41st Annual General Assembly of the CPMR Islands Commission
12/13 MAY 2022 – GOTLAND (SE)

ISLANDS COMMISSION FINAL DECLARATION

GOTLAND DECLARATION
“TOWARDS A PACT FOR EU ISLANDS”
On behalf of its members, the CPMR Islands Commission, gathering for its 41st Annual General Assembly on 12 May 2022, unanimously adopted the following Final Declaration:

**IN A NUTSHELL**

In line with the Initiative Report on EU islands and Cohesion Policy proposed by the Committee on Regional Development of the European Parliament and in synergy with the latest works of the Committee of the Regions, such as the Initiative Opinion concerning Islands adopted in October 2020, the main goal of this Declaration is to reiterate the need for the development of a **long-term EU Strategy for Islands**, to be further supported by all EU institutions, promoted during the next Presidencies of the Council of the European Union, by Sweden and Spain especially, and eventually implemented in the forthcoming programming period.

Following the harsh repercussions of the socio-economic crisis generated by the COVID-19 pandemic in the last two years and those resulting from the more recent Ukrainian crisis, this Declaration was drafted taking into due account the complexity of the current global context, and yet with an attentive and positive view to the upcoming promising EU framework in relation to insular territories.

Indeed, the recommendations and policy messages included in this Declaration are intended as a CPMR Islands Commission contribution to the ongoing debate on the future of islands, home to approximately 20 million inhabitants, in the EU context. Regretting the EU lack of political ambition for islands in the last years, through this Declaration, the CPMR Islands Commission aims to support and fully exploit the existing initiatives underway and emerging opportunities, able to give new impetus to a place-based approach of EU policies and an exhaustive application of art. 174 of the TFEU.

Building on the political positions approved in the past years, the CPMR Islands Commission urges the EU Institutions to agree on a Strategy for Islands, which should lead to the reinforcement of existing targeted initiatives and launch of relevant new ones. Although considering the specific features of each of the EU sea basins, such a Strategy should be based on a new holistic and horizontal approach to islands’ needs, encompassing all EU policy areas of high relevance, and provide specific recommendations as well as tangible solutions to the main concerns affecting these territories.

In this sense, far from pretending to be exhaustive, this Declaration includes some pivotal reflections on emerging issues and main priorities identified by the CPMR Islands Commission and its members, in order to propose an insightful overview of the key elements that should be considered and addressed by the above-mentioned dedicated Strategy.
The CPMR Islands Commission hereby:

1. **Welcomes** the call for an Islands Pact to be developed, along the lines of the Urban Pact and the future Rural Pact, as suggested in the Initiative Report on EU islands and Cohesion Policy recently adopted by the Committee on Regional Development of the European Parliament, and fully supported by its SEArica Intergroup. In this regard, it **acknowledges** that this represents a crucial step towards a better consideration of island characteristics and challenges at EU level and **looks forward** to the development of an EU Strategy for Islands, taking into account the specificities of each of the EU sea basins, as its main political priority for the next months.

2. **Remains concerned** about the full and just recovery of all island territories, including archipelagos, peripheral and outermost regions, after two years of pandemic and in view of the significant consequences of the current situation in Ukraine at a global scale and **reiterates** the importance of the active involvement of local and regional governments in the implementation of successful recovery and emergency plans, to help reduce EU vulnerability to the different kinds of external shocks that might affect it in the long-term.

3. **Stresses** that, being home to a variety of habitats and species, including a high number of endemic ones, islands have a unique biodiversity, while being at the same time among the most fragile ecosystems in the world that must be preserved and restored. They are indeed threatened by intense pressure - linked to the over exploitation of their natural resources and the increasing pollution, among others - and are at the frontline of climate change risks as well as particularly exposed to natural disasters. Nevertheless, they can count on a huge potential in dealing with such challenges and acting as pioneers at EU level, notably via specific pilot projects that can further boost their resilience and ability to cope with their unique environment. To this end, it **highlights** that tailor-made legislative measures and appropriate financial support would be needed.

4. **Firmly believes** in Cohesion Policy as a unique instrument to achieve the overall harmonious economic, social and territorial development and reduce disparities across the EU and **insists on** the necessity to exhaustively apply art. 174 of the TFEU, effectively addressing structural geographical constraints and specific needs that hinder islands’ development, for which a tailored approach is encouraged so that no region is left behind. In this respect, it **regrets** that the 8th Cohesion Report on Economic, Social and Territorial Cohesion - although pointing out the need for a new development paradigm for less developed regions and peripheral regions - in practice once more, does not address in a comprehensive manner the situation of territories beset by permanent geographical handicaps, as per art. 174, thus systematically neglecting the insular dimension of territorial disparities as previous cohesion reports.

5. **Observes** the lack of relevant statistical data on islands and **expects** the European Commission to take the necessary action in order to collect relevant information on these territories and allow more targeted research and analysis on priority issues linked to insularity. In particular, **calls upon** the European Commission to undertake a cross-disciplinary analysis on the impact of EU sectorial policies in islands to better understand the state-of-the art of islands’ economies – all the more in the wake of COVID-19 – and based on the outcomes of such an analysis, to clearly identify the needs and include provisions for islands in the regulatory and funding framework.
6. **Points out** that, in this sense, according to the European Regional Competitiveness Index (RCI), island regions continue to rank lower than other NUTS-2 level regions across the EU and **recommends** that the necessary action is taken in order to offer an attractive and sustainable environment for both firms and residents to live and work in these territories. Notably, it **asks** that state aid rules are duly adapted to the specific context of islands, including a revision of the ceiling of “de minimis”, bearing in mind the additional operating costs deriving from insularity of most SMEs located in insular areas. Further flexibility on this matter is indeed necessary to ensure competitiveness in these territories.

7. **Is pleased by** the promising look of the TEN-T review proposal, aiming at ensuring a more balanced geographical transport coverage across the EU while strengthening its territorial approach. Yet, it **recalls** that it is of utmost importance to provide the necessary EU assistance to support territorial continuity, cross-border connections and the transition towards climate-neutral mobility, considering the high dependence of island territories, including archipelagos, peripheral and outermost regions, and island Member States, on a limited number of means of transportation - air and maritime transport - for their connectivity needs. Likewise, it **requests** to pay special attention to the needs related to internal mobility and transport infrastructure in these territories.

8. **Acknowledges** that – in coherence with EU Green Deal goals - the Fit for 55 Package clearly represents an ambitious regulatory framework, encompassing a revision of main EU climate, energy and transport-related legislation with a strong territorial impact, in order to achieve climate neutrality by 2050. Notwithstanding, it **warns** that its set of measures does not take sufficiently into account the specificities of regions heavily relying on air and maritime transport for their development and connectivity, those of island territories, including archipelagos, peripheral and outermost regions, and **calls** therefore for a deep reflection on the underestimated impacts on insular economies and the introduction of greater flexibility in the extension of the ETS to air transport, as well as to maritime transport, to ensure that the necessary investments for alternative fuels are made in islands.

9. **Raises questions about** the recently launched Social Climate Fund, that should compensate the social costs arising from the proposed ETS extension to the building and road transport sectors, targeting in particular vulnerable households, micro enterprises and transport users. Notably, it **points out** that the distribution of funds should be based on territorial factors and specificities of most vulnerable and structurally disadvantaged territories, such as islands, prioritising multilevel governance and a stronger role of regional governments.

10. **Reminds** that, albeit the new geopolitical and energy market context requires a drastic acceleration of the clean energy transition in Europe and the recent EU initiative REPowerEU represents a major breakthrough in addressing the need of making Europe independent from Russian fossil fuels well before 2030, related energy transition policies should appropriately take into account islands’ structural limitations in order to prevent island communities from paying the price of decarbonisation, ensure a just transition to climate neutrality to most vulnerable territories, such as islands, and reduce the risk of creating further disparities across the EU. To this end, adequate EU investments and financial support to a gradual diversification of gas supplies and the necessary deployment of a variety of renewables and low-carbon solutions are expected.

11. **Is convinced** of the essential contribution of a sustainable blue economy to achieve the EU Green Deal objectives and, in this sense, it **shares the views** of the European Commission’s Communication “A new approach for a sustainable blue economy in the EU”, acknowledging
the crucial role of coastal regions and islands in this regard and underlining the importance of working within Sea basins. In line with such a vision, it **stresses** the relevance and added value of synergies between the blue dimension of Smart Specialisation Strategies (S3) and the Interregional Innovation Investment (I3) Instrument approach. Similarly, it **looks forward** to seeing the full potential of blue economy properly deployed as key economic driver in islands in the upcoming years and **advises** that specific resources and investments are planned to support the shift to sustainability in blue economy sectors in islands, offering tangible opportunities for jobs and businesses, while promoting a responsible use of available natural resources.

12. **Considers** the sustainable management of the limited natural resources in islands, including in particular, land, water and raw materials, a major challenge - as it is also pointed out by the Committee of the Regions in its 2020 Initiative Opinion on the related sustainable use - and **insists on** the strategic leverage and potential of circular economy to identify innovative solutions that can help promote the transition of islands economies towards more resilient and sustainable development models, as well as reduce their dependence on the mainland and external suppliers.

13. **Demands** greater attention from the European Institutions to the variety of structural social challenges that affect island territories, such as demographic challenges, related infrastructure and housing needs, the lack of opportunities in terms of jobs and skills development that causes difficulties in attracting and retaining talents, the barrier to digitalisation, among others. In this sense, it **suggests** that a place-based approach is used in designing and delivering relevant EU policies and measures so as to ensure equal opportunities and a good quality of life in islands.

14. **Highlights** that island territories, including archipelagos, peripheral and outermost regions, are characterised by vulnerable local economies and strong identities, with a cultural and linguistic heritage that needs to be actively protected, and fully **supports** the initiative to declare 2024 “European Year of Islands” in order to promote those unique socio-economic, natural and cultural territories of the EU.

15. **Notes** that their economic fabrics remain poorly diversified, heavily relying on tourism which accounts for a major share of islands’ income and employment, while putting severe pressure on their fragile ecosystems. However, in terms of GDP this often misrepresents the real situation, neglecting the overall lower grade of competitiveness, resulting in an insufficient level of support. In light of the promising process launched by the European Commission to develop a transition pathway for tourism, the Islands Commission **calls** for specific support to impulse such a process towards greener, more digital and resilient tourism in islands’ territories and with islands’ stakeholders, as well as to promote the necessary deseasonalisation and diversification of insular economies. In this regard, the Islands Commission **commits** to closely following this process and contributing to its objectives, by fully exploiting the valuable knowledge and experience acquired in territorial cooperation projects in the field of sustainable tourism in which it is involved for the overall benefit of the sector in islands in the coming years.

*Unanimously approved*