower secondary education attainment (40.6% Portugal, 20.2% EU). The rate of early leavers from education and training is approximately three times higher than the average rate in mainland Portugal (21.7% in the Azores vs 8% mainland Portugal), The participation rate in education and training stood at 8.5% (13.4% Portugal, 12.7% EU). The shortage of qualified human resources has hindered the development of the labour market, as well as technological modernisation in strategic sectors for growth and diversification of the economy. Differences in skilled labour forces and labour market efficiency contribute to the regional competitiveness disparities in Portugal, with the Azores performing the lowest on the Regional Competitiveness Index, scoring only 77.1% of the EU average.

Nonetheless, the employment rate of the Azores has been historically and structurally below Portugal's. In 2023, the youth unemployment rate (15-29) was 14.2% (14.2% Portugal, 11.2% EU). The same applies to the NEET's rate (young people neither in employment nor in education and training) whose rate is above Portugal (25.1% vs 14.6% in 2014; 14.5% vs 8.9% in 2023).

In the previous programming period (2014-2020), public policy measures aimed at supporting the integration of young people into the labour market. In particular, the Traineeship Programme L (for young graduates) and T (for youngsters with technological courses) showed positive results, validated by the good employability rates obtained 6 months after the participation of young people in the respective measures.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by improving the skill levels of the population and reducing (youth) unemployment. The ESF thematic programme Portugal 2020 (POISE) has a specific priority dedicated to the Youth Employment Initiative, with targets linked to the participation of young NEETs in employment and training measures.

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Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 103 million in primary, secondary and professional education infrastructure; the ESF planned EUR 134 million in competencies, education and lifelong learning and EUR 113 million to promote employment and support labour mobility. By November 2023, investments in education and training reached 91.12% of the above planned amounts and 86.17% of the established target. Investments in employment reached 91.12% of the above planned amounts and 93.50% of the established target.

Professional courses

Total budget: EUR 106 million *(EU support: EUR 90 million)* **Years of implementation:** 2014 to 2023

Professional courses constitute dual certification secondary education pathways, which develop social, scientific and professional skills necessary for the exercise of a professional activity. These courses aim to provide learners with diverse, more practical learning, with a view to their integration into the labour market, and they can also enable further education.

Traineeships

Total budget: EUR 84 million *(EU support: EUR 72 million)* **Years of implementation:** 2022 to 2029

The "Estagiar L and T" programme has a high take-up by young people and businesses. It allows young people who have recently graduated from higher education institutions to follow a traineeship for young graduates ('licenciados' - Estagiar L).Young people who have recently completed level 4 or 5 vocational courses under the National Qualifications Framework can apply for the Estagiar T programme. This helps them to enter the labour market and access work experience in line with their qualifications. It facilitates the recruitment and integration of staff in enterprises through internships, promoting the transition of young people from school to working life, and the establishment of young people in smaller demographic islands.

Basic skills acquisition courses

Total budget: EUR 8 million *(EU support: EUR 7 million)* **Years of implementation:** 2014 to 2018

Basic skills acquisition courses (ABC courses) aim to address the low level of qualification of the adult population in the Azores through the acquisition of basic qualifications and certifications. They contribute to reducing the skills gap of the active population and to raising the skills levels of the adult population. ABC courses link a training pathway to a process of recognition, validation and certification of competencies. This is based on a 300-hour training pathway in the key competence areas required for the basic certification level: Portuguese, mathematics, civic education and informatics. For each of the levels and areas of basic competencies, manuals have been developed, adapted to the training of adults. These courses are still being carried out in the Azores today.

Support envisaged under the 2021-2027 programmes

The ESF+ regional programme plans to invest EUR 175 million in education and training measures and EUR 146 million in employment measures (of which EUR 72 million for youth employment). The ERDF plans to invest EUR 29 million in the construction of a new energy-efficient education infrastructure or its renovation in line with energy efficiency criteria of education buildings (early childhood, primary, secondary, university and professional education).

Other relevant EU funds or initiatives

The Recovery and Resilience Facility also supports access and use of digital technologies in education through digital equipment, digital manuals, improved connectivity of schools and specific training.

(v) Social protection

The Azores face significant challenges related to social protection. In the national context, the Azores have the highest risk of poverty or social exclusion (33.3% vs. 20% national average in 2020). There is a high number of beneficiaries from minimum income schemes, with 7.0% of the working-age population having received support in 2022, compared to the national average of 2.9%. These factors illustrate the social protection issues in the region, worsening economic disparities and hindering overall development.

This highlights the need to invest in measures to support social inclusion as a means of alleviating imbalances in wealth distribution. The focus is on groups with increased weaknesses, such as single parents, people with addiction issues, people

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with disabilities and older people. Social exclusion is also very much linked to labour market exclusion, the limitation of access to basic social services, in particular health and social support, and the weakening of social participation dynamics.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by encouraging the promotion of active inclusion and equal access to services and by improving employability of disadvantaged groups.

Support provided under the 2014-2020 programmes

The programme for the Azores planned to invest EUR 96 million to promote inclusion and to address poverty. By November 2023, support to active inclusion had reached 91.12% of planned amounts and 95% of the established target.

Support envisaged under the 2021-2027 programmes

The 2021-2027 programme for the Azores plans to invest EUR 115 million for active inclusion measures, which includes promoting equal opportunities, non-discrimination and active participation, improving employability, and enhancing equal and timely access to quality, sustainable and affordable services.

Integration of vulnerable groups into the labour market

Total budget: EUR 106 million *(EU support: EUR 90 million)* **Years of implementation:** 2022 to 2029

Socio-occupational integration programmes focus on the most vulnerable unemployed, such as the long-term unemployed, groups with social problems and workers over the age of 45. The aim is to improve their employability by promoting the creation of working habits and better knowledge of the world of work. These measures can bring closer potential employers and the unemployed so to provide them with work experience to facilitate re-entering the labour market.

Other relevant EU funds or initiatives

The Fund for European Aid to the Most Deprived supported families and individuals in need through food purchase and distribution, fostering equality and inclusion. The Recovery and Resilience Facility supports social housing, long term care, adult learning and skills, as well as various social inclusion measures. It financed, for instance, ‘study support points’, enhancing the improvement of educational outcomes of pupils in the first and second cycles who receive school support.

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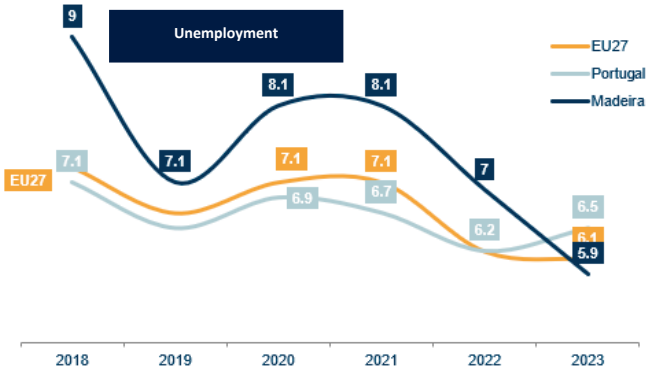
3.8. Madeira

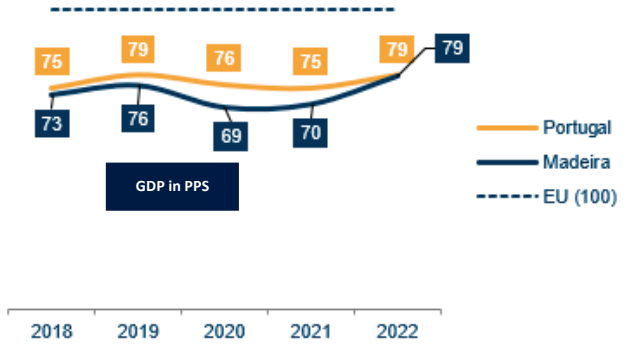
MADEIRA

253 259 | 950 km | 802 km²

At a glance

- Gross domestic product/capita (purchasing power standard) stands at 79% of the EU average.
- Unemployment rate (at 5.9% in 2023) is below the Portuguese and EU averages.
- Employment rate (at 69.7% in 2023) is only slightly below the EU average.
- Tertiary education attainment (at 23.7% in 2023) is below the Portuguese average.
- Percentage of households with broadband access to the internet (at 87% in 2021) is higher in Madeira than in Portugal.
- Exclusive maritime economic zone: 442 248 km².





INDICATORS

	Madeira	Portugal	EU
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	79	79	100
GDP/capita at current market prices (EUR)	23 700	23 500	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	46.7	47.0	43.9 (2020)
Median age projections in 2100	52.8 (+6.1 y)	49.5 *(+2.5 y)*	48.8 *(+4.9 y)*
Total population 2023	253 259	10.5 million	448.8 million
Projections total population in 2100	151 245	7.9 million	416 million
Total population projections 2100 as % of total population 2023	60%	75%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	5.9	6.5	6.1
Employment rate 15-64 (%)	69.7	72.5	70.4
Youth unemployment rate 15-24 (%)	-	20.3	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	25.9	31.1	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	-	8.0	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	-	7.9	9.2
Tertiary education attainment 25-64 (%)	23.7	29.9	35.1
Less than primary/lower secondary education attainment 25-64 (%)	50.4	40.6	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	85	83	-
Households with broadband access to the internet (%)	87 (2021)	84 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	501	562	-
Number of hospital beds per 100 000 inhabitants	822	351	532 (2019)

Cohesion policy funds in Madeira	
ERDF 2014-2020 ***ERDF mainstream:*** *EUR 213.4 million* ***ERDF Specific additional outermost region (OR) allocation:*** EUR 58.2 million ***TOTAL ERDF*** *: EUR 271.6 million*	***ESF 2014-2020*** ***ESF mainstream:*** *EUR 130 million* ***TOTAL:*** *EUR 130 million*
Cohesion Fund 2014-2020: *EUR 284.8 million, of which EUR 153.7 million for floods and landslides; EUR 68 million for access to water and treatment; EUR 56.7 million for renewable energy; and EUR 6.3 million waste*	
TOTAL Cohesion policy funds 2014-2020: EUR 686.4 million	
ERDF REACT-EU*: EUR 58.2 million*	***ESF REACT-EU****: EUR 27.3 million*
TOTAL REACT-EU*: EUR 85.5 million *(*) NextGenerationEU for ERDF, CF and ESF (2014-2020)*	
ERDF 2021-2027 ***ERDF mainstream:*** *EUR 380.5 million* ***ERDF specific additional OR allocation****: EUR 60.6 million* **TOTAL ERDF:** EUR 441.1 million	***ESF+ 2021-2027*** ***ESF+ mainstream:*** *EUR 299 million* ***ESF+ specific additional OR allocation****: EUR 20 million* **TOTAL:** *EUR 319 million*
Cohesion Fund 2021-2027: *EUR 91.8 million (for floods and landslides)*	
TOTAL Cohesion policy funds 2021-2027: EUR 851.9 million	
TOTAL 2014-2027 (Cohesion policy funds and REACT-EU): EUR 1 623.8 million	

Key areas

Madeira is facing major challenges in: (i) **transport and urban mobility**; (ii) **flood and landslides**; (iii) **access to water and water treatment**; (iv) **education and training and (youth) employment**; (v) **social inclusion**. It is benefiting from substantial EU support to address these areas. In **2014-2027** (both programming periods), the total ERDF, Cohesion Fund and ESF(+) support to these key priorities is **EUR 906 million**.

(i) Transport and urban mobility

Madeira faces several challenges in relation to transport and urban mobility, including the need for larger port infrastructure, maritime transport and development of sustainable public transport. The integrated strategic transport plan for Madeira 2021-2027 (PIETRAM) aims to address those challenges. Madeira has two main ports, Caniçal and Porto Santo, that need to be upgraded in the medium-term. Works are required for both infrastructure and equipment for more efficient port operations. The ports are not equipped for the supply of renewable and low-carbon fuel. As regards maritime passenger transport, there is one regular connection between Funchal and Porto Santo by a fossil-powered ferry that is 40 years old. Public transport currently has an occupancy rate of only 27%, while the collective public transport system has the potential to service almost all the population. The interurban public transport bus fleet has an average age per bus of 23 years. Investments are needed to enhance it for users and to change to a low-carbon economy, in particular for intelligent management systems, ticketing, bus corridors, bus terminals and fleet, intermodality, and traffic light management.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by investing in a low-carbon economy, sustainable (urban) transport and renewed port infrastructure.

Support provided under the 2014-2020 programmes

The ERDF invested EUR 41 million for the construction of 2.5 km of the Câmara de Lobos/Estreito de Câmara de Lobos highway. This is a strategic connection for the area, linking it to Funchal, to the main poles of the port system and to the airport, resulting in time savings and an increase in safety and in significance for economic operators in the region. The programme also invested EUR 7 million in clean urban transport infrastructure, bicycle lanes and intelligent transport

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systems. By December 2023, investments resulted in a 7-minute reduction in transport time in the area covered. 65 new buses now replace old, high polluting buses.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 134.8 million in total for transport and urban mobility, and port and ferry investments. By 2027 Madeira aims to achieve the following.

- Acquisition/construction of a ferry powered by non-fossil energies, to ensure the regular maritime connection of passengers and vehicles between the island of Madeira and the island of Porto Santo, as part of a strategy to promote decarbonisation. This will improve inter-island accessibility and minimise the effect of double insularity. It is expected to achieve a reduction of 7 000 tonnes of CO_2 equivalent/year and an increase of 60 000 users/year (EU support: EUR 40 million).
- Improvement of the operational conditions of the Ports of Caniçal and Porto Santo, which will ensure appropriate operational conditions for larger ships (and with greater logistical and shore support complexity) for the supply of the islands of Madeira and Porto Santo. These ports will be equipped with infrastructure to supply new, non-fossil energy sources, in line with the regional strategy to decarbonise maritime transport. It is estimated that this will contribute to a 150 000 tonnes increase in transporting goods by sea (EU support: EUR 20 million).
- Investments are planned in sustainable urban mobility, mainly through the increase in environmentally sustainable public transport rolling stock and the digitalisation of public transport, aiming to reach around 3 million users/year (EU support: EUR 20.5 million).

Musa and Musa RL – Sustainable, Accessible (and Resilient) Urban Mobility

Total budget: EUR 14.4 million *(EU support: EUR 7.2 million)* **Years of implementation**: 2019-2023

The two Musa projects (Programa Madeira 14-20) focused on the partial renewal of the public passenger transport fleet through the acquisition of 5 electric minibuses and 60 EURO VI buses, in line with Madeira's sustainable urban mobility strategy, and with PIETRAM 2014-2020. The projects aimed to promote the reduction of greenhouse gas emissions and noise in urban areas. This fleet renewal is expected to result in an annual reduction of 47.7% in diesel consumption, corresponding to a reduction of 466 tonnes of oil equivalent and 1 277 tonnes of CO_2 equivalent/year. A renewed and comfortable fleet can lead to an increased use of public transport. Greater accessibility to public transport is ensured through the possibility of transporting wheelchairs and a low floor at the entrance, ensuring sufficient accessibility for all users, especially people with reduced mobility and older people.

Other relevant EU funds or initiatives

The recovery and resilience plan supported the decarbonisation of land transport in Madeira by contributing EUR 11.5 million to the purchase of clean buses and providing the necessary charging/refuelling infrastructure.

(ii) Flood and landslides

Flood and landslides are a major issue for Madeira. The territory of the island is characterised by a unique terrain, with rather steep slopes that aggravate a complex hydrological system under severe pressure, particularly in the event of heavy rainfall. The current soil sealing and the heavy urban pressure on the mouth of the various streams of the regional hydrological system increase the risk of disasters associated with floods and landslides, with severe consequences for people and infrastructure. About 21% of the island is at risk of extreme erosion and 45% at extreme risk of water erosion. Thus, there is a need to enhance regional resilience to risks associated with climate change and to foster development and knowledge transfer. Current efforts are focused on the following:

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- coastal protection - targeted actions to protect the coastline and improve the resilience of coastal areas;
- feasibility studies on the adaptation of existing infrastructure, coastal spatial planning measures, and actions on risk management and risk prevention;
- correction works in the river basins most affected by erosion and land detachment;
- renovation and requalification of infrastructures to mitigate the risk of erosion; and
- protection and adaptation of public infrastructure in coastal areas and coastal management for rising sea levels.

Madeira is addressing these challenges through several regional plans, including the risk management plan for floods (Planos de Gestão de Riscos e inundações na Madeira, PGRI-RAM 2022-2027) and the climate adaptation strategy for Madeira (Estratégia Clima-Madeira, Estratégia de Adaptação às Alterações climáticas da RAM).

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives and aim at reducing the risks of landslides and floods. This requires integrated hydrological system actions that take into account the impact of extreme weather events, to prevent the catastrophic consequences of past events (e.g. the 2010 flood).

Support provided under the 2014-2020 programmes

The 2014-2020 programme SEUR (Sustentabilidade e Eficiência no Uso de Recursos) under the Cohesion Fund invested EUR 144 million to reduce the risks associated with alluvions, taking into account their destructive impacts in terms of landslides and floods. By December 2023, the following targets had been reached: 26.19 hectares of land where the risk associated with mass movements on slopes has been mitigated or eliminated; 190 100 people benefited from flood protection measures; and 210.88 hectares of land were covered by actions where the flood risk was reduced or eliminated.

Rehabilitation and regularisation of the Ribeira de Santa Luzia and the rehabilitation of bridges

Total budget: EUR 11.7 million *(EU support: EUR 11.1 million)* **Years of implementation:** 2015-2022

The operation aimed to minimise the effects associated with torrential run-off, which regularly affects Madeira, in particular the southern slope of the island. The projects focused on increasing the safety of the population and protecting the heritage, in the surroundings of the section of Ribeira de Santa Luzia and the central area of Funchal where action was taken. This area of downtown Funchal was severely affected by the last flood in 2010. As part of the operation, the rehabilitation of 13 bridges over the river was also carried out, since they did not have hydraulic drainage capacity and were damaged in the flood of 2010. The operation is part of the risk minimisation measures supported by the Flood Risk Assessment Study on Madeira Island (EARAIM) and the Flood Risk Management Plan of the Autonomous Region of Madeira (PGRI-RAM).

Support envisaged under the 2021-2027 programmes

The 2021-2027 national thematic Cohesion Fund programme PACS (Programa para a Acção climática e Sustentabilidade) plans to invest EUR 91.8 million to mitigate the risks of floods and landslides, in order to protect people, nature and property. The implementation is planned to be completed in 2027. The actions will focus on watercourses and the consolidation of leaks and slopes in areas that are susceptible to greater risks. Some 70 km of coastal lines or river margins will be protected and strengthened.

(iii) Access to water and water treatment

Madeira faces significant issues related to wastewater services and water losses. In 2020, only 67.9% of the population was served by drainage and only 66.9% had wastewater treatment. Water supply systems are undersized and need to be upgraded. Insufficient investment in wastewater/water supply affects the operability of essential infrastructure and carries environmental risks. Current efforts are focused on:

- maintenance and renewal of water networks;

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- reuse of wastewater (other than for human consumption and agricultural irrigation), reducing groundwater abstraction needs;
- reduction of water losses by rehabilitating distribution networks, to increase water efficiency;
- expansion of wastewater sewerage networks by 26 km, to avoid the use of individual sewerage solutions (septic tanks), with a risk of soil contamination and groundwater bodies;
- monitoring and increasing knowledge of the vulnerabilities of this sector due to climate change;
- improvement/renewal of wastewater treatment systems, protecting the environment, the marine environment and public health.

To address these challenges, Madeira relies on several plans, including the national strategic plan for the water supply, wastewater, and stormwater management sector (PENSAARP 2030) and the river basin management plan (Plano de Gestão de Recursos Hídricos da Madeira, PGRH-Madeira 2022-2027).

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support the efforts to reduce water loss and improve wastewater treatment. The 2014-2020 and 2021-2027 programmes set out targets for 2023 and 2029, respectively. Investments are needed in new or upgraded infrastructure, to ensure the quality of the service provided to the population and the sustainability of systems. This can reduce losses in water distribution and supply systems and improve wastewater sanitation systems.

Support provided under the 2014-2020 programmes

In 2014-2020, the Cohesion Fund programme SEUR invested EUR 58 million in access to water/water supply and water treatment. By December 2023, 14 745 people had benefited from water supply improvements.

Câmara de Lobos Wastewater Treatment Plant

Total budget: EUR 6.5 million *(EU support: EUR 5.6 million)* **Years of implementation:** 2014-2018

This operation restructured the wastewater treatment system at primary treatment level in Câmara de Lobos, in compliance with the EU and national legislation in force. The technical solution involved the construction of a new wastewater treatment plant, equipped with primary treatment, next to the current wastewater treatment plant. Maritime protection has been considered, as the treated wastewater will be discharged 400 metres from the coast, through a submarine exhaust. The improved wastewater sanitation system has benefited a population of 17 586 inhabitants.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 45 million in water supply, water management and wastewater treatment. Investments will be made to support the reduction of water losses for human consumption in the supply networks, the construction of new wastewater drainage networks and related wastewater treatment systems, and the implementation of wastewater reuse projects. The actions aim to reduce the need for water abstraction and to improve wastewater collection and treatment systems, promoting environmental sustainability and water resources. The results would: benefit 72 000 people through improved facilities of the public water supply network; 9 000 people willbe covered by the wastewater collection network; water losses in the distribution systems will be reduced by at least 2 million m^3.

Other relevant EU funds or initiatives

The Recovery and Resilience Plan supports the resilience and efficiency of the water supply infrastructure.

(iv) Education and training and (youth) employment

Due to Madeira's specific constraints as an outermost region, the ageing of its population, labour and skills shortages, financial constraints and recent natural disasters, it faces more labour market challenges than mainland Portugal. The region experienced an economic recovery between 2013 and 2019 (from the effect of the 2008 crisis), but the 2020 COVID-19

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crisis had an enormous impact in the regional labour market. Its share of unemployment has been historically and structurally above that of Portugal as a whole (except for 2023 - 5.9% vs 6.5% Portugal) and the disparity is more acute when comparing youth unemployment (15-29-year-olds, 17.3% vs 13.8% for Portugal in 2022). Madeira will invest in support for young people, professional traineeships, and in training and employment measures for labour market transitions.

Concerning education, in 2023 50.4% of Madeira's population had no more than lower secondary education attainment (40.6% Portugal, 20.2% EU). Moreover, the participation rate in education and training stood at 10.3%, below the national average (13.4%) and the EU average (12.7%). To address the skills deficit, Madeira plans to keep investing in training and education measures. Its specific additional allocation under the ESF+ will be dedicated to this priority and various types of support will be provided.

Cohesion policy programmes

EU funds, in particular the cohesion policy's regional programmes, support these initiatives, aiming at reducing unemployment (in particular youth and long-term unemployment) and improving the skills levels of the population.

Support provided under the 2014-2020 programmes

The ESF planned to invest EUR 36 million to promote employment and support labour mobility, and EUR 68 million to invest in competencies, education and lifelong learning. The ESF thematic national programme Portugal 2020 programme (POISE) has a specific priority dedicated to the Youth Employment Initiative.

By November 2023, support to employment reached 86% of the planned amounts and 93% of the established targets. For education and training, support reached 85% of the planned amounts and 98% of the established targets.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest EUR 100 million for employment measures (of which EUR 40 million for youth employment) and EUR 85 million for education and training measures.

Professional traineeships

Total budget: EUR 1 097 139 *(EU support: EUR 932 568)* **Years of implementation:** 2022-2023

The aim is to strengthen young people's technical and personal skills, enabling them to gain greater and faster integration into the labour market through their first professional experience. The project provides qualified young people with a professional internship in a real work context; promotes the professional integration of unemployed young people looking for a new job; and contributes to greater coordination between leaving the education and training system and entering the world of work.

Learning courses

Total budget: EUR 567 006 *(EU support: EUR 481 955)* **Years of implementation:** 2023-2025

The learning courses developed by the Instituto para a Qualificação, IP-RAM, are a dual certification offer of the Qualifications National System at secondary and post-secondary level.. The following courses are offered: Mechatronics Technician, Accounting Technician, Commercial Technician, Hairdresser, Automobile Mechatronics Technician and Electrical Installation Technician.

Other relevant EU funds or initiatives

Through the Erasmus+ programme, the EU co-financed the Blue Economy Entrepreneurship project. This project will create training opportunities for low-skilled adults, who face economic difficulties and live on EU islands. The specific actions in Madeira focus on coastal blue economy tourism and targets unemployed persons aged 18-35 having fewer educational opportunities.

The Recovery and Resilience Plan supports the digitalisation of education through digital equipment, digital manuals, improved connectivity of the schools and specific training.

(v) Social inclusion

Most recent available data demonstrates that Madeira has more significant social inclusion challenges than mainland Portugal. In 2022, the percentage of people at risk of poverty or social exclusion stood at 30.2% (20.1% for Portugal), while the 'at-risk-of-poverty rate' stood at 25.9% (16.4% for Portugal). Similarly to the pattern of employment, the living conditions of the population were improving until 2019, but the COVID-19 crisis intensified the social and economic problems of the region. Regional authorities point to children, women, single-parent families, people with disabilities and

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older people being the groups most vulnerable to poverty and social exclusion.

Addressing poverty and social exclusion, in particular for disadvantaged groups, is among Madeira's priorities. Investments will continue in active inclusion measures. Specific attention will be paid to upskilling the most disadvantaged, promoting inclusive practices and increasing the quality of social responses.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support these initiatives by promoting active inclusion, equal access to services and improving employability of disadvantaged groups.

Support provided under the 2014-2020 programmes

The ESF planned to invest EUR 23 million to promote inclusion and to address poverty. By November 2023, support to active inclusion reached 87% of the planned amounts and 105% of the established target.

Social and health intervention services and networks

Total budget: EUR 209 581 *(EU support: EUR 178 143)* **Years of implementation:** 2021-2023

This service aims to improve the quality of life of older people or the dependent population by upgrading social responses at home, and broadening and diversifying the type of support geared towards the autonomy of older or dependent people. This includes actions to complement family and community intervention (e.g. creation and upgrading of technical aid banks, upgrading of home support services, and integration of the provision of new services at home).

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest EUR 81 million for active inclusion measures, which includes promoting equal opportunities, non-discrimination and active participation, improving employability and enhancing equal and timely access to quality, sustainable and affordable services. It pays special attention to vulnerable persons and also aims to have in 2029 at least 12% of participants in active inclusion measures in employment 6 months after leaving those measures.

Other relevant EU funds or initiatives

The Fund for European Aid for the Most Deprived (FEAD) provided support for the most economic and socially disadvantaged, in the form of acquisition of goods and food products and some accompanying measures.

The Recovery and Resilience Facility finances investments in residential and non-residential structures for older people and support structures for homeless people, strengthening and consolidating the social support network (EUR 95 million).

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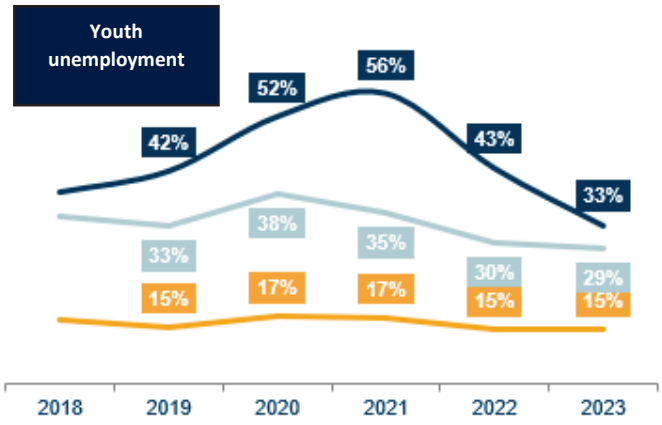
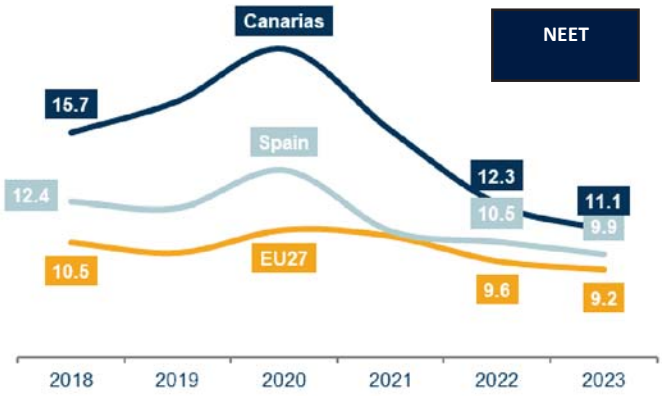
3.9. The Canary Islands

THE CANARY ISLANDS

At a glance

- Gross domestic product/capita (purchasing power standard) stands at 68% of the EU average.
- Unemployment (at 16.1% in 2023) and youth unemployment (at 32.8% in 2023) rates are well above the Spanish and EU averages, but both dropped considerably between 2020 and 2023.
- Rate of young people neither in employment nor in education and training (NEET), at 11.1% in 2023, is above the Spanish and EU averages, but dropped over the last years.
- Percentage of households with broadband access to the internet (at 97% in 2021) is higher in the Canary Islands than in Spain.
- Exclusive maritime economic zone: 356 000 km^2.





INDICATORS

	The Canary Islands	Spain	EU
GDP	**2022**	**2022**	**2022**
Gross domestic product/capita (purchasing power standard - % of EU-27)	68	86	100
GDP/capita at current market prices (EUR)	22 400	28 300	35 400
Population	**2023**	**2023**	**2023**
Median age 2023	45.0	45.3	43.9 (2020)
Median age projections in 2100	54.4 (+9.4 y)	50.2 *(+4.9 y)*	48.8 *(+4.9 y)*
Total population 2023	2 213 016	48.1 million	448.8 million
Projections total population in 2100	2 508 671	45.7 million	416 million
Total population projections 2100 as % of total population 2023	113%	95%	93%
Unemployment by age group	**2023**	**2023**	**2023**
Unemployment rate 15-74 (%)	16.1	12.2	6.1
Employment rate 15-64 (%)	60.8	65.3	70.4
Youth unemployment rate 15-24 (%)	32.8	28.7	14.5
Research	**2023**	**2023**	**2023**
Human resources in science & technology (% of active population)	20.1	27.7	35.9
QUALITY OF LIFE INDICATORS			
Access to education	**2023**	**2023**	**2023**
Early leavers from education and training 18-24 (%)	14.7	13.7	9.5
Young people neither in employment nor in education and training 15-24, NEET (%)	11.1	9.9	9.2
Tertiary education attainment 25-64 (%)	34.3	41.4	35.1
Less than primary/lower secondary education attainment 25-64 (%)	38.6	35.8	20.2
Access to ICT	**2022**	**2022**	**2022**
Individuals who used the internet at least once a week (%)	92	93	-
Households with broadband access to the internet (%)	97 (2021)	96 (2021)	90 (2021)
Access to health	**2021**	**2021**	**2021**
Number of medical doctors per 100 000 inhabitants	502	449	-
Number of hospital beds per 100 000 inhabitants	282	296	532 (2019)

Cohesion policy funds in the Canary Islands	
ERDF 2014-2020 **ERDF *mainstream*:** EUR 553 million **ERDF *specific additional outermost region (OR) allocation*:** EUR 484 million **ERDF *Pluri:*** EUR 616 million **Total:** EUR 1 653 million	**ESF 2014-2020** ***ESF mainstream:*** *EUR 173 million* ***YEI:*** *EUR 95 million* ***TOTAL:*** *EUR 268 million*
TOTAL Cohesion policy funds 2014-2020: EUR 1 921 million	
REACT-EU ERDF: EUR 401.6 million	***REACT-EU ESF:*** *EUR 228.2 million*
TOTAL REACT-EU*: EUR 629.8 million *(*)NextGenerationEU for ERDF and ESF (2014-2020)*	
ERDF 2021-2027 **ERDF *mainstream:*** EUR 589.4 million **ERDF *specific additional OR allocation*:** EUR 507.7 million **ERDF *Pluri:*** EUR 1 132.2 million **Total:** EUR 2 229.3 million	**ESF+ 2021-2027** ***ESF+ mainstream:*** *EUR 281 million* ***ESF+ specific additional OR allocation:*** *EUR 165 million* **TOTAL:** EUR 446 million
TOTAL Cohesion policy funds 2021-2027: EUR 2 675.3 million	
TOTAL 2014-2027 (Cohesion policy funds + REACT-EU): EUR 5 226.1 million	

Key areas

The Canary Islands are facing major challenges in: (i) **support to SMEs**; (ii) **healthcare infrastructure**; (iii) **access to water and water treatment**; (iv) **renewables**; (v) **education and training and early school-leaving**; (vi) **social inclusion and employment**. The Canary Islands are benefiting from substantial EU support to address these areas. In **2014-2027** (both programming periods), the total ERDF and ESF(+) support to these key priorities is **EUR 1 537 million**.

(i) Support to SMEs

Improving the support to SMEs is a key issue for the Canary Islands. According to the Regional Competitiveness Index, the Canary Islands have improved all competitive axes since 2016, with the exception of the labour market and business efficiency. The Canary Islands still experience a slow growth recovery compared with the national average. The dependence of the Canary Islands on the tourism sector - one of the most affected by the COVID-19 crisis - makes it necessary for companies to take actions aimed at the promotion, digitalisation and sustainability of the sector, to transform their tourism model and to guarantee its competitiveness. The entrepreneurial activity rate showed a decreasing trend in the Canary Islands in recent years, distancing itself from Spain. The population perceives fewer opportunities for entrepreneurship and recognition of skills.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives for SMEs, promoting entrepreneurship, the growth of start-ups, scale-ups and incubators, and advanced business services and new business models for SMEs. They try to boost exports through internationalisation programmes.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 126 million and the targets have been reached with over 1 300 SMEs supported through grants, financial instruments or other kinds of support.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 201 million in support to SMEs. The 'Aid for the creation and improvement of the competitiveness of companies' action aims to encourage productive investment. It plans to do so through the creation of economic activity, with particular importance given to the promotion of a Canary Islands Tourism Promotion Programme, with the aim of increasing the competitiveness of the sector. The 'Programme for the internationalisation of companies and attracting investment to the Canary Islands' aims to attract foreign investment in strategic sectors such as information and communication technologies, renewable and sustainable energies, and advanced services for sectors critical for the region's significant economic development. Support and accompanying programmes for companies or entrepreneurs will offer a

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comprehensive advisory and training service to new entrepreneurs. The expectation is that over 26 000 SMEs will be supported.

Support to SMEs in 2021-2027 – operation of strategic importance

Total budget: EUR 4.5 million *(EU support: EUR 3.8] million)* **Year of implementation:** 2023

Canarias Aporta is an advisory and financing programme for Canarian companies that want to promote their products and/or services abroad (internationally or the Spanish territory), open markets, diversify their customers, participate in tenders, improve their global competitiveness, and boost promotion abroad using digitalisation and e-commerce. The main objective is to promote and attract strategic investments in the Canary Islands. The programme launched a call for proposals and aims to accompany Canarian companies during their processes of opening up to new markets, in order to diversify the regional economy, strengthen the Canarian business fabric and promote job creation. It collaborates with the Enterprise Europe Network (EEN) Canary Islands.

Other relevant EU funds or initiatives

The Recovery and Resilience Facility supports the Canary Islands in the area of sustainable tourism with specific investments of up to EUR 220 million. The measures aim to improve their competitiveness and capacity in the international markets, and will benefit at least 400 economic and social actors by June 2025.

The EU programme for the Competitiveness of enterprises and SMEs (COSME) financed advisory services to Canary Islands companies on EU regulations and financing, boosting their potential and improving their internationalisation strategies.

Under the Digital Europe Programme, CIDIHUB, was set up as a European Digital Innovation Hub (EDIH) in 2023. It delivers digitalisation services to SMEs in the Canary Islands. The EDIH works in collaboration with a network of about 200 EDIHs across the EU.

The European Maritime and Fisheries Fund 2014-2020 provided EUR 60 million of compensation for the additional costs for fishers in the Canary Islands. Over 91% of the local fishers are small scale and coastal fishers.

(ii) Healthcare infrastructure

The Canary Islands have increased spending on health, but they are still below the national average in terms of material and human resources, and improving access to health remains a challenge. The ratio of health centres per 100 000 inhabitants is 1.4 (national average 3.3) and the ratio of doctors in specialised care in hospitals is 1.6 (national average 1.8). The Canary Islands, due to their characteristics, have a specific additional allocation to compensate for the additional costs related to distance, market size or fragmentation, and difficult topography, which is partly invested in health.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in the field of health that strengthen primary and integrated care, including e-health, with a view to reducing health inequalities.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 400 million under REACT-EU. By December 2023, five hospitals and five primary care centres had been improved, with more than 2 million people benefiting from these actions.

Support to health in 2014-2020 – Emblematic project

Total budget: EUR 3.6 million *(EU support: EUR 2.9 million)* **Year of implementation:** 2017

The programme supported the supply of three magnetic resonance imaging scans for the health services management of the health areas of Lanzarote, Fuerteventura and La Palma. This action enables health assistance beyond the main islands of Tenerife and Gran Canaria.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 206 million, increasing the capacity of and modernising 17 healthcare facilities, with more than 243 000 people a year expected to use those facilities.

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Support to health in 2021-2027 – Operation of strategic importance

Total budget: EUR 40 million *(EU support: EUR 34 million)* **Year of implementation:** From 2024

The programme will support infrastructures, digitalisation and equipment in Canary Islands health centres, and their primary care.

(iii) Access to water and water treatment

The Canary Islands face significant issues related to water. The subtropical location of the Canary Islands and their proximity to the Sahara Desert led to aridity, due to low rainfall and high temperatures. With regard to water resources management, the available consumption and resource balances are almost zero or loss-making, as stated in the respective island plans, with the exception of La Gomera and La Palma. There is a narrow margin for the availability of additional ecological flows for the proper maintenance of habitats, landscapes and ecosystems, or for the regeneration of aquifers. With regard to consumption, given the importance of tourism, the average use of water per inhabitant in touristic municipalities is substantially higher than in other municipalities. Residents have a consumption of 150 litres per inhabitant per day, well above the national average, but well below the water consumption of tourists. In the field of sanitation and treatment, it is necessary to improve and extend wastewater treatment and pumping plants. Otherwise, water treatment volumes will deteriorate both in absolute terms caused by the gradual obsolescence of existing facilities, and in relative terms, due to the expected increase in water use because of population growth and tourism, while not enough treatment capacity

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, aim at addressing the Canary Islands' water transition to a management model that optimises the distribution network. The ERDF aims to contribute to improving these balances, by implementing actions to optimise distribution and improving storage.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 39.5 million in access to water and water treatment. The support is complemented by the ERDF pluri-regional programme investing EUR 31.6 million. By December 2023, the total amount of both programmes related to the Canary Islands had been invested and the targets had been reached, thus fulfilling the EU Directives in this area. More than 200 000 people benefited from these actions.

Wastewater treatment plant – Gáldar

Total budget: EUR 9.3 million *(EU support: EUR 7.9 million)* **Years of implementation:** 2021-2024

The project consisted of the extension of the existing wastewater treatment plant of Gáldar in Gran Canaria since it was at the limit of its nominal capacity. To this end, it has taken into account not only aspects relating to its mere extension, but also other aspects involving an improvement in the quality of the treated water, savings in energy consumption, implementation of renewable energies, and minimisation of the environmental impact of the treatment complex. It also addressed social aspects related to visual impact and atmospheric and noise pollution.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 14.2 million. The proposed measures in wastewater treatment willcontribute to the goal of zero pollution, which benefits public health, the environment and climate neutrality. The objective of the proposed urban wastewater treatment measures is to protect human health and safeguard the natural environment, putting in place the necessary infrastructure to collect and treat urban wastewater and to eliminate or reduce all undesirable effects when discharged into water bodies. The actions are proposed in those treatment plants which are at the limit of their treatment capacity or whose design, operation and some of their elements are obsolete. The target foresees more than 34 000 persons connected to 3 new or upgraded wastewater treatment plants in the region.

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(iv) Renewables

The development of renewable energies remains a key issue for the Canary Islands. Taking into account the national energy and climate plan, achieving the decarbonisation objectives requires significant efforts in this area. To this end, the Canary Islands need to promote and lead a profound change in the energy sector towards a more sustainable model based on energy efficiency and renewables.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support the Canary Islands' energy transition to a management model that optimises the distribution network.

Support provided under the 2014-2020 programmes

The ERDF planned to invest EUR 32 million in renewables. The indicators on renewables show an increase in the renewable energy production, with an estimation that the primary energy capacity reached 14 544 830 megawatt-hours.

Biogreenfinery

Total budget: EUR 5.9 million *(EU support: EUR 5.9 million)* **Year of implementation:** 2023

The BIOGREENFINERY project focuses in the technical feasibility and economic viability of the production of alternative fuels such as green hydrogen for transport. The project was funded 100% by REACT-EU, as part of the ERDF Operational Programme Canary Islands 2014-2020.

Support envisaged under the 2021-2027 programmes

The ERDF plans to invest EUR 41.2 million in the area of renewables. The targets are a reduction of greenhouse emissions by 83.36 tonnes CO_2/year and the production of renewable energy of 107 435 megawatt-hours/year.

Support to renewables in 2021-2027

Total budget: EUR 30 million (*EU support – REACT-EU: EUR 30 million)* **Year of implementation:** From 2024

The programme will launch calls for the green transition. The grants will support the improvement of energy efficiency, the use of renewable energies and the implementation of systems, smart grids and energy storage equipment. The aim is to improve energy efficiency, increase the use of renewable energies and energy storage in buildings and infrastructures of public administrations, both regional, insular, local and institutional; companies regardless of their size, especially those in the service and industrial sectors; individuals and legal entities in the residential sector, including users of social housing; energy communities; and third sector entities.

Other relevant EU funds or initiatives

In the area of sustainable energy, the Recovery and Resilience Facility supports the Canary Islands with specific investments (up to EUR 684 million). It will support the creation of the Clean Energy and Smart Projects for Islands Office and the installation of at least 180 MW of renewable energy. The RRF aims to support at least 600 actions, projects or programmes linked to the "Smart Islands" or "Clean Energy for EU Islands" programmes, dedicated to renewable energy, and energy storage.

(v) Education and training and early school-leaving

The Canary Islands face significant challenges concerning the education and skills level of its population. The early school-leaving rate is 14.7% (13.7% Spain, 9.5% EU). Tackling this issue is crucial to improve individuals' employability and economic prospects. The percentage of NEET (not in employment, nor education or training) is 11.1% (9.9% Spain, 9.2% EU). The percentage of people with basic or advanced digital skills is 56.3% (60.2% Spain) and suggests the need for greater emphasis on digital literacy programmes to bridge this gap. Adult participation in lifelong learning is relatively low (13.4%

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against 14.4% in Spain). Increasing adult participation in learning programmes would raise the overall skill levels of the population and ensure the sectoral diversification of the regional economy.

Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, aim at promoting integrated and comprehensive support for specific vulnerable groups, including labour market orientation and employment opportunities. For those young people far from the labour market, integrated pathways are envisaged, including orientation and training.

Support provided under the 2014-2020 programmes

The ESF planned to invest over EUR 85 million in education and training, specifically to improve access to higher education and to reskilling and upskilling actions and to address skills mismatches. To reduce early school-leaving, the programme supported training programmes for secondary education, which benefited 23 352 participants. The programme also supported various other initiatives, including an international MBA and PhD scholarship programme, from which 408 people benefited. In the field of education and training, the programme set a target for 2023 that at least 84% of participants in pre-doctoral programmes and international business training should obtain a qualification. The programme also aims to support higher vocational education and training so at least 75% of participants should obtain a qualification at the end of their course.

By December 2022, the EU had invested invested more than EUR 78 million and over 23 000 people had benefited from measures facilitating the transition from education to work, including dual learning systems and apprenticeship schemes.

Alternative employment training project 'Asmuquema' - Women wanting to do more painting

Total budget: EUR 244 000 *(EU support: EUR 224 000)* **Years of implementation:** 2016-2017

The 'Asmuquema' project, funded by the ESF and the Government of the Canary Islands through the Youth Guarantee programme, was implemented under the coordination of the Construction Labour Foundation in Las Palmas. Its main objective was to support unemployed women enrolled in the Youth Guarantee programme by providing specialised training in painting. For a period of 11 months, women were employed under a training and apprenticeship contract, which allowed them to receive both theoretical and practical training, as outlined in the certificate of professionalism, while actively participating in painting work, specifically the renovation of the first floor of the 'Nuestra Señora de Fátima' Social and Health Centre, managed by the Cabildo de Gran Canaria.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest over EUR 109 million in improving education and training, covering the quality and labour market relevance of education and training systems, as well as promoting lifelong learning and ensuring equal access to education and training opportunities for all. These investments aim to strengthen the skills and competencies of the workforce and to adapt them to the needs of the evolving labour market. The programme aims to help over 62 000 participants obtain a qualification by 2029. It also foresees helping over 32 000 young people aged 18-29 enter the labour market through training and learning activities by 2029.

(vi) Social inclusion and employment

The Canary Islands face significant challenges concerning social inclusion, as evidenced by its high at-risk-of-poverty or social exclusion (AROPE) rate of 33.8%. This is among the lowest performing regions in Spain, and well above EU average. The Canary Islands have one of the lowest employment rates in Spain, at 60.8%, and the fifth highest youth unemployment rate in Spain (32.8%). Its unemployment rate of 16.1% is one of the highest in Spain and long-term unemployment remains comparatively high at 41.2%. The region's reliance on tourism makes it vulnerable to fluctuations and to high seasonality. The Canary Islands have adopted plans to diversify the economy, reduce unemployment and reduce poverty by promoting innovation, entrepreneurship and skills development. Challenges remain, such as inadequate infrastructure and the need for training programmes tailored to industry needs.

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Cohesion policy programmes

EU funds, specifically the regional programmes under cohesion policy, support initiatives in this field by focusing on the social and labour integration of vulnerable groups.

Support provided under the 2014-2020 programmes

The ESF included significant investments to promote employment and reduce poverty and, by targeting specific groups, established a specific focus on improving social inclusion and employment. More than EUR 62 million was allocated to promoting sustainable and quality employment and supporting labour mobility, and more than EUR 21 million to initiatives aimed at promoting social inclusion and combating poverty and discrimination. Employment-related actions included more than 77 000 participants and the programme provided grants for self-employment and business advice to almost 38 000 beneficiaries. In the area of social inclusion, the programme provided integrated pathways, reintegration measures for people at risk of poverty or social exclusion, and family support measures, with 5 685 participants. By December 2022, the EU had invested more than EUR 13 million and almost 4 700 unemployed persons had benefited from active inclusion measures.

Inclusion and employability training project 'INFOREMIASS IV'

Total budget: EUR 437 000 *(EU support: EUR 401 000)* **Years of implementation:** 2016-2017

In 2017, the Canary Islands Employment Service, in collaboration with Canary Islands councils and other public bodies, developed the INFOREMIASS IV project which promotes work experience for young people registered in the national Youth Guarantee system as well as for people over the age of 45. The INFOREMIASS IV project has been implemented since 2013 by the Institute of Social and Health Care of the Cabildo of Tenerife. It promotes training to achieve employability for particularly vulnerable groups and focuses on unemployed young people with no training or experience.

Support envisaged under the 2021-2027 programmes

The ESF+ plans to invest over EUR 446 million in the Canary Islands, including an additional allocation of over EUR 165 million for outermost regions. It aims to help more than 36 000 unemployed persons, including the long-term unemployed, and to support more than 9 000 participants from vulnerable groups by 2029. The ESF+ will provide more than EUR 80 million for measures promoting social inclusion and the fight against poverty. Over EUR 104 million will be invested in improving access to employment and activation measures.

Other relevant EU funds or initiatives

Horizon 2020 funded the ATHENA project, aimed at removing barriers to the recruitment, retention and career progression of female researchers in eight research organisations in Europe.

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4. Additional notes

For the cohesion policy funds in the period 2014-2020, the programming period eligibility end date was 31 December 2023.

For the cohesion policy funds in the period 2021-2027, the programming period eligibility end date is 31 December 2029.

For REACT-EU, the eligibility end date was 31 December 2023.

The tables with the indicators in each factsheet use as data source Eurostat. Context indicators presented in the tables can be found via the following link: https://ec.europa.eu/eurostat/web/regions/database, under "Detailed datasets".

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