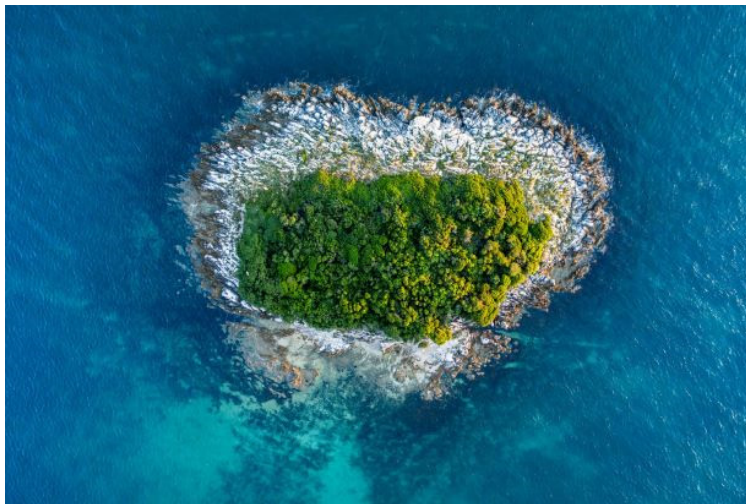


Islands of the European Union: State of play and future challenges



Regional Development



RESEARCH FOR REGI COMMITTEE

Islands of the European Union: State of play and future challenges

Abstract

This paper explores the specificities of islands of the European Union (including Outermost Regions), as well as their challenges and existing means of development. It aims to provide a basis for future discussions and research dedicated to islands' situation, including the impact of the pandemic on their future development potential. This analysis includes an overview of policy responses for islands' challenges, focusing on Cohesion Policy. Recommendations address, inter alia, decarbonisation, sustainability, quality of life, public services, connectivity and integrated development.

This document was prepared for the European Parliament's Committee on Regional Development.

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LIST OF ABBREVIATIONS

CAP	Common Agricultural Policy
CFP	Common Fisheries Policy
CoR	Committee of the Regions
CPR	Common Provisions Regulation
CSF	Common Strategic Framework
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF/ESI Funds	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU	European Union
EUSF	European Union Solidarity Fund
GDP	Gross Domestic Product
IMP	Integrated Maritime Policy
NUTS	Nomenclature of Territorial Units for Statistics
OCT	Overseas Countries and Territories
OR	Outermost Regions
REGI	Committee on Regional Development
SGIs	Services of General Interest
TFEU	Treaty on the Functioning of the European Union

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EXECUTIVE SUMMARY

Islands and island regions

There is no available systematic or harmonised list of European Union (EU) islands (including the smaller ones). However, some [recent sources](#) estimate that there were about 2400 inhabited islands in the EU-28. Islands belong to 13 Member States: Poland, Germany, Denmark, Sweden, Estonia, Finland, Netherlands, Italy, France, Greece, Spain, Portugal and Croatia. (Ireland, Malta and Cyprus are insular Member States.) After the withdrawal of the United Kingdom (UK) from the EU, the insular territories belonging to the UK are no longer part of the European Union islands. It is important to mention that there is a distinct category among islands that are Outermost Regions (ORs). These belong to France, Spain and Portugal, but are located in parts of the globe that are remote from Europe, such as the Atlantic or the Indian Ocean.

In Eurostat typology islands are classified as NUTS 3 level¹ island regions, which can be composed of several islands, not just one insular territory. However, some islands belong to NUTS 3 regions that also cover continental territory, therefore they are not recognized as island regions but as island units. Based on this type of regional grouping, on Eurostat, it is possible to consult data regarding islands (e.g. population, GDP, etc.), but only for islands that are part of island regions, and only for 11 Member States, as in Poland, Germany and Estonia, all islands are part of coastal NUTS 3 regions.

Based on Eurostat data, in 2020, the European NUTS 3 island regions (thus excluding islands that are part of continental Europe NUTS 3 regions) were home to a total population of over 20.5 million inhabitants, which is 2% more than the same NUTS 3 regions had in 2016. Island inhabitants in those NUTS 3 island regions represent 4.6% of the EU's population. Other than this, there is a shortage of statistical data on the exact population of the islands in the European Union. In-depth understanding of the situation of islands would require data collected at a more granular geographical level. However, the limitations of available quantitative evidence might not be overcome quickly and easily.

Policy Background

Islands are recognised as distinct territories in EU legislation, as their insularity and remoteness pose specific development challenges. Articles 174 and 349 of the Treaty on the Functioning of the European Union (TFEU) establish islands to be territories with certain geographical specificities, and create a clear legal basis for special measures for ORs.

In Cohesion Policy provisions, islands are usually grouped together with mountain regions and sparsely populated areas, rather than have tailor-made provisions. Most often, they belong to the “less developed” regions category. Outermost Regions, on the other hand, are better defined as a category and therefore have a more special approach under the European Structural and Investment Funds (ESIF/ESI Funds), as well as specific provisions in several EU policy areas. In the 2014-2020 programming period, islands benefited mainly from special rules on thematic concentration and modulation of co-financing rates, and sometimes additional allocations in order to achieve policy objectives. Based on the compromise texts available at the time of writing, in the 2021-2027 programming period the approach seems to be consistent with previous periods; a novelty being the introduction of specific provisions for ORs for their territorial cooperation activities.

¹ European Union's Nomenclature of Territorial Units for Statistics (NUTS) based on [Regulation \(EC\) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics \(NUTS\)](#). For most recent information at the time of writing, see: <https://ec.europa.eu/eurostat/web/nuts/background>

Due to the diversity of islands, there is no common European strategy for all of them, but there are several macro-regional strategies addressing islands together with coastal territories in specific sea basins, and there is also a European Strategy for Outermost Regions. At EU level, the interests of islands are represented by several organizations, which are also a base for cooperation in projects and other initiatives.

Current challenges and Recommendations

As islands are primarily characterized by a physical 'disconnection' from the mainland, there is a common understanding that many of the challenges faced by these territories are due to permanent conditionalities, such as the dependence on maritime and air transport.

Due to scarcity of land resources, it is common that insular economies depend on a limited number of sectors (which can sometimes have a seasonal character), and there is a constant dilemma between conservation and using land for development (such as economic activities, infrastructure, housing, etc.). Most insular territories still need to invest in basic infrastructure - such as roads, water supply and waste management facilities. Therefore, Services of General Interest (SGIs) are not fully developed on all islands, which leads to a certain migration trend, where people leave in search for a better quality of life. The COVID-19 pandemic has had a negative impact on island communities in terms of health crisis, job losses, food security, movement and travel, and remittances, inter alia. It is yet to be determined to what extent the pandemic has impacted island life, and whether the new European instruments such as the [Just Transition Fund](#) and the [REACT-EU](#) will be instrumental and sufficient for their recovery.

For EU islands, the dilemma between economic development and sustainability has been a constant in the past 10 years. Moreover, most islands rely on water and energy imports, fossil-fuels and unsustainable transport means, even for basic activities. With the EU Green Deal being one of the main pillars for the future of the European Union, and with the already-existing [communication on the Blue Economy](#), islands are facing a double race: towards recovery and towards sustainability, with less resources than mainland regions. Therein, their situation requires a particular coordination of efforts and resources for a successful recovery from the pandemic and a proper transition towards a green, digital and resilient future.

The recommendations included in this study come from various strategic documents, studies, reports, policy papers et al. as well as from stakeholder discussions and they tend to focus on: smart and resilient islands, energetic sustainability, better connectivity with the mainlands/continents, increased quality of life and opportunities for inhabitants and striving towards tailor-made/dedicated European policies. Overall, in the future, islands have to be more resilient, and they should have sufficient resources to better cope with situations such as natural disasters and health crisis. Inter alia, islands should develop sustainable economies that are less seasonal and more diversified.

Although a certain attention to islands is given at European level, the core of future intervention lies within the competence of Member States and in their national and regional policy papers, strategic documents, programmes and projects. Nevertheless, when it comes to representation of their interests in policy making, sharing of experience and receiving additional technical support, there is scope for improvement, maybe through common actions with other areas mentioned in Article 174 TFEU and through better coordinated exchanges of experience and expertise.

For European Union's islands, tailor-made opportunities, solutions and policy measures are not a matter of privilege, but a mean of ensuring their survival as unique landscapes, preserving their heritage as well as the communities that have inhabited them for centuries. A considerable coordination effort, from European level to macro-regional, national and regional levels will be required to make the most out of the proposed recommendations and the available policy instruments, in order to boost island life.

1. INTRODUCTION

For the purpose of economic and social cohesion, the European Union (EU) recognizes that some territories, which have certain geographical specificities, face permanent structural handicaps that prevent them from competing with other areas on an equal footing, resulting in development gaps. It is the case of mountainous and cross-border areas, sparsely populated northernmost areas and islands. Additional to this, islands that are Outermost Regions (ORs) are considered to have a double insularity condition, due to their geographical remoteness from 1) the continental lands and from 2) the European Union. (ESPON, 2019) Clear reference is made to insular territories in the Treaty on the Functioning of the European Union (TFEU): Articles 174 (islands) and 349 (Outermost Regions). **For the purpose of this study, the term “islands” refers to all European Union insular territories that are inhabited and located in sea basins or oceans, including the 8 insular Outermost Regions², unless other distinctions are being made.**

This paper explores the specific territorial development issues of islands, as a basis for potentially launching further studies to examine the situation of these territories. Taking into account the changes in territorial nomenclature units and the impact of the COVID-19 pandemic that is yet to be determined, a more thorough analysis of islands' situation in terms of socio-economic and service provision indicators could be beneficial, especially if a proper recovery is to be ensured. **This is an own initiative study of the Policy Department B for Structural and Cohesion Policies within the European Parliament: it has not been requested directly by the REGI Committee, nevertheless, it is based on internal discussions that highlighted the relevance of this topic for the Committee.** The study is a result of a thorough desk research of over 42 studies, strategies, policy papers, official opinions, legislative documents et. Al, relevant for island's situation, of Eurostat indicators analysis, and of exchanges with the European Commission's DG REGIO and Eurostat.

The analysis included in this study has three main parts, complemented by a chapter on recommendations. The three analytical chapters start with a description of geographic and statistical typology of islands in the EU, followed by a chapter giving insight into how different policy areas address islands (with a focus on the European level, and European Cohesion Policy). This chapter also includes a section about the different organisations representing the interests of islands as well as a “macro-regional” perspective based on water basins. The third main part describes the specific challenges facing islands, and is organised around the five thematic areas covered by the future policy objectives of Cohesion Policy. It has to be noted that the new Cohesion Policy regulations for the 2021-2027 period are not yet adopted at the time of writing; based on available information the new framework is to set 5 major objectives, which European islands will have to strive towards. The recommendations included in the final chapter are organised using the same logic and were collected from existing analysis.

² Continental French Guiana is the 9th Outermost Region.

2. ISLANDS, FROM UNIT TO MACRO-REGION

KEY FINDINGS

There is a clear difference between islands as geographical units and islands as regional/administrative territorial units, which makes it difficult to collect and update statistical data that reflects the exact number of islands, their population, and other specificities. The situation is especially delicate for small islands or territories with intricate coastlines, which are subject to continuous land fragmentation.

From the data available so far, it can be estimated that there are around 2 400 inhabited islands in the European Union (latest available data for EU-28, thus before the withdrawal of the United Kingdom from the EU), some of them being grouped in 58 island regions (EU-27) with a total population of over 20 500 000 inhabitants (EU-27), which represents 4.6% of the total EU-27 population.

The diversity of regional specificities is a constraint in addressing islands as one distinct policy category at European level, therefore islands are most commonly recognized by water basin localisation, such as Mediterranean, Baltic, Northern, Atlantic or Outermost Regions.

2.1. Islands and island regions

From a geographical point of view, **islands are territories smaller than continents, which can be inhabited or not, their main feature being that they are entirely surrounded by water.** Therein, insular territories are regarded as individual units, while island groupings are referred to as archipelagos. Islands can exist in any body of water, be it oceans, seas, lakes or rivers. As mentioned before, this paper particularly refers to all European Union insular territories that are inhabited and located in sea basins or oceans, including the 8 insular Outermost Regions, unless other distinctions are being made. Due to continuous land fragmentation and depopulation, **keeping track of the number of islands which are inhabited and the number of islands which have no permanent residents is challenging.** At the time of writing, no systematic nor harmonised list of islands (including the smaller ones) is available. However, some [recent sources](#) estimate that there were about 2400 inhabited islands in the EU-28, with a population of over 20 500 000 inhabitants (Eurostat, 2020 data, estimation based on NUTS 3³ island regions, which excludes islands that are part of continental Europe NUTS 3 regions). Other than this, there is a shortage of statistical data on the exact population of the islands in the EU. After the withdrawal of the United Kingdom from the EU, the insular territories belonging to the UK are no longer part of the European Union islands.

According to Eurostat's [Territorial typologies manual](#), islands are defined as territories having a minimum surface of 1 km², which are located at a minimum distance between the island and the mainland of 1 km, with a resident population of more than 50 inhabitants and no fixed physical link with the mainland. This typology classifies⁴ islands as **NUTS level 3 island regions** (NUTS 3), which can be composed of several islands, not just one insular territory. However, some islands belong to

³ European Union's Nomenclature of Territorial Units for Statistics (NUTS) based on [Regulation \(EC\) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics \(NUTS\)](#). For most recent information at the time of writing, see: <https://ec.europa.eu/eurostat/web/nuts/background>

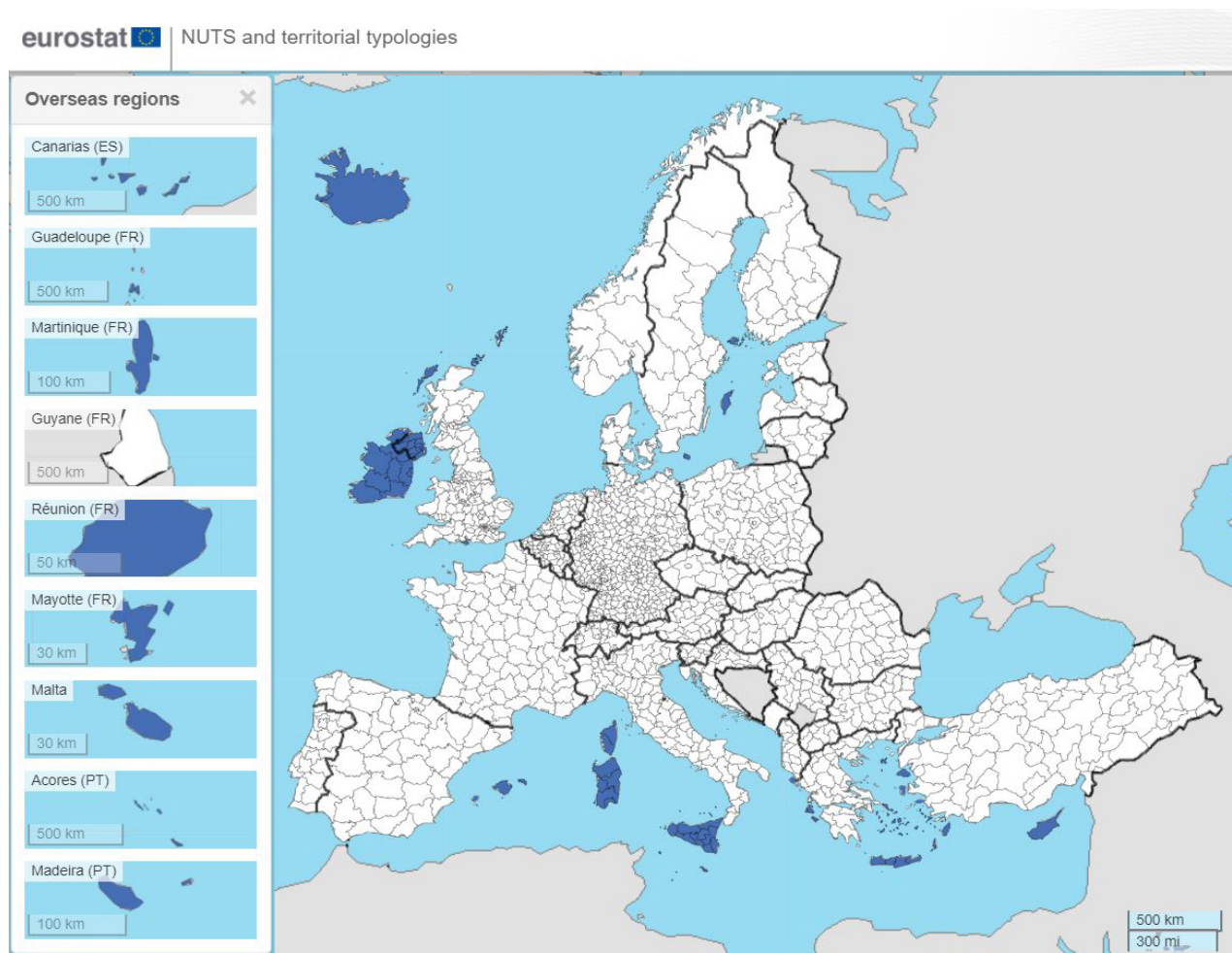
⁴ Thus, NUTS 3 island regions are not a category mentioned in the NUTS classification, but a category created for statistical purposes.

NUTS 3 regions that also cover continental territory, therefore they are not recognized as island regions but as island units. This leads to only 11 EU Member States having NUTS 3 island regions, whereas in Poland, Germany and Estonia, all islands are part of coastal NUTS 3 regions.

According to this typology, [in 2021, the EU-27 has 58 island regions](#), compared to 2016, when the EU-28 had 76 island regions. [This map](#) allows an interactive view of the structural changes at NUTS 3 level for island regions. The drastic change in the number of NUTS 3 island regions has various reasons (See maps in Annex 1 for further details):

- The withdrawal of the United Kingdom from the EU: 15 UK NUTS 3 island regions left the EU.
- Italy: Sardinia, which was divided into 8 NUTS 3 island regions in 2016 (NUTS 3 codes: ITG25, ITG26, ITG27, ITG28, ITG29, ITG2A, ITG2B, ITG2C), has reshaped its territorial units into 5 NUTS 3 regions in 2021 (NUTS 3 codes: ITG2D, ITG2E, ITG2F, ITG2G, ITG2H); However, no territories were added or extracted from the Italian island regions.

Figure 1: NUTS 3 island typology 2021



Source: [Eurostat 2021](#)

Based on Eurostat data, **in 2020, the European NUTS 3 island regions were home to a total population of over 20 500 000 inhabitants (See Table 1)**, which is 2% more than the population the same NUTS 3 regions had in 2016. Island inhabitants represent 4.6% of the EU's population. **Italy, Ireland, Spain, France and Greece** are the most numerous in terms of NUTS 3 island regions and island population:

- Italy: 14 NUTS 3 island regions in 2021, which had a total population of over 6 400 000 inhabitants in 2020, and a population decrease of 4% compared to 2016. (The values presented are for the same territory, regardless of the change in the NUTS 3 classification over the years).
- Ireland (insular Member State): 8 NUTS 3 island regions in 2021, which had a total population of over 4 900 000 inhabitants in 2020, and a population increase of 5% compared to 2016.
- Greece: 12 NUTS 3 island regions in 2021, which had a total population of over 1 300 000 inhabitants in 2020, and a population increase of 3% compared to 2016.
- Spain: 10 NUTS 3 island regions in 2021, mostly ORs, which had a total population of over 3 400 000 inhabitants in 2020, and a population increase of 5% compared to 2016.
- France: 6 NUTS 3 island regions in 2021, mostly ORs, which had a total population of over 2 200 000 inhabitants in 2020, and a population increase of 1% compared to 2016.

Portugal has two NUTS 3 island regions which are ORs, having gathered a total population of almost 500 000 inhabitants in 2020, value which has decreased by 1% since 2016. **Denmark, Finland and Sweden** each have only one NUTS 3 island region, with a population of below 60 000 inhabitants per region.

Two insular Member States, **Cyprus** (1 NUTS 3 region) and **Malta** (2 NUTS 3 regions) have registered an increase in the number of inhabitants since 2016: Cyprus' population increased by 4%, to over 880 000 inhabitants in 2020, while Malta's population increased by a record 12%, to almost 500 000 inhabitants in 2019.

In terms of record population increase in 2020 compared to 2016, a few NUTS 3 regions stand out: the Greek Lesvos & Limnos and Ikaria & Samos with 16%, the Spanish Fuerteventura and the Greek Chios with 11% and the French Mayotte with 14%. On the other hand, Italian island regions have been mostly affected by a certain decrease in population. (For the population data per each NUTS 3 region see Annex 2).

Table 1: Population living in NUTS 3 island regions on 1 January by Member State

	2016	2017	2018	2019	2020	2020 compared to 2016 (%)
IT	6 732 399	6 709 776	6 675 165	6 639 482	6 486 911	-4
ES	3 270 736	3 305 940	3 343 971	3 395 121	3 447 717	5
GR	1 345 431	1 356 253	1 366 178	1 380 079	1 392 881	3
FR	2 230 702	2 236 921	2 244 613	2 249 563	2 254 154	1
PT	502 190	500 159	498 230	496 791	497 050	-1
MT	450 415	460 297	475 701	493 559	514 564	12

	2016	2017	2018	2019	2020	2020 compared to 2016 (%)
FI	28 983	29 214	29 489	29 789	29 884	3
SE	57 391	58 003	58 595	59 249	59 686	4
DK	39 847	39 773	39 715	39 662	39 583	-1
CY	848 319	854 802	864 236	875 899	888 005	4
IE	4 726 286	4 784 383	4 830 392	4 904 240	4 964 440	5
TOTAL	20 232.699	20 335 521	20 426 285	20 563 434	20 574 875	2

Source: Eurostat.

It is important to be mentioned that those NUTS 3 regions which comprise coastland territories as well as islands (e.g. along the Adriatic coastline in Croatia) cannot be defined as island regions. It is also the case of Denmark which has 99 inhabited or uninhabited islands, out of which only Bornholm is a NUTS 3 island region because it is not connected by a physical link to the land, nor is it part of a region which also includes mainland.

Therefore, it can be concluded that **the inclusion of islands under the NUTS 3 territorial nomenclature led to the exclusion of a large number of islands from the statistical analysis** and often has the effect of a systematic truncation in data sets. (European Commission, ADE, 2012) For island regions, Eurostat presents some data (grouped into categories of demography, population projections, the labour market, crimes recorded by the police, economic accounts, business demography, intellectual property rights and transport) aggregated [per Member State](#), but it is also possible to consult [some indicators](#) for the 11 member states per NUTS 3 island region. There is also an interactive map which allows to view [illustrated statistics](#) on island regions, together with coastal and non-coastal regions of the EU, for a broader understanding of the territorial development context for certain indicators. At the time of writing, there is no recent study with a focus on islands analysing such indicators at EU level, therefore this topic could be further explored, especially in relation to the effects of the COVID-19 pandemic, when the data for the 2020 and 2021 will be available.

It has to be noted that **in-depth understanding of the situation of islands would require data collected at a more granular geographical level**. However, the limitations of available quantitative evidence might not be overcome quickly and easily; better availability of high-resolution geographical data could be a solution (in the medium term), allowing for better analysis of smaller (insular) territories (e.g. regular gridded population data, environmental indicators, such as on air pollution, enhanced land use/land cover data, etc.).

While NUTS 3 are considered relatively small regions, **NUTS 2 regions are the basis for the application of EU cohesion policy** (See Chapter 3.1.2). According to the 2021 territorial nomenclature, the NUTS 2 regions that are composed of only NUTS 3 island regions are in:

- **Finland** (Aland).
- **Spain** (Balearic Islands, Canary Islands).
- **France** (Corsica, Martinique, Guadeloupe, Mayotte and Reunion).
- **Greece** (South Aegean Islands, North Aegean Islands and Crete).
- **Portugal** (Madeira and Azores Autonomous Regions).
- **Italy** (Sardinia and Sicilia).
- **Ireland** (Northern and Western, Eastern and Midland, Southern).
- **Malta and Cyprus** which are insular countries, each represent a NUTS 2 region.

Apart from these, the Greek Ionian Islands NUTS 2 and the Danish Hovedstaden NUTS 2 regions were home to both island and non-island NUTS 3 regions. For these particular regions, which are not entirely NUTS 2 island regions, special attention should be paid when collecting data.

In addition, as the NUTS classification changes every 3-5 years, this creates challenges with historical statistical comparisons in case the changes affect a particular NUTS region, a fact to be also taken into account in analysis. (For more explanation about NUTS and cohesion policy and tracking of cohesion spending per region or Member State see Chapter 3.3)

2.2. Islands and their water basins

Insular territories are also referred to by their water basin localisation, such as **Baltic Sea Islands**, **Northern Sea Islands**, **North Atlantic Islands**, **Mediterranean Islands** and **Outermost Regions**. This approach is more common within maritime cross-border cooperation initiatives, and in macro-regional strategic documents that usually address islands together with coastal regions.

Baltic Sea Islands belong to 7 Member States (Poland, Germany, Denmark, Sweden, Estonia and Finland). They are usually smaller in size, and rely mainly on fisheries, aquaculture, agriculture, forestry and services as their main economic activities. Tourism is also particularly important in the summer. This sea basin is also shared with Russian islands.

Islands in the Northern Sea belong to 3 Member States (Netherlands, Denmark, Germany) and Norway. These are usually smaller in size, numerous and very fragmented. Northern Islands rely mainly on fisheries, aquaculture, agriculture, forestry and services as their main economic activities. Tourism is also particularly important in the summer. This sea basin is also shared with UK islands.

North Atlantic Islands: It includes Ireland, an insular Member State, which gathers a total population of more than 4 900 000 inhabitants in 2020, according to Eurostat. The north eastern part of the Atlantic Ocean, where Ireland is located, is also shared with islands belonging to the United Kingdom, which are no longer a part of the European Union at the time of writing. Moreover, Ireland shares the same island territory with Northern Ireland, a part of the UK. Ireland has been known to have a strong [knowledge economy](#), based on ICT, financial services and agribusiness.

Islands in the Mediterranean Sea belong to 7 Member States (Italy, France, Greece, Spain, Croatia, Malta and Cyprus, the last two being insular countries), where some of the biggest and most developed EU islands are located. The services sector, especially tourism, is one of the main economic activities for Mediterranean islands, but agriculture and fisheries are also important sectors. The same water basin is also shared with 3 Tunisian Islands, 8 Turkish Islands and 1 Albanian Island.

Outermost Regions are territories located in parts of the globe that are remote from Europe. Out of the 9 ORs, 8 are insular territories belonging to France (Saint-Martin, Martinique, Mayotte, Guadeloupe, and Réunion), Portugal (Madeira and Azores) and Spain (Canary Islands). In total, they reach a population of more than 4.5 million citizens. The main economic activities in the ORs are services and

industry, with agriculture, forestry and fishing being traditional economic activities of significant importance. Inter alia, the ORs face double-insularity challenges characterized by extreme remoteness, small size, vulnerability to climate change and a difficulty of integration in the internal market of the Union. “Article 349 of the Treaty on the Functioning of the European Union (TFEU) recognises that the Outermost Regions differ from the rest of the EU in a number of ways that constrain their economic and social development. Under European law this article allows the adoption of specific measures appropriate for the real situations of the ORs.”⁵.

There are 13 islands categorized as **Overseas Countries and Territories** (OCTs) that are associated to the European Union, out of which 12 are islands with permanent population. These are located in the Atlantic, Antarctic, Arctic, Caribbean, Indian Ocean and Pacific Ocean, without being considered ORs or Member States. OCTs have constitutional relationships with Denmark, France and the Netherlands ([European Commission](#)). However, this category is not the subject of the present paper, and could further be explored in a dedicated analysis.

⁵ [The Outermost Regions. European Lands in The World](#), study, European Commission, 2017.

3. POLICY AND REPRESENTATION

KEY FINDINGS

- Islands and Outermost Regions are recognized as distinct territories in several EU policy areas, as their insularity and remoteness pose specific development challenges.
- In Cohesion Policy provisions, islands are usually grouped together with mountain regions and sparsely populated areas, rather than have tailor-made provisions. Most often, they belong to the “less developed” regions category.
- Outermost Regions, on the other hand, are better defined as a category and therefore have more specific provisions in several policy areas, and special approach under ESIF. They also have a dedicated EU strategy.
- The final regulations for the ESIF funds for the 2021-2027 period are not yet in force at the time of writing, but based on the available compromise texts the approach towards islands seems to be consistent with the previous programming periods, as the Cohesion Policy provides the tools to address all areas with geographical specificities. A novelty will be that a new fourth component will be created for cooperation of Outermost Regions in the European Territorial Cooperation regulation.
- While islands seem to be too diverse to be addressed in an integrated European strategy, they are addressed within water basin (macro-regional) strategies up to a certain extent. Still, some argue that insular territories have not been given enough attention within these types of documents and make the case for water basin strategies focused solely on islands.
- At national level, the attention given to islands varies according to the percentage that they represent within the total surface of the Member State. In the best cases, there is specific national legislation, national strategies and dedicated Cohesion Policy Operational Programmes for islands. In other situations, islands have to compete with other regions in accessing funding.
- Islands resorted to transnational cooperation in research and innovation projects in order to access additional funding and to create tailor-made solutions designed for overcoming their unique challenges.

3.1. European level

3.1.1. Recognition of islands and Outermost Regions as distinct territories

Islands, alongside mountain regions, northernmost sparsely populated regions, areas affected by industrial transition, rural areas and cross-border regions are recognized as territories with specific geographical features in the [Treaty on the Functioning of the European Union \(Article 174\)](#). There is no specific definition of “island” laid down in the Treaty, however the declaration on Article 174 TFEU states that “island regions can include island States in their entirety, subject to the necessary criteria being met”. As already mentioned before, the islands that are at the same time **Outermost Regions are recognized distinctly, by Article 349 TFEU**, because of “their remoteness, insularity, small size, difficult topography and climate, economic dependence on a few products, the permanence and combination of which severely restrain their development”. Article 349 TFEU allows the adoption of specific measures regarding “customs and trade policies, fiscal policy, free zones, agriculture and

fisheries policies, conditions for supply of raw materials and essential consumer goods, State aids and conditions of access to structural funds and to horizontal Union programmes”.

Further to the specific mentioning in Article 174, the TFEU articles related to “Economic, social and territorial cohesion” do not lay down specific provisions for islands compared to other territories of the EU: Article 174 sets the goal for reducing disparities between levels of development with the rest of the EU, while Article 175 proposes to achieve the above mentioned by action taken through the Structural Funds (European Agricultural Guidance and Guarantee Fund, Guidance Section; European Social Fund; European Regional Development Fund), the European Investment Bank and the other existing Financial Instruments. It is also mentioned that, if necessary, a legislative procedure can be set up to take actions outside the above-mentioned funds. Based on these articles, in 2016, **the European Parliament adopted a [resolution on the special situation of islands](#)**, asking, inter alia, for clear definitions of insular challenges and of the actions to be taken, stressing the potential of European Union insular territories to contribute to strengthening sustainable development of the Union.⁶

Some **other TFEU articles** include the following **provisions about possible EU actions** taken in islands and in ORs:

- Article 170 TFEU regarding Trans-European Networks also states that EU actions “shall take account in particular of the need to link island, landlocked and peripheral regions with the central regions of the Union”.
- Article 107 TFEU specifically mentions ORs in the category of aid that may be considered compatible with the internal market.

3.1.2. Islands in European Union policies

This section outlines how islands are addressed and supported by relevant EU policies. The scope of this paper does not allow for a fully-fledged analysis of all policy areas, and the main focus is kept on Cohesion Policy and its instruments, and on the 2014-2020 programming period (because the regulations for the 2021-2027 period are not yet in force at the time of writing).

a. Cohesion Policy

The **European Structural and Investment Funds (ESIF/ESI Funds)** are the main financial tools of the European Union budget for local and regional development, financing a series of diverse actions for all territories of the European Union, thus for islands as well. Because of the special conditions stemming from insularity, islands and ORs usually fall into the category of less developed regions and benefit from the particular co-financing rates and allocations set up for these. In addition, the regulatory framework for 2014-2020 period established **certain provisions to better address the needs of islands and support their potential**. These can be found in the [Common Provisions Regulation \(CPR\)](#)⁷ as well as in some of the five fund-specific regulations linked to the CPR (the European Regional Development Fund (ERDF); the European Social Fund (ESF); the Cohesion Fund; the European Agricultural Fund for Rural Development (EAFRD); and the European Maritime and Fisheries Fund (EMFF)⁸). It is important to mention that **(1) not all ESIF have special provisions neither for islands, nor for ORs and that (2) the regulatory framework does not create a specific category for islands differentiated from**

⁶ European Parliament resolution of 4 February 2016 on the special situation of islands.

⁷ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

⁸ The EAFRD and the EMFF are further discussed in the Sections on the Common Agricultural Policy and the Common Fisheries Policy.

other (less developed) regions. Overall, **ORs are addressed in more detail** than islands in general, also because of the stronger legal basis provided by Article 349 TFEU.

The CPR, which is a single set of rules covering the ESI Funds:

- Highlights ORs and their specific challenges when defining the content of the Common Strategic Framework (Article 11).
- Allows for specific modulation of the co-financing rates for islands under certain conditions⁹ and ORs, as they are recognized to be “areas with severe and permanent natural or demographic handicaps”.
- Urges Member States to take into account the specific challenges of the ORs and islands when designing their overall approach to promoting smart, sustainable and inclusive growth (Annex I, Common Strategic Framework (CSF), Section 6.5(b)).
- Asks Member States and regions to adopt cross-border and transnational cooperation as means to support the joint management and promotion of islands’ natural resources (CSF, Section 7.2(a)).
- Provides additional allocation for certain insular Member States (Malta and Cyprus).
- Awards additional funding and special co-financing rates for ORs under the Investment for growth and jobs goal (Articles 92(1) and 120(3)); the additional special allocation corresponds to an aid intensity of EUR 30 per inhabitant per year is to be allocated to NUTS level 2 regions distributed per region and Member State in a manner proportional to the total population of those regions (Annex VII Allocation methodology, paragraph 9.).
- Awards an additional financial envelope for certain insular Member States (Malta and Cyprus) under the Investment for growth and jobs goal (Annex VII Allocation methodology, paragraphs 18 and 21.).

There are **a few special provisions concerning the ERDF under both the Growth and Jobs and the European Territorial Cooperation goal (ETC)**¹⁰. Thematic concentration rules take account of the special characteristics of ORs and islands. When it comes to thematic concentration under the Investment for growth and jobs goal, all ORs and all NUTS level 2 regions consisting solely of island Member States or of islands that are part of Member States which receive support from the Cohesion Fund are considered less developed regions ([ERDF regulation](#)¹¹, Article 4). Moreover, the specific additional allocation for ORs is exempted from the thematic concentration rules, as laid down in Article 12 of the ERDF Regulation. The same article states that the “allocation shall be used to offset the additional costs, linked to the special characteristics and constraints referred to in Article 349 TFEU, incurred in the Outermost Regions”. Such additional costs might be linked to the implementation of the thematic objectives set out in Article 9 CPR, or to freight transport services and start-up aid for transport services as well as for operations linked to storage constraints, the excessive size and maintenance of production tools, and the lack of human capital in the local market. In ORs, the ERDF may also support productive investment in enterprises, irrespective of the size of those enterprises

⁹ Island Member States eligible under the Cohesion Fund, and other islands except those on which the capital of a Member State is situated or which have a fixed link to the mainland”, Article 121.

¹⁰ ETC is often referred to as INTERREG.

¹¹ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.

(ERDF Regulation, Article 12(5). **The ETC Regulation¹² does not include specific provisions for islands. However, ORs are thoroughly addressed,** the ETC Regulation:

- Specifies the rules on geographical coverage in the case of ORs (Article 3).
- Seeks to secure sufficient funding levels for Outermost Regions' cooperation (recital 14, Article 4). It is also provided that an amount of EUR 50 000 000 from the allocation for interregional cooperation shall be set aside for Outermost Regions' cooperation.
- Seeks to establish coordination mechanisms in ETC programme that involve ORs and third countries and imply possible complementary financing from the European Development Fund (EDF), the European Neighbourhood Instrument (ENI), the Instrument for Pre-accession Assistance (IPA II), and the European Investment Bank (EIB) (recital 20, Article 8(5)).
- Takes into account the specificities of cases where programmes involve ORs and third countries, as often those territories that are geographically closer than the EU Member States. Due to the particular context and specificities of cooperation programmes between ORs and third countries or territories, the ETC Regulation allows for lightened cooperation conditions in terms of processing operations (Recital 23).

Box 1: 2021 – 2027 Cohesion Policy

As the final Cohesion Policy regulations for the 2021-2027 period are to be published in the months following the publication of this paper, new provisions for islands or ORs are not yet in force. Based on the [compromise texts](#), available at the time of writing, the approach towards islands seems to be consistent with the previous programming periods, as the Cohesion Policy provides the tools to address all areas with geographical specificities. The future CPR does not include very specific provisions to islands, except for ORs (specific measures and additional funding to offset the structural social and economic situation as well as the handicaps mentioned in Article 349 TFEU). It is likely that islands will continue to be considered less developed regions. The [compromise text](#) for the future ERDF and Cohesion Fund regulation emphasises the need of an integrated approach towards areas with permanent natural or demographic challenges, and sets out specific provisions for ORs, including details on the specific allocation they receive (e.g. that this allocation is not subject to the thematic concentration requirements). Based on the available [compromise text](#), the future ETC regulation will bring about a novelty for ORs, namely that a specific component will be established for their cooperation to make it simpler and more effective (taking into account the involvement of third countries and overseas territories). This component comes as a fourth strand under ETC (the original three strands being cross-border, interregional and transnational) that can also be implemented under indirect management.

All in all, it will be in the competences of Member States to create more tailor-made provisions for islands in their Partnership Agreements, in the design of their Operational Programmes and even in national legislation.

Neither the ESF nor the Cohesion Fund regulation refers to islands or Outermost Regions. Finally, it has to be mentioned, that the regulation laying down the rules for the **European Groupings of Territorial Cooperation (EGTC regulation¹³)**, specifically refers to ORs in the context of cooperation with third countries.

¹² Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

¹³ Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC).

b. Common Agricultural Policy

The [European Agricultural Fund for Rural Development](#)¹⁴, which is an ESI Fund¹⁵, but at the same time an instrument under the second pillar of the Common Agricultural Policy, includes specific provisions taking into account island specificities, for example in relation to forest ownership and investments in forestry technologies (Articles 21 and 26), and it sets a higher aid intensity (Article 59) in order to mitigate the specific constraints resulting from the level of development, from remoteness and insularity. A maximum EU funding contribution (85%, up to 90%) can be established for less-developed regions, for Outermost Regions and for the smaller Aegean islands, as well as for transition regions.

It is important to mention that the European Agricultural Guarantee Fund (EAGF) supports dedicated agricultural schemes for ORs and small Aegean islands (recognized to be an extremely fragmented insular territory with severe geographic or natural constraints), under the following specific regulations:

[Smaller Aegean Islands scheme](#)¹⁶: Member States have the possibility to target regional support for some sectors or types of farming undergoing difficulties to maintain their viability. It brings aid for farmers with unstable income, often with land in remote areas or marginal land also contributes to maintaining or creating jobs (Chapters III, IV and V).

[POSEI scheme](#)¹⁷: dedicated to ORs, helps ensure the “essential agricultural products for human consumption by mitigating the costs incurred due to extreme remoteness, helps secure the development of the ‘livestock’ and ‘crop-diversification’ sectors, and aims to maintain and strengthen the competitiveness of traditional agricultural activities, including the production, processing and marketing of local crops and products.” (Article 2).

c. Common Fisheries Policy (CFP) and Integrated Maritime Policy (IMP)

The [European Maritime and Fisheries Fund](#)¹⁸ is the ESI Fund supporting the development and implementation of the CFP as well as that of the IMP in a manner complementary to Cohesion Policy and to the CFP. The EMFF is designed to tackle so called Union priorities such as fisheries conservation, sustainable aquaculture production, seafood processing and marketing, etc. (Article 6) Under the EMFF ORs are being given special provisions, such as those related to state aid (the possibility to grant operating aid within the sectors producing, processing and marketing fishery and aquaculture products, Article 8) to specific compensatory allocations (Articles 13 and 70-71), specific provisions related to the impact of fishing on the marine environment (Article 38). A higher aid intensity is granted for operations located in the remote Greek Islands, in the Croatian islands of Dugi Otok, Vis, Mljet and ORs (Annex I).

¹⁴ Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005.

¹⁵ The EAFRD was covered by the CPR in the 2014-2020 period and thus it was considered to be an ESI Fund. The regulatory approach has changed for the 2021-2027 period with the EAFRD no more being grouped together with Cohesion Policy funds and the EMFF. However, actions covered by the EAFRD remain relevant for cohesion, and should therefore be taken into account when analysing the situation of islands.

¹⁶ Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006.

¹⁷ Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006.

¹⁸ Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council.

In addition to the support provided by the EMFF, there are other specific Council Regulations^{19,20} for compensating additional costs incurred in fishery.

d. European Union Solidarity Fund (EUSF)

The [European Union Solidarity Fund](#)²¹ is not an instrument of Cohesion Policy, but it plays an important role in mitigating the impact of events detrimental to the development of territories. (The EUSF falls in the competence of the REGI Committee.).

A special mention should be made regarding the eligibility of ORs within the EUSF, due to their vulnerability in the face of extreme weather events (e.g. hurricanes): Article 2 of the EUSF Regulation mentions that for ORs, the recovery from any natural disaster resulting in direct damage in excess of 1% of that region's GDP is to be supported by this fund. Examples of EUSF support to islands and ORs include: Saint Martin (Hurricane Irma in in 2017), Cyprus (drought and fires in 2008 and 2016), Réunion (Cyclone Gamède 2007), Martinique (Hurricane Dean, 2007), Lesbos and Kos (earthquake in 2017), Crete (severe weather, 2019), Ireland (floods, 2019), Madeira (floods and landslides, 2010)²².

Box 2: Other EU policy areas

As mentioned earlier, the scope of this paper does not allow for a thorough analysis of all policy areas, nevertheless, it is important to note that further to the above outlined areas, several other EU policies take account of the specificities of islands: in the field of environment (e.g. landfill, urban waste water treatment), targeted legal provisions and exemptions are provided for in legal texts. Moreover, the [LIFE program](#) co-finances projects in the environmental sector, and account is taken of islands, e.g. in relation to waste management. Another example is the Motorways of the Sea, which plays an important role in improving access to European markets for islands (it is part of [trans-European transport network](#)). Horizon 2020, which finances research and innovation, doesn't have special provisions for islands, but has been a very useful instrument for these territories to create ground-breaking tailor-made solution to overcome their challenges, especially in the energy sector. Finally, state aid rules do consider islands in many ways, e.g. the General Block Exemption Regulation¹ treats islands differently when it comes to e.g. social aid or aid intensity for airports.

e. New instruments for the 2021-2027 period

In order to ensure a proper response and recovery from the Covid-19 pandemic, which has hit the entire European Union, bringing with it unprecedented socio-economic and health challenges, the [REACT-EU regulation of 23 December 2020](#) was adopted. It amends the CPR and adds exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and for preparing a green, digital and resilient recovery of the economy (Recital 5). This regulation urges Member States to use REACT-EU funds to support people in islands and ORs, especially those who have been hit harder by the pandemic, and sets additional financial resources for ORs and for Malta (Recitals 5 and 14).

¹⁹ Council Regulation (EC) No 2328/2003 of 22 December 2003 introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion, as a result of those regions' remoteness (OJ L 345, 31.12.2003, p. 34).

²⁰ Council Regulation (EC) No 791/2007 of 21 May 2007 introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the outermost regions the Azores, Madeira, the Canary Islands, French Guiana and Réunion (OJ L 176, 6.7.2007, p. 1).

²¹ Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund.

²² [EU Solidarity Fund Interventions since 2002](#), European Commission, 2019.

In addition to recovery from the pandemic generated crisis, islands also have to focus on the new climate targets set out by the [European Green Deal](#). With a scope to reach climate neutrality by 2050, the EU Green Deal seeks to develop a long-term framework to accelerate the clean energy transition on all EU islands, as well as to support circular economy and biodiversity conservation. At the time of writing, the Just Transition Fund (JTF), a new instrument of the EU Green Deal is awaiting adoption and publication²³. The JTF is aimed at supporting the transformation of regions relying mostly on fossil fuels and high-emission industries. The [compromise proposal for the JTF regulation](#) urges Member States to focus on supporting ORs and islands and dedicate specific amounts from their national allocations towards these territories (Article 3c²⁴ Specific allocations for outermost regions and islands). The Territorial Just Transition Plans will include a section identifying the outermost regions and islands with specific challenges and the specific amounts allocated for these territories with corresponding justification (Annex II, Section 1.3).

3.1.3. Representation and initiatives

There are several international organizations which have the purpose of representing the interest of islands in general, including European islands. An important added value of these organizations is to provide research and policy papers on the situation of islands, as well as be the pillars of trans-national cooperation for island regions. Amongst these are:

- [The Islands Commission](#) - founded in 1980, part of the Conference of Peripheral Maritime Regions of Europe (CPMR).
- [The Seas, Rivers, Islands and Coastal Areas Intergroup \(SEArICA\)](#) within the European Parliament.
- [The European Small Islands Federation \(ESIN\)](#).

In addition, there are many **regional island networks that promote cooperation and partnerships between insular territories**. In order to make up for the shortage of dedicated policies, island regions have resorted to cooperation in the research and innovation area, thus being able to freely develop their own initiatives in relation to the specific challenges they face. In this case, European programmes/instruments such as Horizon 2020 and INTERREG have proved to be the most used.

Some examples of successful initiatives for islands at EU level:

Table 2: EU initiatives for islands

Nr.	Title	Type	Partners from:
1	Clean Energy for EU Islands Initiative	Initiative supported by the European Commission, with its own secretariat (set up in cooperation with the European Parliament in 2018), aiming at developing a long-term framework for clean energy transition.	Greece, Malta, Cyprus, Italy, Croatia, Germany, France, Denmark, Sweden, Ireland, Spain, Portugal, Finland and Estonia
2	NESOI - New Energy Solutions Optimized for Islands	Island facility under Horizon 2020, providing small grants and technical assistance to implement clean energy and decarbonisation projects.	Spain, France, Belgium, Germany, Croatia, Italy, Greece

²³ The approval in REGI committee of the text agreed at 1st reading interinstitutional negotiations took place the 18 December 2020.

²⁴ Upon lawyer linguist verification, Article 3c of the compromise text is likely to become Article 6 in the final JTF regulation.

Nr.	Title	Type	Partners from:
3	Islands of Innovation	INTERREG project which investigates and improves public policy measures in order to turn the islands into innovation and entrepreneurial environments.	Greece, Estonia, Denmark, Netherlands, Portugal (Azores and Madeira)
4	Smart Islands Initiative	Bottom-up effort of European island authorities and communities to view Islands as laboratories for technological, social, environmental, economic and political innovation.	Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Malta, Netherlands, Portugal, Spain, Sweden, UK
5	Observatory on Tourism for Islands Economy (OTIE)	NGO offering data and research to support strategic documents addressing islands.	Italy, Spain, France, Portugal, Greece, Malta, Cyprus
6	FORWARD – unlocking the research & innovation potential of EU’s Outermost Regions	Project under Horizon 2020 supporting ORs in boosting their research excellence and unlocking their innovation potential. The FORWARD project was launched as part of the EU’s strategy for Outermost Regions.	Outermost Regions

Source: Websites of EU initiatives.

EU islands, especially insular Member States like Malta and Cyprus, and ORs can also benefit from the **participation in global networks** such as:

- [Greening the Islands](#) - an innovative organization that supports self-sufficiency and sustainability of islands worldwide.
- [Sustainable Islands Platform \(SISP\)](#) - platform which promotes sustainability among island territories through innovative development pathways.
- [Local2030 Islands Network](#) - island network devoted to advancing the U.N. Sustainable Development Goals through locally-driven, culturally-informed solutions.

3.2. “Macro-regional” level

As previously explained, in EU legislation, islands are addressed in two ways: as areas facing particular challenges - together with mountain areas, sparsely populated areas, et Al. and as Outermost Regions. However, **in “macro-regional” strategic documents²⁵, islands are addressed by water basin**, because together with the coastline regions and with the surrounding countries and waters, they act as a wider functional area.

²⁵ The definition of “macro regional strategy (MRS)”, provided under Article 2(31) CPR; however, for the purpose of this section, the term “macro-regional strategic documents” is used in a broader sense, referring to strategies that address countries located in the region of a certain water basin, or that are considered a particular type of regions, such as the outermost.

Most water basin strategic documents created in the 2010-2014 period have been updated in the recent years and new action plans have been set up, in accordance with the new territorial and maritime realities:

- The [European Union Strategy for the Baltic Sea Region EUSBSR](#) (2010) and [Action Plan](#) (2017). The strategy is implemented by a series of flagship projects in the fields of bioeconomy, blue growth, energy, hazards, culture, education, health, innovation, digital, economy, safety, security, digital development and transportation. The strategy also has a series of horizontal actions regarding climate change, regional cooperation and spatial planning.
- The [Atlantic Maritime Strategy](#) (2011) and [Action Plan](#) (2013 & 2020). While the initial strategy envisioned support for sustainable development of blue economy in the EU Member States bordering the Atlantic, the updated action plan has a strong focus on the recovery of these sectors from the pandemic generated crisis and on reaching the EU climate targets. Thus, besides promoting sustainable coastal tourism and new employment opportunities in the Atlantic, there is a strong focus on green shipping and innovative port activities which will directly contribute to reducing the EU's carbon and environmental footprint.
- The [EU Strategy for the Adriatic and Ionian Region EUSAIR and Action Plan](#) (2014 & 2020). EUSAIR "promotes sustainable economic and social prosperity in the Region through growth and jobs creation, and by improving its attractiveness, competitiveness and connectivity, while preserving the environment and ensuring healthy and balanced marine and coastal ecosystems." The 2020 Action Plan represents an important step forwards, as it includes North Macedonia in its scope, thus strengthening the cooperation in the region.
- **Outermost Regions Strategy: [A stronger and renewed strategic partnership with the EU's Outermost Regions](#)** (2017). Within this strategy, the EU is addressing priorities such as physical constraints, competitiveness and integration, through specific measures in certain policy aspects such as: cohesion, tax and agricultural policies, fisheries, competition, transport, research and environmental policies.

Furthermore, the above-mentioned strategic documents do not cover the entire range of EU islands. There is a [North Sea Region 2030 Strategy](#) created by the Conference of Peripheral Maritime Regions, but it does not analyse particularities for islands.

In addition to these, there are several strategies, policy documents and projects created within the [Maritime Spatial Planning framework](#), which has the capacity to support effective management of coastal and marine systems. Islands can benefit from such an approach especially through the optimisation of use of resources and space.

In the past year, there has been a sustained [support from the European Committee of the Regions](#) and from [island representatives](#) for the creation of an EU strategy for Mediterranean islands. A new macro-regional strategy can be possible, but there are certain conditions in place:

- The neighbouring countries agree to cooperate for the scope of this strategy and its implementation.
- There has to be a transnational agreement on the scope and topics of the strategy on the base of which the EU Council mandates the European Commission to explore whether the strategy is possible and beneficial.
- It has to respect the "[three NOs principle](#)": no new funding, no new administrative structures created, no new regulation necessary.

Nonetheless, the question whether such a strategy is possible remains open, as it depends mostly on the commitment of Member States to support it with the necessary resources and to make it a priority at national and regional level.

Apart from studies and dedicated analysis, **there is no common European islands strategy, or any islands strategy based on geographical location, except for the Outermost Regions.** Insular territories are most commonly addressed in water basin macro-regional strategies and in national/regional strategic documents. However, the experience proved that islands could be paid more attention to within the existing sea-basin macro-regional strategic documents. Alternatively, the idea of exclusive insular cooperation can be further explored, if there is political willingness.

3.3. National level

While certain special provisions are set up for islands at European level, and transnational cooperation networks that have been set up for islands have a certain transformative capacity, it is ultimately in the hands of the Member States to boost the development of insular territories. In this regard, national (and, where relevant, regional) authorities have several means to proceed:

- **National legislation and a national strategy for islands** (mostly practiced in states where islands represent a significant percentage in the country's territory, such as [Croatia](#) and [Greece](#)).
- **Special provisions for islands in their Partnership Agreements** with the European Union.
- **Dedicated Operational Programmes** or special allocations/scoring for projects situated on islands.
- **Creation of local partnerships for the implementation of [financial instruments](#) and [Integrated Tools](#)** such as Integrated Territorial Investments ([ITI](#)) and Community-led Local Development ([CLLDs](#)).

In the 2014-2020 period, islands and their challenges have been addressed in specific sections of the Partnership Agreement of just 7 Member States (Denmark, Greece, Spain, Croatia, France, Malta, Portugal). It is most likely that this approach will continue in the 2021-2027 period. (Carbone, 2018).

In the 2014-2020 period, the OPs to which island regions have had access to, mainly supported actions such as: improving connectivity and accessibility, environment protection, resource management and risk prevention, business growth and access to public services. However, not all these OPs were entirely dedicated to insular territories, thus setting the preconditions for a competition between islands and other types of geographical areas. (Carbone, 2018).

With regards to the Integrated Territorial Investments and Community Led Local Development Mechanism, such instruments have been set up for islands in some cases. Furthermore, as explained earlier, there is no specific allocation for island regions under these instruments at European Level. (Carbone, 2018).

For the 2021-2027 cohesion policy programming period, the [European Commission's 2018 Expert analysis](#) mentions several proposals to better address the geographical specificities of islands (collected from relevant Managing Authorities that were consulted in the context of this research paper). Some of them regard flexibility in terms of co-financing rates, thematic concentration and investment rules in general. Even so, most recommendations stress the importance of islands being regarded as a distinct category within State Aid rules and within pre-defined financing areas (e.g. high-speed internet for remote islands, water treatment plants/desalinization, etc.), with insularity becoming a specific criteria in funding allocation and in project scoring. (Carbone, 2018). It is only when

the 2021-2027 Partnership Agreements and Operational Programmes are finalized, that it can be determined what specific approaches are planned to be employed towards islands at national level.

Finally, it is important to clarify that providing granular data about policy impact at national level can be a difficult process. Even though Cohesion Policy uses the NUTS nomenclature to define categories of regions and programme areas²⁶, it does not mean that financial support is pre-allocated to those areas (in the case of regional operational programmes it is obviously, easier to delineate the geographical area in which the projects supported by that programme take place - but it does not necessarily provide a clear overview on NUTS 3 level either). Thus, it remains difficult or impossible to have a clear image on financial allocations set to address islands' needs: this means that there is no accurate financial data to NUTS 3 level on actual spending (ex post). Even though territorial codes are used in the categorisation of data, the use of such codes by programmes is highly variable in its detail: the "data provides often very detailed information on the NUTS-2/NUTS-3 location of the projects selected for support. Again, however, the data does not necessarily provide a full breakdown by NUTS-2 / NUTS-3 territories"²⁷. A possibility to collect more granular territorial data would be to consult the list of operations selected in each Member State, however, there was no regulatory requirement for Member States to transmit these lists to the European Commission in the 2014-20 period, and the lists remain heterogeneous in their format.

[This recent assessment](#) tries to provide a list of operations produced by Cohesion Policy programmes at national and regional level for the 2014-2020 period. However, it is mentioned that for Member States like Cyprus, Malta, Finland and Sweden, which are/have island regions, programmatically accessible, file-based data sources were undetectable.

[The OPEN DATA portal managed by DG REGIO of the European Commission](#) allows to view expenditure data at NUTS2 level. Historically, this data can be considered to be rather accurate in relation to regional programmes, but it is only an estimate (apportionment) in relation to national programmes.

²⁶ In the 2014-2020 period programmes mainly used the 2010 classification. Based on [compromise texts](#) available at the time of writing, the 2021-2027 period will be based on the 2016 classification.

²⁷ https://ec.europa.eu/regional_policy/en/faq/about_open_data/#9

4. OVERVIEW OF SPECIFIC CHALLENGES FACING ISLANDS

KEY FINDINGS

As islands are primarily characterised by a physical 'disconnection' from the mainland, there is a common understanding that some of the challenges faced by these territories are due to permanent conditionalities, such as the dependence on maritime and air transport.

In addition, rural areas on islands face a sizeable development gap compared to the mainland villages when it concerns access to urban centers and Services of General Interest (SGIs).

Often, young people leave the islands in search for better lives, as they cannot find sufficient development opportunities "at home". Many islands have a constrained labour market and offer limited education, upskilling and lifelong learning facilities.

Most insular territories still need to invest in basic infrastructure - such as roads, water supply and waste management facilities.

Islands are highly vulnerable in the face of climate change and extreme weather events, such as hurricanes. This situation is especially problematic for insular Outermost Regions, as they are located further away from the continents, in vast ocean basins.

Due to scarcity of land resources, it is common that insular economies depend on a limited number of sectors, and there is a constant dilemma between conservation and using land for development (such as economic activities, infrastructure, housing, etc.).

The territorial and socio-economic dimensions portray a different array of challenges from island to island, as the "categories of specific territories (e.g. mountainous, insular, sparsely populated and outermost region) are far from constituting homogenous groups of regions". (European Parliament, 2016).

The COVID-19 pandemic has had a negative impact on island communities in terms of health crisis, job losses, food security, movement and travel, and remittances, inter alia. This has also impacted many renewable energy projects as they have been delayed or postponed, hindering the race towards a greener Europe for islands. (Clean Energy for EU Islands, 2020)

In the following, specific challenges facing islands are identified in relation to the themes covered by the 2021-2027 Cohesion Policy Objectives, as phrased in the [compromise texts](#) available at the time of writing (a more competitive and smarter Europe; a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe; a more connected Europe; a more social and inclusive Europe and a Europe closer to citizens). These have been collected during (1) desk research, i.e. from a series of strategic documents, studies, reports, policy papers et Al., made either by European Institutions or by islands representative bodies, and (2) primary research.

4.1. Economic challenges: an inherent struggle for competitiveness

The economic challenges faced by islands mostly stem from a lack of critical mass (resources, consumers, workforce, land, infrastructure) in order to develop competitive economic activities, to which higher cost of transport for goods can be added. The following economic challenges can be identified:

- When having limited availability of land resources, islands have to prioritise the conservation of natural areas over land exploitation for economic activities (ESPON, 2019).
- As most islands do not have vibrant cities, they cannot benefit from urban financial spill-over like mainland rural areas. This situation increases the development gap of island rural areas (EPRS, 2016).
- Insularity also imposes higher investment needs and production costs, leaving islands unable to compete with the mainland in terms of certain industries (Carbone, 2018).
- When having a reduced critical mass, it is inherently more difficult for islands to diversify their economy, leading to decreased competitiveness, especially regarding the capacity of small and medium-sized enterprises (SMEs) to explore economies of scale (ESPON, 2019).
- In a Europe which strives towards smart and creative economies, islands have a limited capacity to develop a creative mass and develop expertise in new fields such as ICT, which leads to difficulties in adapting to smart economy (EPRS, 2016).
- In order to be competitive, islands have usually concentrated their efforts on one sector (e.g. tourism, fisheries). The dependability on one main economic activity can present seasonal vulnerabilities, such as overtourism in summer, followed by a lack of financial resources during winter (ESPON, 2019).
- The issue of seasonal employment is evident in many islands. Economic activity is lower during the winter season and many seasonal businesses close, leaving a large number of people unemployed. Fisheries and agriculture are also stagnating in many insular areas due to low fishing stocks and unprofitable land exploitation (EPRS, 2016).
- While traditional maritime sectors (fisheries, shipping, cruise tourism) provide jobs for a sizeable share of islands' inhabitants, more sustainable sectors such as marine renewable energy, aquaculture and blue biotechnology are insufficiently developed; (European Commission, 2017).
- In 2020-2021, the crisis caused by the COVID-19 pandemic has highlighted the particular challenges of insular territories, whose resources are scarce, especially in terms of the vulnerability of their agri-food systems. Inter alia, islands whose economies are highly dependent on tourism and related services are facing unprecedented difficulties (CoR, 2020).
- The COVID-19 pandemic has had a devastating economic impact on islands relying on the tourism sector as their main economic activity. The European Commission and the Joint Research Centre are, at the time of writing this paper, working on assessing the impacts of the COVID-19 shock on the EU's tourism sector, and the research is expected to also explore possible recovery methods.

4.2. Green challenges: vulnerability and sustainability

While some islands can be regarded as natural treasures due to their richness in biodiversity, at the same time these are some of the most vulnerable territories in the face of climate change and extreme weather events. In addition, they have difficulties in ensuring infrastructure, especially water, energy and waste management. Some of the main green challenges are:

- It is widely known that island ecosystems are fragile, with an increasing risk in the face of climate change, such as drought, rising sea levels, extreme weather events and land erosion. In many cases, tourism has also had a negative environmental impact; (European Commission, 2019).

- The Outermost Regions are particularly vulnerable to the rise of the sea level and extreme weather events such as hurricanes. In such situations, it is called for specific support for emergency response and civil protection (European Commission, 2017).
- Water stress is a particular challenge for islands, many of them having to import drinking water. While desalinization is an option practiced in many insular territories, it is often costly and not effective to provide the entire water supply (European Commission, 2019; European Parliament 2015).
- Many islands have isolated and weak energy networks, with a low possibility of interconnection, which forced them to rely on the use of fossil fuels and energy imports as main sources of energy. While some islands, particularly the ORs, benefit from the availability of renewable energy sources, these are not always exploited to their full potential due to technical and economic barriers (European Commission 2017, European Parliament, 2015).
- Waste management is a constant struggle for many territories, and even more exacerbated for islands, which have limited resources to store and process waste, particularly in high touristic seasons during which the waste production is increased (EPRS, 2016).

4.3. Connectivity challenges: the sine qua non for all aspects of island life

The easiness and frequency of connections with the mainland directly influence the number of inhabitants on islands, as well as their quality of life and economies: when higher transportation costs are added to every resource and service provided on the island because they have to be shipped or flown in, and even more, when the transportation is not frequent, it has negative effect on the development of SGIs and of certain economic activities, which contributes to many island inhabitants' decision to migrate in search for better lives and opportunities. Additionally, intra-insular connectivity usually presents challenges for communities located outside the main insular urban centres. Although digital development has helped counteract distance related difficulties, in the case of islands, there are increased limitations to what the digital infrastructure can achieve. (ESPON, 2019) Some of the main connectivity challenges are:

- Sustainable, cheap and frequent transportation means are not available for all islands, with particular discrepancies for small insular territories; (ESPON, 2019).
- One particular challenge is remoteness from urban centres, as many islands have only one city that offers proximity services, while others can rely solely on the mainland for these functions (ESPON, 2019).
- The low accessibility to European and national markets determines economic challenges and limits competitiveness (ESPON, 2019).
- Outermost Regions face double insularity, by being separated from the mainland and additionally being located at the periphery of the EU (ESPON 2019). This geographical position exacerbates difficulties in the transfer of goods and people and in access to European services (EPRS, 2016).
- As islands have limited capacity for production, they are dependent on imports of strategic goods and services such as energy, food, fuels, healthcare goods, etc. which can be a constant struggle towards independence and security (ESPON, 2019).
- As with other infrastructure developments, the digital infrastructure is more costly to provide on islands, and can have lower standards due to its vulnerability to weather conditions (ESPON, 2019).

4.4. Social challenges: most societal challenges stem from economic vulnerabilities and a lack of polycentric urban development

Social challenges can vary widely between more populated islands such as the Italian Mediterranean islands, which tend to perform better in terms of quality of life, and islands with smaller numbers of inhabitants, where phenomena like depopulation and ageing can be critical. (ESPON 2019) Some of the main social challenges are:

- The provision of essential public services such as education, health and social care are subject to the increased cost of transportation of equipment and infrastructure, which often has a negative impact on the size and quality of such services. The situation is even more difficult in islands with low to inexistent polycentric development, where access to an urban centre is difficult (Carbone, 2018).
- It is a particular risk for remote rural communities on islands to fall below the minimum population thresholds to maintain basic SGLs such as schools, post offices and health centres (i.e. minimum number of inhabitants for the service to receive national funding) (European Parliament, 2016).
- Dependability on one economic sector leads to a constrained labour market characterized by limited number of working opportunities, seasonal character of jobs, lack of diversification of the job market (European Commission, ADE, 2012).
- From 2014 onwards, the unemployment rate was rising on islands, especially among the youth, and, in some cases, some islands experienced growing irregular migration (refugees that come to EU islands for a temporary period, as a gateway to continental Europe) (European Commission, 2017).
- Similar as in depopulated areas on the continent, very small islands and islands with lagging economies see their younger population leave in search of better job prospects, which leaves islands suffering from a brain drain phenomenon (EPRS, 2016).
- There is limited availability of educational (especially tertiary) and upskilling possibilities for island populations (ESPON, 2019).
- Life-long learning opportunities which contribute to professional diversification are not easily accessible for insular populations (EPRS, 2016).
- In some islands, there is a low level of training compared to the EU average, as pupils tend to leave school prematurely and enter the labour market in economies related to the services sector (CoR, 2020).
- In certain cases, large numbers of migrants have recently arrived on island territories, sometimes far outnumbering the local population, who are not in a position to supply the necessary means of accommodation and assistance (EPRS, 2016).

4.5. Sustainable integrated development and governance challenges: coordination from European to macro-regional, national and local level

Insularity also means a higher degree of autonomy, and for some this means that policies can have a quicker and better impact. This is what makes islands a 'safe heaven' for innovation and pilot testing initiatives. In other cases, it is argued that administrative processes can be one-sided, and authorities have more power, with limited input from the community. At European level, islands often struggle to compete with the continent for funding sources and development opportunities. Some of the main challenges in terms of governance are:

- Governance structures are more likely to face greater challenges, in part due to the close personal connections in island communities, particularly on islands with low population, so that the independence of these structures may sometimes be challenged (ESPON, 2019).
- Many island representatives argue that islands are disadvantaged in their GDP based classification used in EU Cohesion Policy (developed, transition or less developed regions), which is based on the same criteria as the mainland regions that do not have the same geographical difficulties as islands; (EPRS 2016) In addition, [this paper](#) argues that establishing the degree of development of a region based just on GDP is often insufficient, and is beneficial to use other indicators such as the [Social Progress Index](#) or [SDGs performance](#) in order to get a complete picture of regional disparities.
- Some islands are clearly disadvantaged by the fact that they are included in the same NUTS 3 region with mainland areas or conurbations, making the distinction between development levels even more difficult (EPRS 2016).
- Most islands do not benefit from dedicated Operational Programmes, being in direct competition with mainland territories, which have more resources to be competitive (Carbone, 2018).
- The inclusion of islands under the NUTS 3 territorial nomenclature led to the exclusion of a large number of islands from the statistical analysis and often has the effect of a systematic truncation in the data set (European Commission, ADE, 2012).
- The shortage of refined statistical data for islands makes informed decision making difficult, with an inherent risk of biased results failing to properly reflect island specificities.

5. RECOMMENDATIONS FOR ISLANDS

KEY FINDINGS

Europe's island communities face a series of challenges, including limited access to resources and services, environmental threats and a population ageing phenomenon. With EU and national support, these can be transformed into opportunities that create jobs, boost local economies and improve lives.

The recommendations coming from policy makers and associations representing islands dedicated to the development of islands tend to focus on: smart and resilient islands, energetic sustainability, better connectivity with the continents, increased quality of life and opportunities for inhabitants and strive towards tailor-made/dedicated European policies.

In the following, a series of recommendations are presented. These have been collected from various strategic documents, studies, reports, policy papers et al. made either by European Institutions or by islands' representative bodies, as well as from stakeholder discussions (e.g. during a public hearing in REGI on the 24 February 2021²⁸). The recommendations have been grouped in relation to the themes covered by the 2021-2027 Cohesion Policy Objectives (based on existing [compromise texts](#) at the time of writing), same as the challenges outlined in the previous chapter.

5.1. A more competitive and smarter Europe

The collected recommendations that can contribute to a more competitive and smarter Europe refer to:

- Economic resilience – development of sustainable blue economy sectors such as marine renewable energy, aquaculture and blue biotechnology; (ESPON, 2019; European Commission, 2017; European Parliament, 2015).
- Investments in new technologies for agriculture, for more resilient and sovereign agri-food systems; (CoR, 2020; European Commission, 2017).
- Development of circular economy practices, including as a response to waste management problems; (CoR, 2020; ESPON, 2019; European Commission, 2020).
- Sustainable tourism practices which can alleviate the pressure on the environment and help tackle natural resources exploitation. Therefore, interventions to support and boost tourism should also take into account the impact on the environment and resources; (Carbone, 2018).
- Pilot projects: islands can be an experimental “probing and learning” environment which could attract young, innovative and entrepreneurial people and activities; (ESPON 2019).
- Research and innovation: the key challenge for islands is to promote the development of clusters and smart specialisation strategies, while also supporting the development of niche activities in culture, e-services and food production as well as non-seasonal tourism. Networks of innovation between islands can be part of the solution to address this challenge; (ESPON, 2019).

²⁸ [The Covid Crisis and the Implementation of CRII & CRII+ in EU Regions](#)

- Smart Specialisation Strategies focused on sectors with high potential, and a multiple helix partnership approach.²⁹ These comprehensive strategies bring together the key stakeholders in research, business, higher education, public authorities and civil society — to enhance local potential and make the most out of market opportunities. “The goal is to achieve critical mass, innovation and a move up the value chain.”³⁰ (European Commission, 2017) The [EU strategy for Outermost Regions](#) recognizes the importance of smart specialization strategies as documents that specifically identify areas where the islands have comparative advantages, and “explore an appropriate funding mix for grants and financial instruments combining different national, regional and European sources of funding”.
- Recovery from the pandemic: it is important for islands to re-think their economic model to be more resilient and less dependent on few sectors, with a special attention given to the re-thinking of the tourism sector that should become more sustainable (discussions during the REGI public hearing mentioned above).

5.2. A greener, low carbon, transitioning towards a net zero and carbon economy and resilient Europe

The collected recommendations that can contribute to a greener Europe refer to:

- Specific efforts to address the greater vulnerability of islands to the impacts of climate change. This has been also highlighted in the Paris Agreement, which calls for specific support to islands in implementing climate change action, including support for capacity building; (ESPON, 2019).
- Innovative conservation. Due to the set of ‘natural’ and cultural assets and the rich biodiversity in islands, there are opportunities for innovative projects on the conservation of heritage, be it gastronomic, linguistic, artistic or natural; (ESPON, 2019).
- Strengthened response in case of extreme events through the European Commission's Emergency Response Coordination Centre, the EU Civil Protection Mechanism and the European Solidarity Fund; (European Commission, 2017).
- Further development of hydro, thermal, wind and photovoltaic energy production facilities and of smart grids, while reducing the dependence on fossil fuels for electricity generation; (European Parliament, 2015).
- Sustainability. In the future, it is a desired goal for all islands to become 100% water and energy self-sustainable, while adhering to the Green Deal principles. (European Commission, 2017).

5.3. A more connected Europe

The collected recommendations that can contribute to a Connected Europe refer to:

- Sustainable transport for insular countries and regions, in the frame of a European Green Deal, which can help the transition from short-sea shipping and short haul aviation towards green and affordable means, while satisfying the needs of islands.
- Access to high-quality broadband, which contributes to overcoming physical remoteness, ensuring accessibility of services including learning opportunities. Digital connectivity also has

²⁹ Smart specialization strategies are defined in Article 2(3) CPR: 'smart specialisation strategy' means the national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation own strengths to business needs in order to address emerging opportunities and market developments in a coherent manner, while avoiding duplication and fragmentation of efforts; a smart specialisation strategy may take the form of, or be included in, a national or regional research and innovation (R&I) strategic policy framework; Smart specialization strategies are comprehensive documents, focused on innovation in the economic sectors and industrial development.

³⁰ [7th Report on economic, social and territorial cohesion](#), report, European Commission, 2017.

an important role in providing access to quality SGIs, such as education and health, which is a precondition to avoid a decline in population; (ESPON, 2019).

- Improvement of port infrastructure and development of safe, time-saving and fuel-efficient routes for the transportation of passengers and goods. (European Commission, 2019).

5.4. A more social and inclusive Europe

The collected recommendations that can contribute to a Social Europe refer to:

- Improving quality of life on islands, in order to become more attractive for everyday life and work for long term residents and youth; (European Commission, 2019).
- Boosting the development of upskilling facilities and jobs for the island inhabitants; (ESPON, 2019).
- Creative provision of SGIs. While dedicated policies for specific SGIs on islands are hard to achieve due to situational diversity, it is important to allow policies that make it possible to design and implement tailor-made solutions, taking into account local and regional specificities; (ESPON, 2019).
- Adequate policy responses to avoid a progressive depopulation of insular areas. (European Parliament, 2016).
- Recovery from the pandemic. It is important for islands to strengthen the provision of public services, especially in the healthcare sector, and make a creative use of REACT-EU funding in this context (discussions during the REGI public hearing mentioned above).

5.5. A Europe closer to citizens

The collected recommendations that can contribute to a Europe closer to citizens refer to:

- A European regulatory framework that could allow for interventions to address the specific challenges and needs of islands, enabled by a multi-level governance (local, regional, state, macro-regional) and flexible management of natural resources; (Carbone, 2018; CoR, 2020).
- Development of EU policies that better suit the situation of insular territories, by ensuring that their specificity is consistently taken into account; (Carbone, 2018).
- Creation of dedicated macro-regional strategies for islands, where there is political will (e.g. [Mediterranean Islands](#)).
- Macro-regional cooperation initiatives with general or specific scope (e.g. sustainable energy, innovation, etc.); (ESPON, 2019).
- Setting-up of financial instruments and integrated strategies dedicated to islands, which promote governance models based on strong partnerships, community empowerment and tailor made solutions for inter-linked problems; (Carbone, 2018; CoR, 2020).
- Data availability. Member States should step up the collection of scientific data and support for islands. A possibility is to develop a Web-GIS Observatory Network to gather and process geographical and statistical data; (European Commission, 2014).
- Special attention given to islands in the National Energy and Climate Plans regarding their decarbonisation of islands. ([European Commission, 2020](#))

At the end of this chapter it is important to recall that islands, alongside mountain areas and sparsely populated areas are considered to be territories with geographical specificities (Article 174 TFEU). Therefore, they have a “legal basis” for eventually developing a wider “Alliance of Article 174 regions”, where they could (1) join forces to overcome common challenges such as connectivity, level

of public services provided, remoteness, etc. and (2) focus on common issues; and thereby these territories could have a stronger voice when it comes to EU policy making. Furthermore, if such efforts were to be met at EU institution level, it could be built on already existing good practices, such as the [Urban Development Network](#). It could thus be examined whether islands and other areas mentioned in Article 174 TFEU could benefit from the existence of a network that would (1) bring together experts from these territories (for example to exchange good practices) and (2) provide additional support (for example to the implementation of integrated strategies, CLLDs and ITIs, etc.). There could also be enhanced coordination and communication among the different policy areas to better tailor different policy measures and initiatives that are relevant for these areas to support them.

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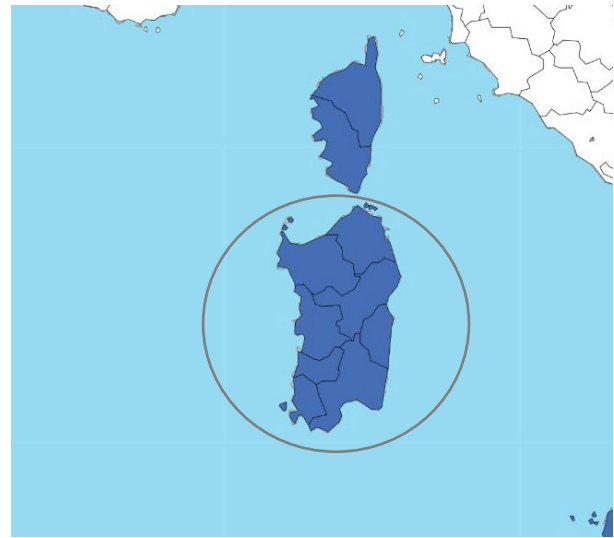
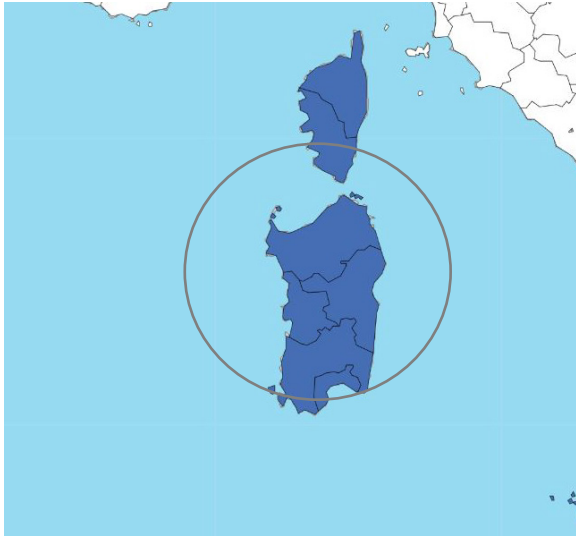
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ANNEX 1

Figure 2: Changes in NUTS 3 island regions in 2021 (left), compared to 2016 (right), in Italy



Source: [Eurostat](#).

ANNEX 2

Table 3: Population living in NUTS 3 island regions on 1 January

Country	NUTS 3 island region	2016	2017	2018	2019	2020	2020 compared to 2016 (%)
DK	Bornholm	39 847	39 773	39 715	39 662	39 583	-1
GR	Lesvos, Limnos	101 397	106 184	108 575	114 805	120 114	16
GR	Kalymnos, Karpathos, Kasos, Kos, Rodos	207 746	211 425	214 013	217 241	220 683	6
GR	Andros, Thira, Kea, Milos, Mykonos, Naxos, Paros, Syros, Tinos	127 045	126 958	126 857	126 786	126 829	0
GR	Ikaria, Samos	42 058	43 523	46 222	48 238	49 961	16
GR	Chios	53 199	53 993	56 340	58 055	59 441	11
GR	Kerkyra	103 066	102 613	102 052	101 569	101 161	-2
GR	Irakleio	311 096	311 640	312 514	313 766	315 162	1
GR	Lasithi	74 691	74 463	74 210	74 006	73 758	-1
GR	Rethymni	87 260	87 482	87 510	87 582	87 691	0
GR	Chania	158 765	159 089	159 272	159 576	159 893	1
GR	Zakynthos	40 070	39 938	39 806	39 737	39 621	-1
GR	Ithaki, Kefallinia	39 038	38 945	38 807	38 718	38 567	-1
ES	Mallorca	883 320	894 897	907 197	923 608	941 339	6
ES	Menorca	93 188	93 759	94 703	96 620	98 232	5
ES	El Hierro	10 731	10 872	10 986	11 154	11 345	5
ES	Fuerteventura	112 087	115 333	118 598	122 629	126 230	11
ES	Eivissa, Formentera	159 019	162 306	165 023	167 992	171 154	7
ES	Gran Canaria	855 458	857 702	859 835	865 756	870 415	2
ES	La Gomera	21 352	21 525	21 794	22 100	22 430	5
ES	La Palma	82 943	83 159	83 971	84 793	85 855	3
ES	Lanzarote	143 340	146 134	148 462	150 998	154 533	7
ES	Tenerife	909 298	920 253	933 402	949 471	966 184	6
FR	Corse-du-Sud	154 303	157 249	157 853	159 553	161 208	4
FR	Haute-Corse	176 152	177 689	180 701	182 703	184 659	5
FR	Guadeloupe	429 856	425 587	421 694	417 161	412 682	-4
FR	Martinique	376 480	372 594	368 783	364 413	359 821	-5
FR	La Réunion	852 924	853 659	855 961	856 547	856 858	0
FR	Mayotte	240 987	250 143	259 621	269 186	278 926	14
IT	Trapani	435 765	434 476	432 398	430 492	421 256	-3
IT	Palermo	1 271 406	1 268 217	1 260 193	1 252 588	1 222 988	-4
IT	Messina	640 675	636 653	631 297	626 876	613 887	-4
IT	Agrigento	445 129	442 049	438 276	434 870	423 488	-5

Country	NUTS 3 island region	2016	2017	2018	2019	2020	2020 compared to 2016 (%)
IT	Caltanissetta	271 758	269 710	266 427	262 458	255 931	-6
IT	Enna	169 782	168 052	166 259	164 788	160 161	-6
IT	Catania	1 115 535	1 113 303	1 109 888	1 107 702	1 072 634	-4
IT	Ragusa	320 226	321 359	321 370	320 893	315 601	-1
IT	Siracusa	403 985	402 822	400 881	399 224	389 344	-4
IT	Sassari* (NUTS 2016)	334 103	333 116	331 450	330 211	325 288	-3
IT	Nuoro* (NUTS 2016)	157 078	156 096	154 873	153 448	150 913	-4
IT	Cagliari* (NUTS 2016)	561 289	560 373	560 453	558 684	548 917	-2
IT	Oristano* (NUTS 2016)	161 600	160 746	160 031	158 513	155 764	-4
IT	Olbia-Tempio* (NUTS 2016)	160 368	160 672	161 192	161 360	159 119	-1
IT	Ogliastra* (NUTS 2016)	57 318	57 185	56 938	56 362	55 535	-3
IT	Medio Campidano* (NUTS 2016)	99 320	98 623	97 809	96 774	94 988	-5
IT	Carbonia-Iglesias* (NUTS 2016)	127 062	126 324	125 430	124 239	121 097	-5
CY	Kypros	848 319	854 802	864 236	875 899	888 005	4
MT	Malta	418 490	428 091	442 978	460 171	480 134	13
MT	Gozo and Comino/Ghawdex u Kemmuna	31 925	32 206	32 723	33 388	34 430	7
PT	Região Autónoma dos Açores (PT)	245 766	245 283	243 862	242 846	242 796	-1
PT	Região Autónoma da Madeira (PT)	256 424	254 876	254 368	253 945	254 254	-1
FI	Åland	28 983	29 214	29 489	29 789	29 884	3
SE	Gotlands län	57 391	58 003	58 595	59 249	59 686	4
IE	Border	393 115	397 090	400 868	405 926	408 887	4
IE	West	446 089	451 293	455 384	462 021	468 945	5
IE	Mid-West	473 205	476 512	480 408	484 164	488 631	3
IE	South-East (IE)	419 083	424 781	428 436	434 267	439 458	5
IE	South-West (IE)	683 216	690 425	696 021	705 950	712 968	4
IE	Dublin	1 331 306	1 348 462	1 360 963	1 387 606	1 408 815	6
IE	Mid-East	687 592	699 210	708 423	720 143	731 935	6
IE	Midland	292 680	296 610	299 889	304 163	304 801	4

Country	NUTS 3 island region	2016	2017	2018	2019	2020	2020 compared to 2016 (%)
	TOTAL	20 232 699	20 335 521	20 426 285	20 563 434	20 574 875	2

* These 8 NUTS 3 island regions that composed the island of Sardegna in the period 2016-2020 have been redistributed into 5 NUTS 3 island regions for the year 2021, once a new NUTS list has been published. However, the island territory has not changed, and the population calculus is still valid.

Source: Eurostat.

This paper explores the specificities of islands of the European Union (including Outermost Regions), as well as their challenges and existing means of development. It aims to provide a basis for future discussions and research dedicated to islands' situation, including the impact of the pandemic on their future development potential. This analysis includes an overview of policy responses for islands' challenges, focusing on Cohesion Policy. Recommendations address, inter alia, decarbonisation, sustainability, quality of life, public services, connectivity and integrated development.

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