The island regions, listed below, that are members of the CPMR Islands Commission gathered for their 38th Annual General Meeting in Corsica (FR) on 12/13 July 2018:

- Açores (PT) - Baleares (ES) - Bornholm (DK) - Canarias (ES) - Corse (FR) -
- Gotland (SE) - Gozo (MT) - Guadeloupe (FR) - Ionia Nissia (GR) - Kriti (GR, Obs) –
  Madeira (PT) - Polynésie Française (FR) - Saaremaa & Hiiumaa (EE) – Sardegna (IT) –
  Sicilia (IT) – Vorio Aigaio (GR, Obs) - Western Isles (UK)

The CPMR Islands Commission members wish, first of all, to thank Gilles SIMEONI, President of the Executive Council of Corsida and President of the Islands Commission as well as Corsica Island for the hospitality.

The President of the Islands Commission extends his thanks to the regional authorities and honoured guests from the EU institutions and Member States who took part in the proceedings of the Islands Commission Annual General Meeting.
FINAL DECLARATION

On behalf of its members, the CPMR Islands Commission, gathering for its 38th Annual General Assembly in Corsica on 12 & 13 July 2018, adopted the following Final Declaration:

PREAMBLE

The CPMR Islands Commission points out that peripheral island regions and outermost island regions suffer from severe natural handicaps, recognised in Articles 174 and 349 of the Treaty respectively, and that many of them face multiple constraints: territorial discontinuity, archipelagic configuration, mountainous terrain, declining population or, conversely, very high population density, seasonal nature of the economy, etc.

These constraints make the social and economic systems of these territories less competitive and more fragile in times of global crises. The negative consequences of this situation have been clearly demonstrated in recent studies of the performance of island economic systems, and were reiterated by the Islands Commission at a conference at the European Parliament on 24 April 2018 in the presence of Commissioner Crețu.

In the context of the debates on future EU policies and the upcoming negotiations on the EU’s 2021-2027 budget, the Islands Commission -representing 21 island governments and more than 15 million European citizens- wishes to deliver its political messages and calls on the Member States to which these island territories belong to relay and support this Declaration to among the European institutions.
The CPMR Islands Commission:

1. **Points out** that the latest Gross Domestic Product (GDP) statistics confirm increasing disparities not only between European regions but also between regions within Member States. **It points out** that island regions in particular face a marked increase in the extent to which they lag behind mainland regions.

2. **Regrets** that, despite the changes announced by the European Commission to the method for allocating cohesion policy funds¹ (the ‘Berlin formula’), the per capita GDP indicator remains the principal criterion used to determine the allocation of funding.

3. **Reiterates** in this respect that neither GDP nor the other components of this indicator adequately reflects the economic and social fragility of island regions which, because of the structural constraints due to their island situation, are impacted by less favourable conditions of access to the single European market as well as by additional economic costs that are higher than those in mainland regions with a comparable level of GDP.

4. **Notes** that under the ‘new’ method used by the European Commission to calculate eligibility for cohesion policy funds, eleven island regions would see a change in their eligibility. Height of these would move down a category: Ionian Islands, North Aegean, South Aegean, Crete, the Balearic Islands, Sardinia, Cyprus, and Malta, while others, such as Madeira, would move down two categories, from most developed regions to less developed regions. This shows that the convergence process of island regions and outermost regions is more complex than that of continental mainland regions.

5. **Welcomes** the European Commission’s proposal that the cohesion policy should continue to cover all European regions. This makes it possible for all European island regions to benefit from the leverage effect of investments co-funded by the cohesion policy.

6. **Regrets** however the planned reduction of 10% in real terms in the overall budget allocated to cohesion policy. In this respect and in the light in particular of the drastic 46% cut planned in the Cohesion Fund, the Islands Commission is concerned about the impact these cuts will have on the envelopes allocated to island regional governments. Calls therefore on the European institutions to increase the overall budget.

7. **Is concerned** about the European Commission’s proposal to modify the level at which thematic concentration takes place. It proposes to move this to the national level, whereas for the 2014-2020 period thematic concentration mostly took place at the level of the programmes, many of which are established at the regional level. **It considers** that this represents a renationalisation of cohesion policy within each Member State, which could have the adverse effect of exacerbating competition between regions within the same country when it comes to negotiating the earmarking of cohesion funding with the Member State.

8. **Considers** the continued special treatment given to the outermost regions to be positive, enabling these regions to benefit from the maximum level of flexibility in terms of thematic

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¹ With the addition of indicators relating to employment, education, migration and climate.
concentration and an exemption for investment in airport infrastructure in the framework of the ERDF and the Cohesion Fund.

9. **Considers it necessary** to set up a differentiated level for remote regions in order to alleviate the enormous difficulties linked to the territorial discontinuity.

10. **Regrets** however the disappearance of the specific derogation enabling a certain number of islands to benefit from this maximum level of flexibility in thematic concentration\(^2\).

11. **Calls therefore on** the European Parliament and the Council to modify the European Commission’s proposal in order to ensure that all island regions can benefit from the same maximum level of flexibility with regard to the thematic concentration obligation of the ESI funds.

12. **Is concerned** to see the distancing of the ESF from the objectives and principles of cohesion policy – in this case the territorial dimension and partnership with the regions – given its increased focus on objectives identified in the framework of the European Semester and the European Pillar of Social Rights, both of which stem from top-down and centralised processes.

13. **Reiterates** that, in the current programming period, the allocation of higher co-financing rates, especially for less developed regions, has meant that cohesion policy has been able to support beneficial investment, notably in island and outermost regions, that has had a positive economic impact and which would not otherwise have been possible.

14. **Is concerned** in this respect about the European Commission’s proposal to lower the co-financing rates for all categories of regions. **It emphasises** that this measure will have a major impact both on the least developed island regions and on outermost regions, which will have to increase their co-financing effort as a result, thus jeopardising the sustainability of numerous projects.

15. **Regrets** in particular the removal of the provision\(^3\) permitting the modulation of the co-financing rate of a priority axis to take account of the ‘coverage of areas with severe and permanent natural or demographic handicaps’ which was applicable, by definition, to all island and outermost regions.

16. **Calls on** the European Parliament and the Council to introduce a specific derogation to maintain the same co-financing rate of 85% for all islands and outermost regions. It also calls for the modulation of co-financing rates by priority axis for islands and outermost regions to be reinstated.

17. **Reiterates** the strategic importance of the INTERREG territorial cooperation programme for European island regions. This programme enables them to capitalise on the results of already-existing synergies and to develop new collaboration initiatives among islands and/or among island and mainland regions.

18. **Regrets** the European Commission’s proposal to reduce the overall budget allocated to the INTERREG Programme 2021-2027 by 12%, and the intention to reduce the maximum co-financing rate from 85% to 70%.


\(^3\)Article 121 of EU Regulation No 1303/2013 of 17 December 2013.
19. **Is extremely concerned** by the disappearance of maritime cross-border cooperation programmes and the absence of any concrete provisions to ensure the continuity of these programmes.

20. **Highlights** the lack of consideration for the impact that discontinuing these programmes will have on islands, given that insularity is in itself a major barrier to cooperation not only with other islands but also with neighbouring mainland regions.

21. **Calls on** the European Parliament and the Council to introduce into component 2 (transnational cooperation and maritime cooperation) of the Interreg Programme specific cooperation sub-programmes (among islands and among island and mainland regions) for regions sharing the same sea basin. In the event that none of these provisions is retained, the Islands Commission calls for financial compensation to be awarded to island regions that will lose a part of their financial envelopes linked to these cross-border maritime cooperation programmes.

22. **Welcomes** the creation of a specific component for cooperation for outermost regions among themselves and with OCTs or with neighbouring third countries. **Has concerns**, however, about the management mode of this new component, partly or fully under indirect management.

23. **Asks** that the regions of the Azores, Madeira and the Canary Islands be considered eligible for the future transnational Atlantic programme, notwithstanding their participation in the cooperation programmes of component 3 of the Interreg programme.

24. **Welcomes** the European Commission’s proposal to renew the participation of the United Kingdom in cross-border, transnational and maritime cooperation programmes irrespective of the outcome of the Brexit negotiations. **It highlights** that this provision will enable the island regions of Scotland to participate in European territorial cooperation programmes, and that it will also facilitate cooperation between outermost regions and their British OCT neighbours.

25. **Welcomes** as a positive development the stepping-up of interregional cooperation based on Smart Specialization Strategies (S3) in the framework of component 5, as well as the efforts to align the Interreg programmes and the macroregional and sea basin strategies in the framework of component 2. **It considers however** imperative that local and regional authorities are more closely involved in the governance of programmes under component 2 (transnational cooperation and maritime cooperation) and component 5 (interregional innovation investment).

26. **Regrets** the weakening of the interregional component, from which several missions have been removed notably the ‘exchange of experience focusing on thematic objectives among partners throughout the Union, including in relation to the development of regions referred to in Article 174 of the TFEU’, contained in Article 2 of Regulation (EU) No 1299/2013 on ETC.

27. **Reiterates** the importance of the role played by State aids, in particular regional State aids, in the economic development of certain disadvantaged European territories. On this point and looking ahead to the review of the State aids policy post-2020, the Islands Commission repeats its calls to:

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a. step up the special treatment for outermost regions, whose combined constraints continue to justify the automatic eligibility of these regions under Article 107 (3) (a) of the TFEU;

b. consider all islands as automatically eligible under the provisions of Article 107 (3) (c) of the TFEU and to revise the population quota for the Member States concerned accordingly. This is already the case for sparsely populated areas which, along with islands, are covered by the same Article 174 of the TFEU;

c. allow aid to large companies for territories covered by Article 107 (3) (a) and (c) of the TFEU, considering the positive effects that these can bring about on the economic network of the most vulnerable territories.

28. Calls on the European Commission to amend the regulations on the aid compatibility with the internal market for island regions.

TRANSPORT AND ACCESSIBILITY IN THE EU ISLANDS

The CPMR Islands Commission:

29. Reiterates that in conformity with Article 170 of the TFEU, in order to promote the harmonious development of all its territories the Union must promote interconnection and interoperability of national networks as well as access to such networks. To do this, it ‘shall take account in particular of the need to link island, landlocked and peripheral regions with the central regions of the Union.’

30. Reiterates that in the letter sent to Commissioner Bulc in January 2018, the President of CPMR defended the right to mobility of persons and goods, regardless of their geographical location.

31. Reiterates that according to Article 4 of its Regulation\(^5\), the Trans-European Transport Network (TEN-T) shall aim to strengthen the social, economic and territorial cohesion of the Union through accessibility and connectivity of all regions of the Union, including remote, outermost, insular, peripheral and mountainous regions, as well as sparsely populated areas. It points out that European island regions frequently suffer from a combination of such constraints, being peripheral, mountainous and sparsely populated.

32. Welcomes the recognition by the European Commission – in its proposal for the Connecting Europe Facility (CEF)\(^6\) for the period 2021-2027\(^7\) – of the special status of outermost regions, which benefit from specific measures.

33. Also welcomes the inclusion of the Canary Islands and the Balearic Islands in the geographical alignment of the core network corridors, listed in annex to the CEF Regulation.

34. Considers however that, despite this progress, the proposed CEF Regulation does not fully respond to the obligations arising from Articles 170 and 174 of the TFEU and regrets that the European Commission did not adopt a more ambitious approach in order to ensure that the constraints and specific needs of all European island regions were taken into account.

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\(^5\) EU Regulation No 1315/2013.
\(^7\) Possibility of benefitting from co-financing rates of up to 50% via the CEF (Article 14.2(a)/c).

CPMR Islands Commission - Web: http://cpmr-islands.org - E-mail: giuseppe.sciacca@crpm.org
35. **Notes** that support for cross-border projects has been stepped up under the CEF, and that these will, like outermost regions, benefit from co-financing rates of up to 50%. However it calls – as does the CPMR – for ports to be considered as cross-border entities and thus eligible to benefit from this preferential rate.

36. **Regrets** that no island is mentioned in the list of pre-identified sections of the core network (CEF annex), which consists only of rail and road sections.

37. **Has concerns** about the provisions for implementing the new CEF envelope of EUR 6.5 billion earmarked for military mobility, and how this could potentially take account of island priorities.

38. **Reiterates** that the TEN-T criteria result in the definition of a (priority) core network which reduces the island regions’ possibilities for accessing the CEF. **It therefore calls on** the European Commission to launch a study to assess the results achieved by European economic and legislative provisions and the extent to which they help reduce the accessibility constraints of island regions. This study should consider all actions co-financed by the CEF during the current programming period, and facilitate the preparation of a review of the TEN-T Regulation in 2023.

39. **Has concerns** about the CEF’s model of governance, which is highly centralised and operates by means of delegated acts, action plans and calls for projects to be negotiated between the Commission and Member States. In the interests of simplification, the proposal does not go into great detail concerning eligible actions and their co-financing rates, which in practice gives the Commission and its agency (INEA) considerable scope to interpret the implementation of the CEF. **It urges** the European Parliament and Council to be particularly vigilant on this point.

40. **Notes** the introduction, in the proposed CEF Regulation, of a system of performance indicators aiming to ensure a more effective and efficient implementation. However, **it regrets** that none of these new indicators focus on the island dimension, nor do any of them analyse the specific accessibility constraints to which islands are subjected. In practice, this restricts the possibilities of linking the monitoring of CEF implementation to the obligations arising from Articles 170 and 174 of the TFEU.

**With regard to maritime transport:**

41. **Regrets** that the European Commission’s proposal for the CEF still does not recognise ports as cross-border infrastructure, thereby limiting to 30% the co-financing opportunities for port operations and the Motorways of the Sea.

42. **Also regrets** the absence of ports in the presentations of the pre-identified sections of each of the core network corridors. A section on ports should be introduced in the presentation of each corridor.

43. **Has concerns** about the time taken by the Commission and Member States to prepare a provision to support modal shift towards maritime transport, such as the Ecobonus mechanism.

44. **Welcomes** the greater attention given to outermost regions and to islands in the updated version of the Detailed Implementation Plan for the Motorways of the Sea. It **considers** however that this step forward will only prove useful if it is materialised in the CEF and TEN-T Regulations.
With regard to air transport:

45. **Reiterates** the strategic importance for island regions of guaranteeing air services and routes, between islands or between islands and the mainland, which cater (in number and quality) to the needs of their citizens in terms of territorial continuity.

46. **Welcomes** on this point the initiative of the Balearic Islands, Sardinia and Corsica to establish a new air link system aiming to enhance connectivity between the islands as well as between the islands and the mainland, while ensuring reduced travel times and competitive prices.

47. **Highlights** the dissatisfaction expressed by island governments concerning Regulation 1008/2008\(^8\), in particular the provisions of Article 16 on public service obligations. While it recognises that this is a complex issue, the CPMR **Islands Commission** urges the European Commission to introduce a greater degree of flexibility into the Regulation.

48. **Also calls on** the European Commission to allow aid to be granted for new air routes with third countries, while ensuring that the service is operated without obstacles or restrictive measures that might hinder free and fair competition.

49. **Welcomes** the European Commission’s initiative to develop a European connectivity indicator. It **reiterates** that it is important to involve islands and outermost regions in the development of this indicator and in the discussions on its possible future use, in the context of the review of the TEN-T Regulation.

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**ENERGY TRANSITION AND DECARBONISATION OF ISLAND ECONOMIES**

**The CPMR Islands Commission:**

50. **Recalls** that in November 2016, the European Commission adopted the Communication entitled ‘Clean Energy for all Europeans’\(^9\) which accompanied a new package of measures aiming to facilitate the clean energy transition and, through this, to work towards the completion of the European Energy Union.

51. **Welcomes** the signing of the Valetta Declaration in May 2017, which accompanied the launch of the ‘Clean Energy for EU Islands’ initiative in the framework of the ‘Clean Energy for all Europeans’ package.

52. **Highlights** the strategic importance of this initiative for island regions, considering that it aims to help the European islands reduce their dependence on imported energy by making better use of local sources of renewable energies and by adopting modernised and innovative energy systems.

53. **Reiterates** that island regions and territories are in the front line with regard to combating and mitigating climate change. **The Islands Commission emphasises** in this regard the key role played by islands and their inhabitants as ‘innovative test-beds’ in promoting the production and use of renewable energies and, consequently, in achieving EU energy transition objectives.

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54. **Welcomes** the fact that the European Commission organised the inaugural forum for the ‘Clean Energy for all EU Islands’ initiative in Crete in September 2017. The European Commission on this occasion officially announced its intention to finance the setting-up of a secretariat to disseminate good practice and provide support for island regions wanting to introduce or improve decarbonisation and energy transition plans for their economic systems.

55. **Reiterates** that, due to their remoteness from the mainland and/or the specific characteristics of their economic systems, islands face significant additional costs related to energy production.

56. **Reiterates** that the existence of these additional costs is a barrier to the establishment of a ‘level playing field’ in terms of competitiveness and return on investment, not allowing these territories equal access to the single energy market and hindering the achievement of the objectives set by the Energy Union.

57. **Highlights** in this context the strategic importance for island regions to have access to and be able to benefit from European funding to help them bear the costs related to energy transition and tackling energy poverty on islands.

58. **Welcomes** the measures recommended by the European Commission in the Multiannual Financial Framework 2021-2027, notably the renewal of thematic concentration of European funding (of the European Regional Development Fund – ERDF – and the Cohesion Fund) for energy transition. **It has concerns** however about the Commission’s proposal to reduce the co-financing rates of the ERDF/COHESION FUND/ETC measures, which could – especially in the most fragile economic systems such as those of island regions – make investment in renewable energies and in electricity networks and interconnection less attractive.

59. **Calls on** the European Parliament and Council to introduce higher co-financing rates for all island regions wishing to use ERDF/COHESION FUND funding to decarbonise their economic systems by setting up Regional Energy Strategy action plans, promoting research and innovation, investing in production and storage systems for the most efficient renewable energies, and developing or improving connections to mainland energy networks.

60. **Welcomes** the introduction of measures in the framework of the HORIZON 2020 programme, such as those on ‘Decarbonising energy systems of geographical islands.’**10** It **considers** that the high number of proposals submitted in this framework reflects the strong interest in and the relevance of this kind of initiative for European island regions. It therefore **calls on** the European Parliament and the Council to ensure that the future HORIZON EUROPE programme**11** for European research includes similar measures and increases the amount of funding allocated to them.

61. **Highlights** the strategic importance of the active participation of island regions’ representatives in the design and governance of European policies and/or initiatives on energy transition and tackling climate change. It **welcomes** the good practice established by certain national governments that have made ‘Island proofing’ the cornerstone of a multi-level and multi-stakeholder governance model that represents the only viable solution for taking up the challenges faced by island regions regarding energy transition and climate change.

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62. **Reiterates** the importance for island regions to be able to mobilise and benefit from the work of highly-qualified technicians and experts in the field of renewable energies. On this point, **it emphasises** the high added value of specific programmes and European funding to train young people.

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**SUSTAINABLE TOURISM**

The CPMR Islands Commission:

63. **Points out** that according to the most recent statistics\(^{12}\) available, in 2015 two of the top five European tourist destinations were island territories (the Balearic Islands and the Canary Islands).

64. **Highlights** that, while islands have geographical and environmental assets which are an advantage from the point of view of tourist attraction, these same specific characteristics also give rise to different types of adverse effects resulting in sustainable management challenges that are not, in general, faced by mainland regions.

65. **Mentions on this point:**

   a. limited capacity, due to a geographical area which is, by definition, limited;
   b. strong pressure placed on ecosystems by tourism activities, posing considerable challenges to the sustainable development of destinations;
   c. visitor numbers strongly dependant on the type and periodicity of existing transport services;
   d. existence of high additional operating costs, giving rise to price pressure on tourist facilities and services while weakening the competitiveness of island tourist undertakings.

66. **Reiterates** that according to Article 195 of the TFEU, ‘The Union shall complement the action of the Member States in the tourism sector, in particular by promoting the competitiveness of Union undertakings in that sector.’ **It emphasises** moreover the high added value of the financial support measures for the tourism sector advocated by the Union in the framework of specific programmes (COSME) and in the framework of European regional policy.

67. **Calls on** the European Parliament and the Council to pay close attention to the funding opportunities and legislative measures envisaged by the European Commission in its proposals for the Multiannual Financial Framework 2021-2027 and European policies. **It urges** the European Parliament and the Council to ensure ad hoc standards and measures are in place to enable tourism undertakings on islands to tackle the specific challenges mentioned above.

68. **Reiterates** the importance of promoting more responsible tourism sectors and activities, focusing on the design and development of structures and services that ensure the conservation of biodiversity and natural habitats on the islands.

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69. **Highlights** the efforts deployed by island governments in designing and implementing innovative public policies to create the conditions required for developing more sustainable tourism products and/or services. **It also points out** the important role played by the European Union in promoting collaboration and exchange of good practice between island governments, their tourism agencies and private sector stakeholders.

70. **Reiterates**, in this context, the excellent results of projects which have developed innovative and effective solutions, such as [CIVITAS DESTINATION](http://civitas-destination.eu), which has improved the offer of mobility services for tourists while reducing their carbon footprint, and [BLUEISLANDS](http://blueislands.eu), which has reduced the environmental impact on island coastal zones by developing waste management practices and promoting the ‘green beaches’ label.

71. **Calls on** the European Commission, the European Parliament and the Council to renew all legislative and funding opportunities that will enable this type of best practice to be built on and reproduced. **It calls for** specific initiatives to be set up to promote the development of sustainable tourism on islands under the European territorial cooperation programmes for the 2021-2027 period.

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**Biodiversity and Island Environments**

**The CPMR Islands Commission:**

72. **Reiterates** that island regions have a unique but very fragile biodiversity and marine environment. Highlights in this respect the considerable efforts made by island governments and their populations to tackle the challenges of protecting and restoring biodiversity and marine and coastal ecosystems on islands.

73. **Highlights** the added value of European intervention and **welcomes** the specific measures advocated by the European Maritime and Fisheries Fund (EMFF) 2021-2027 in this area. **It welcomes in particular** the fact that the EMFF will also support actions aiming to achieve or maintain good environmental status of marine habitats in conformity with the Marine Strategy Framework Directive.

74. **Reiterates** that sustainable fisheries and aquaculture are two key economic sectors from the point of view of social and economic development and cultural heritage for a great majority of European island regions. **It emphasises** in this respect the role of small-scale fisheries (SSF).

75. **Points out** that the average age of fishermen in many fishing communities is over 50, and that generational renewal is therefore a challenge. **It therefore welcomes** the specific measures for small-scale fisheries advocated in the new EMFF, such as co-financing rates of up to 100% of the costs of eligible projects to develop sustainable fisheries activities.

76. **Welcomes** the fact that the new EMFF advocates new financial support measures to encourage the implementation of action plans for the sustainable exploitation of fish stocks and of aquaculture in outermost regions. **It also welcomes** the European Commission’s proposal to renew the EMFF’s financial support to offset the additional costs borne by outermost regions due to their geographical situation and their insularity.

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77. **Regrets however** that the new EMFF advocates that financial support for the processing industry should be provided only through financial instruments.

78. **Highlights** the hazardous nature of marine litter and plastic which are a threat to biodiversity and island marine environments. **Welcomes** in this respect the approach adopted by the European Commission in its Communication ‘For a circular economy’ and **recalls** the Declaration recently approved by the CPMR Political Bureau meeting in Pärnu (21 June 2018) and which has the full support of the CPMR Islands Commission.

79. **Welcomes** the initiative launched by the WWF for a legally-binding agreement to eliminate plastic discharge into the oceans, which it fully supports.

80. **Highlights** the fact that most islands are located in biodiversity hot spots. They are also hypertouristic destinations, as the diversity of landscapes and species they contain contributes to their tourist attractiveness as well as to their identity and traditions. On the islands, this wild, domesticated and cultural biodiversity is all the more vulnerable to the climate shock and its the consequences of which the planet is currently suffering.

### MIGRATION

**The CPMR Islands Commission:**

81. **Recalls that**, in recent years, many European islands have been affected by the phenomenon of large migratory flows beyond geographical and economic constraints.

82. In this context, **it recalls** the strategic importance for Europe of acquiring an ambitious policy and financial means enabling regional island governments to design and implement initial reception services and develop long-term strategies for social inclusion and integration.

**Consequently, the Islands Commission:**

- **Welcomes** the proposals and instruments on Migration foreseen by the EC in its legislative and budgetary proposals for the 2021 - 2027 programming period;

- **Supports** the policy recommendations formulated set out in the CPMR discussion issue paper *Migration and Asylum in EU Regions: Towards a multi-level governance approach*, and those of in the CPMR Inter-Mediterranean Commission’s [final declaration](http://cpmr-islands.org) approved in Patras on 29 June 2018.

**Unanimously approved**