



CPMR supporting briefing for the conference

'How can the post 2020 Cohesion Policy meet EU Islands challenges?'

European Parliament – Brussels

IN A NUTSHELL

A few weeks from the publication of the first Commission's proposals for the post-2020 period, this briefing from the CPMR Islands Commission has two objectives:

- **to provide food for thought for the conference "How can the post 2020 Cohesion Policy meet EU Islands challenges"** and ensure constructive discussions on the day of the event.
- **to feed into the debate on the reform of Cohesion Policy for the post-2020 period, with concrete proposals** from the CPMR Islands Commission.

The briefing is structured as follows:

- **Section 2** explores different scenarios for the future Cohesion Policy and its potential impacts on CPMR island members.
- **Section 3** "fact-checks" the existing provisions for islands in Cohesion Policy regulation, in response to a letter sent by the European Commission to the CPMR Islands Commission, before presenting some options for post-2020 Cohesion Policy.

1. THE CONTEXT

Discussions on the post-2020 Multi-annual Financial Framework (MFF) and Cohesion Policy have rapidly stepped up since the adoption of the [CPMR Islands Commission Policy Position on post-2020 Cohesion Policy](#) and the [CPMR Policy Position on the future of Cohesion Policy](#) in the spring 2017.

The European Commission is expected to publish its proposal on the next MFF on 2 May 2018. The Cohesion Policy legislative proposal will follow in due course and will be released towards the end of May/or early June 2018.

The [position of the European Parliament on the post-2020 MFF](#) and its [resolution on the reform of the European system of own resources](#) were adopted on March 14th. Both reports insist on the need for a strong post-2020 EU budget, to enable the Union to finance its policies and meet new challenges. This message is strongly restated by the CPMR in its [Policy position on the post-2020 EU budget](#), which supports the European Parliament's view to raise MFF expenditure ceiling at 1,3%, unless the European Council agrees to introduce new own resources. The CPMR also welcomes in the report on the next MFF the reference to dedicated provisions for island areas and the call for stronger cohesion and solidarity in Europe.

Still, the future of Cohesion Policy remains under threat and is highly uncertain. The [Commission's Communication on the post-2020 MFF](#) from February 2018 developed different budgetary scenarios for already existing and new priorities for the EU, including Cohesion Policy. The CPMR pointed out¹ how such cuts could be detrimental for the future of the policy and for achieving economic, social and territorial cohesion in Europe, as per Article 174 of the Treaty on the functioning of the EU (TFEU).

Today, the very nature of Cohesion Policy as an investment policy for regional development is seriously challenged and, with it, its fundamental territorial dimension. Yet this dimension is at the heart of Cohesion Policy added value, as one of the only EU policy with such a strong place-based approach.

In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. This is the spirit of Article 174 TFEU, which recognizes the need to **pay particular attention to specific territories of the Union beset by permanent natural or demographic handicaps, such as island regions.**

Despite specific provisions targeting islands in EU policies, and in particular in Cohesion Policy regulations, **the CPMR Islands Commission has observed that a consistent and particular attention to insularity as enshrined in Article 174, is currently missing in Cohesion Policy.**

Moreover, regional GDP forecasts confirm that regional disparities in Europe are on the rise, with island regions still lagging behind or even dropping out compared to mainland regions. Therefore, **a strong Post-2020 Cohesion Policy is needed more than ever, with a reinforced island dimension in compliance with Article 174.** Only under these conditions then island regions will be able to unlock their many potentials and opportunities, to the benefit of the Union as a whole.

¹ See CPMR analysis on "[Potential budgetary cuts for Cohesion Policy](#)" and CPMR background paper "[Mapping out a EU budget for post-2020](#)"

2. CPMR FORECASTS FOR ISLAND REGIONS IN THE POST-2020 COHESION POLICY

The CPMR has made forecasts with regards to the eligibility of island regions for the post-2020 period, which are covered in this section.

2.1. General assumptions and methodology

At the time of writing, it seems very likely that the following proposals will be presented in the next Cohesion Policy legislative package:

- **Budgetary cuts to Cohesion Policy in the next MFF could range between 5% and 15%**, as restated recently by Commissioner Oettinger. It would be the least damaging scenario for Cohesion Policy, even though it would obviously limit its scope of action on EU regions and to a certain extent, on EU islands. Moreover, the impacts of such cut are still very uncertain:
 - Would it be a horizontal 'hair cut' reduction for the whole Cohesion Policy budget or the cut would cover certain some aspects of the policy in particular?
 - Even a 5% cut can mean very different things depending on the calculations (at EU 28 or EU 27, in 2011 or current prices), from the best case to the worst-case scenario².
- **Cohesion Policy should continue to cover all European regions** and it can also be taken for granted that the **three categories of regions will be maintained**, according to the options set out in the Commission's Communication on the post-2020 MFF.
- At this point in time, and based on Commission's Communication on the post-2020 MFF, it is probable that the eligibility threshold for the transition category would change from 75% and 90% of the EU average to **include regions between 75% and 100% of the EU average**.

Reminder: methodology for calculating eligibility for Cohesion Policy in current 2014-2020 period

- Eligibility for Cohesion Policy is calculated using regional GDP data (at NUTS II level), measured in purchasing power standard (PPS), and expressed in percentage of the EU GDP average.
- An average of three years is taken to measure the regional GDP average for every NUTS II region. The political agreement on the Cohesion Policy package for 2014 / 2020 reached in December 2013 confirmed that the three years reference period would be the 2007/2008/2009 regional GDP average.
- On this basis, the Common Provisions Regulations (Article 90) identify three categories of NUTS II regions which determine Cohesion Policy allocations: less developed regions (GDP<75% of the EU average), transition regions (GDP between 75% and 90% of the EU average) and more developed regions (GDP>90% of the EU average).

² For instance, a 5% cut of the Cohesion Policy envelope of the EU 28 would result to 312,45 Billion EUR in 2011 prices or to 404,50 billion EUR in current prices, indeed representing a 5 % cut compared to the current allocation. But a 5 % cut of the Cohesion Policy envelope of the EU 27 at 334,28 Billion EUR in current prices combined with an allocation of this amount for the next funding period would result in a CP allocation of 258,61 Billion EUR in 2011 prices. This would represent a cut of a 21 % cut compared to the current allocation.

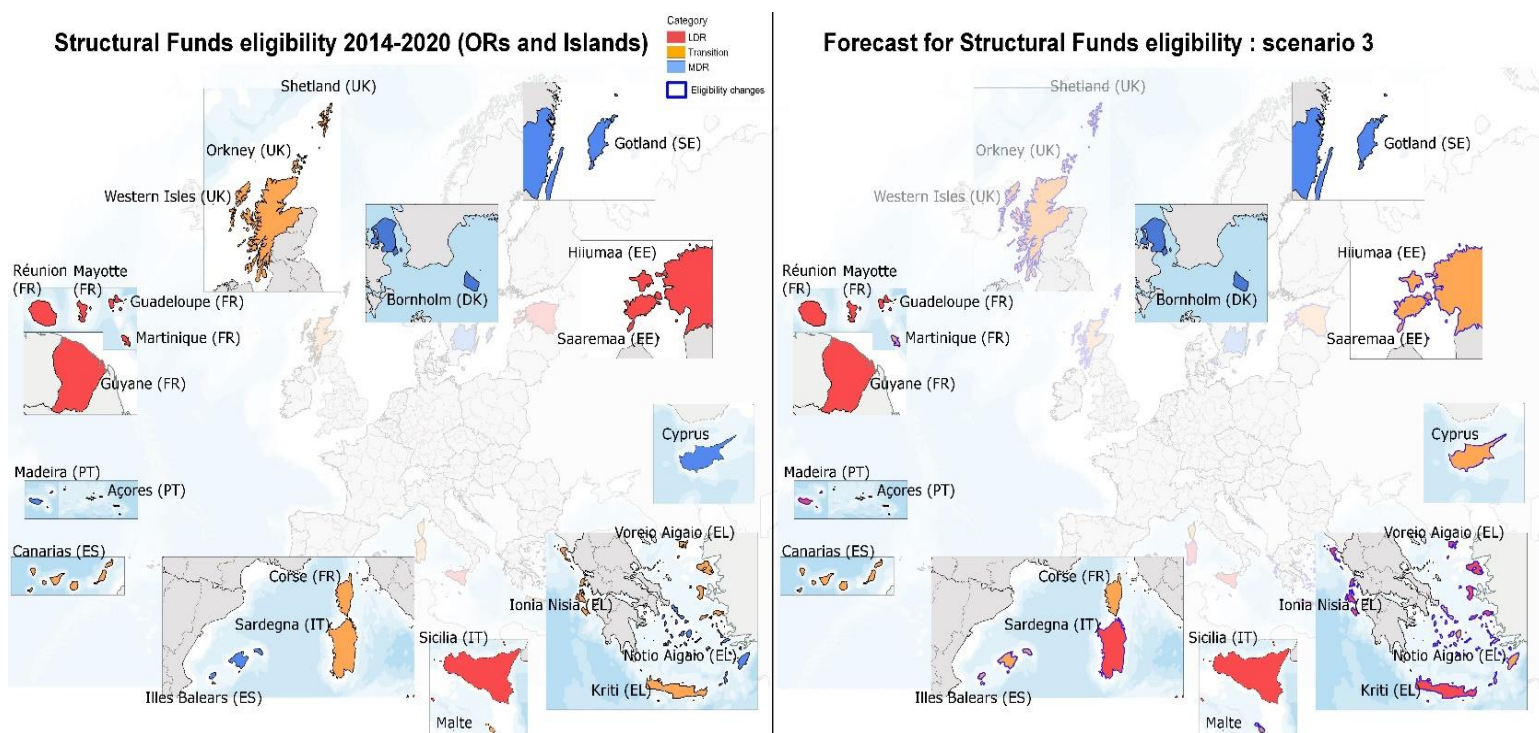
Based on the above, the CPMR secretariat forecasts of Structural Funds eligibility for EU islands are built as follows:

- The latest regional GDP statistics for 2014, 2015 and 2016 were used to determine the three categories of regions in the next programming period, notwithstanding possible changes to the allocation methodology for ESI funds after 2020 (i.e. a broader set of indicators).
- The eligibility simulation focuses on island regions or members states at NUTS II level, all outermost regions and NUTS II regions covering CPMR islands members at NUTS III level.
- The eligibility simulation is broken down into 3 scenarios:
 - **Scenario 1:** latest regional GDP based on EU28 average (without Brexit), transition category remains 75%-90% of EU28 GDP.
 - **Scenario 2:** latest regional GDP based on EU27 average (with Brexit), transition category remains 75%-90% of EU27 GDP.
 - **Scenario 3:** latest regional GDP based on EU27 average (with Brexit), transition category extended to 75%-100% of EU27 GDP.

The full analysis is summarized in the table in **Annex I**.

2.2. Results and analysis of CPMR forecasts

The following maps show what the eligibility of regions within Cohesion Policy would look like using the latest GDP statistics and with all regions between 75% and 100% of EU average as eligible for transition regions support (scenario3). UK regions are presented for information purposes only.



- **11 island regions would change eligibility** using the most recent regional GDP data and the new transition category. Out of these 11 islands, **8 would plunge down a category** (Ionia Nisia, Voreio Aigaio, Notio Aigaio, Crete, Illes Balears, Sardegna, Cyprus and Madeira) and **3 would move up a category** (Hiiumaa, Saaremaa and Martinique).
- At the level of the Member States, **island regions of southern Europe** are the most affected by these declines: Cyprus, all Greek islands, Italy (Sardinia) and Portugal (Madeira).
- The picture is more mixed regarding outermost regions, but **Madeira would theoretically drop from the more developed to the less developed region category.**
- **The option of changing the eligibility threshold of transition regions to 75% - 100% has effects on Malta, Illes Balears and the Scottish region of Highlands and islands.** Using 2016 data, these islands were forecast in the more developed region for the post-2020 period (scenario 1) but with the new transition category they move down or stay in the transition category (see scenario 3 in Annex I).
- **Brexit would have a minimum impact on the future Cohesion Policy eligibility of EU islands** and would not imply any change of category (see scenario 3 in Annex I)

In a nutshell, CPMR forecasts reveal that, with a few exceptions, all EU islands are declining in terms of regional GDP. They confirm the rise of regional disparities both across European regions (mainland and islands) but also within Member States. This provides strong evidence for a post-2020 Cohesion Policy covering all regions, with a reinforced territorial focus on regions which suffer from severe and permanent natural handicaps, as per Article 174 TFEU.

3. ENHANCING THE ISLAND DIMENSION IN COHESION POLICY

3.1. Which focus on islands in EU Cohesion Policy? CPMR Islands Commission fact-checking exercise

In its [Policy Position on Post-2020 Cohesion Policy](#), adopted in March 2017, the CPMR Islands Commission underlined the necessity to update the current legislative framework in order to ensure:

- **a fairer and more flexible Cohesion Policy** for all islands and outermost regions
- **a strong partnership with islands and outermost regions** in the governance of Cohesion Policy
- **an enhanced maritime cooperation** in the framework of European Territorial Cooperation (ETC) programmes.

In reaction, the European Commission sent a letter³ to the CPMR Secretariat to demonstrate how the island dimension is sufficiently addressed in the current Cohesion Policy legislative framework and as such, is in full line with the spirit of Article 174 TFEU.

³ Letter sent by the Directorate General for Regional and Urban Policy (DG REGIO) on 21 February 2017

The CPMR secretariat has carried out a “fact-checking” exercise of the points raised in the letter, presented in the tables below:

- Table 1: **Implementation of Article 174 TFEU and partnership with island regions**
- Table 2: **Flexibility in thematic concentration**
- Table 3: **Budgetary allocations for island regions in Cohesion Policy**
- Table 4: **Integrated territorial development tools**
- Table 5: **Provisions for islands in EMFF and EAFRD regulations**
- Table 6: **Co-financing rates for islands in Cohesion Policy**

| Table 1. IMPLEMENTATION OF ARTICLE 174 TFEU AND PARTNERSHIP WITH ISLAND REGIONS | |
|---|---|
| Claim | Fact(s) |
| <p><i>“In implementing Article 174 of the TFEU, the Common Provisions Regulation (CPR) stipulates that Member States shall take account of geographic or demographic features and take steps to address the specific territorial challenges of each region (Art.10).”</i></p> | <p>A study conducted by CPMR Secretariat in 2015 showed that the majority of island regions were involved in the design of both the Partnership Agreements and the Operational Programmes (e.g. needs analysis, development of priority actions). However, where some regions were satisfied about the quality of their involvement and their influence (in France, Italy, Malta, Portugal, Spain), several regions were particularly critical of the quality of the whole process and considered that no particular attention has been paid to their territorial specificities (in Denmark, Estonia, Sweden, UK). In other words, the results of the study revealed that in many regions the island dimension was not taken into account, and it generally coincides with a centralized process of decision-making and poor involvement of regional authorities.</p> |

➔ ***What does it mean?*** There are very mixed responses as to whether the island dimension of Cohesion Policy is a reality for the 2014 – 2020 Operational Programmes.

Although all island regions were involved in the process of developing Operational Programmes, the weakness of the provisions guaranteeing the involvement of regions in Cohesion Policy (Article 5 CPR) leaves a large margin of manoeuvre for Member States to decide on the degree of influence of Regions in the preparation of the Partnership Agreement and Operational Programmes.

Where island regions were given a special treatment in Operational Programmes, it was mostly due to their special status in their own Member State/constitution, and not thanks to the provisions provided under Article 174 TFEU.

In that sense, there is little evidence to suggest that Article 174 is a driving factor in terms of taking account of the island dimension in Cohesion Policy programmes.

Table 2. FLEXIBILITY IN THEMATIC CONCENTRATION

| <u>Claim</u> | <u>Fact(s)</u> |
|---|--|
| <p><i>“Many islands benefit from derogation to the thematic concentration requirements under the ERDF and have more flexibility to determine investments, accruing to Article 4 of the Regulation No 1301/2013 on the ERDF (...) where many of the islands are classified as less developed regions and as such benefit from the most favourable treatment regarding support from the ESI Funds.”</i></p> | <p>Some islands are classified as less developed regions and as such benefit from derogation to the thematic concentration requirements, as per Article 4 of the ERDF Regulation: Island Member States (Cyprus, Malta), regions in Member State receiving support from the Cohesion Fund (Estonia, Greek islands) and outermost regions (Guadeloupe, Réunion, Martinique, Mayotte, Açores, Madeira, Canarias).</p> |

→ **What does it mean?** A differentiated treatment for islands within Cohesion Policy, where some islands benefit from more flexibility but not others: Bornholm, Corsica, Sardegna, Baleares, Aland, Gotland, Orkney, Shetland islands, Western islands.

This is especially unfair in cases where this derogation applies to “more developed” island regions, according to the [map of Cohesion Policy eligibility](#) (Cyprus, Madeira or South Aegean), but not to island regions in the transition category which, by definition, have a lower regional GDP (Corsica or Sardegna).

Table 3. BUDGETARY ALLOCATIONS FOR ISLAND REGIONS IN COHESION POLICY

| <u>Claim</u> | <u>Fact(s)</u> |
|--|--|
| <p><i>“The method for allocating ESI funding in the programming period 2014-2020 allowed taking account of the specificities of the local context. (...) Island Member States and several island regions received extra financing during the MFF agreement for 2014-2020.”</i></p> | <ul style="list-style-type: none"> ▪ In the method for allocating ESI funding (Berlin formula) there are no criteria capturing the island dimension of a territory. ▪ At national level, there is no mandatory requirements for Member States to allocate a specific amount of their Cohesion Policy envelope to their island regions. ▪ Outermost regions benefit from a special allocation, as per Article 349 TFEU, corresponding to EUR 30 per inhabitant per year and added to their respective ERDF envelope. ▪ Other additional provisions for the allocation of Cohesion Policy funding are laid down in Annex VII of the CPR: <ul style="list-style-type: none"> - Cyprus and Malta were granted respectively €200 million and €150 million as recognition of the special challenges faced by island Member States. |

| | |
|--|---|
| | <ul style="list-style-type: none"> - South Aegean region, Madeira, Açores, Baleares, Canarias and Sicily received additional allocations deriving from interstate agreements in the final stage of the MFF 2014-2020 negotiations, which provided additional funding for Member States particularly affected by the economic crisis. |
|--|---|

→ **What does it mean?** Islands and outermost regions in different Member States receive from Cohesion Policy amounts that vary considerably, depending on their classification (more developed, transition, less developed region), their situation (outermost region, island Member State) and specific interstates agreements during the MFF 2014-2020 negotiations, deriving from macro-economic considerations rather than territorial matters.

As a result, **many EU islands⁴ did not receive such extra financing, whereas they also have to face similar territorial and demographics handicaps** (no fixed link to mainland, remoteness, ageing population etc.).

This lack of consistency shows that the principles laid down in Article 174 TFEU have not been translated into specific budgetary provisions for islands. A consistent approach to insularity should cover all islands, regardless of their status, size or remoteness.

Table 4. INTEGRATED TERRITORIAL DEVELOPMENT TOOLS

| <u>Claim</u> | <u>Fact(s)</u> |
|--|--|
| <p><i>“The 2014-2020 Regulations have introduced tools to support integrated territorial development strategies (ITI and CLLD) (...) that can be used to support islands and to address the specific local needs.”</i></p> | <p>A survey conducted by the CPMR Islands Commission within its membership showed that these territorial tools provide real added value for island regions (possibility to address integrated and cross-cutting challenges, more financial flexibility, bottom-up approach in CLLD), however:</p> <ul style="list-style-type: none"> - the take up of these tools at regional level is still very low - the use of ITI in Operational Programmes covering islands is often due to the mandatory 5% earmarking for sustainable urban development. The actions implemented in such cases are focusing then on urban areas but not specifically on the issues linked to insularity in itself. Partnership Agreements or Operational Programmes sometimes not even mention |

⁴ For instance: Corsica (FR), Bornholm (DK), Hiiumaa and Saaremaa (EE), Ionian islands (GR), Sardegna (IT), Gotland (SE), Orkney and Western Isles (UK)

| | |
|--|--|
| | the use of an integrated approach targeting the islands they cover (e.g. Malta, UK or in the French PA). |
|--|--|

→ **What does it mean?** There is a strong potential of territorial tools for island regions, but some improvements should be introduced in the post-2020 period, to simplify their use and to better link them to islands specificities. Indeed, there are currently very few incentives to encourage Member States/regions to implement integrated territorial development strategies focusing strictly on the specific issues faced by islands.

Table 5. PROVISIONS FOR ISLANDS IN EMFF AND EAFRD REGULATIONS

| <u>Claim</u> | <u>Fact(s)</u> |
|---|--|
| <p><i>“Cohesion Policy CPR provided the framework for all funds to help the islands:</i></p> <ul style="list-style-type: none"> - Increase of public aid intensity by 35% for operations under the EMFF - Specific provisions targeting islands in the EAFRD (higher aid intensity, increase of the eligible public expenditure up to 85%)” | <ul style="list-style-type: none"> - <u>Regarding the EMFF</u>: limited to outermost regions, remote Greek islands and Croatian islands of Dugi, Otok, Vis, Mljet and Lastovo (Art. 95 EMFF Regulation) - <u>Regarding the EAFRD</u>: limited scope to outermost regions, <u>smaller Aegean islands</u>, and in some cases to less developed regions (Art.59 EAFRD Regulation) |

→ **What does it mean?** These fragmented specific provisions under the EMFF and the EAFRD Regulations are not targeting island regions *per se*, which again provide evidence that a consistent island dimension is currently missing in Cohesion Policy regulatory frameworks.

Table 6. CO-FINANCING RATES FOR ISLANDS IN COHESION POLICY

| <u>Claim</u> | <u>Fact(s)</u> |
|---|--|
| <p><i>“Many islands (...) have more flexibility to determine investments taking into accounts their needs, accruing from Article 121 of the CPR.”</i></p> | <p>Article 121 of the CPR stipulates that the co-financing rate from the funds to a priority axis may be modulated to take account, inter alia, of areas with severe and permanent natural or demographic handicaps. Outermost regions, island Member States and other islands, except those on which the capital of a Member State is situated or which have a fixed link to the mainland, are mentioned as eligible areas.</p> |

→ **What does it mean?** Checking the effective implementation of such provision would have required screening every operational programmes covering island areas, which we have not been able to do so far.

Nevertheless, we note that **this provision does not apply to all island areas, which again demonstrate the differentiated treatment of islands within Cohesion Policy regulations.**

3.2. Proposals for post-2020 Cohesion Policy reform

Based on this fact-checking analysis and its [Policy Position on post-2020 Cohesion Policy](#) adopted in 2017, the CPMR Islands Commission would like to trigger a reflection on several key areas where Cohesion Policy support to islands could be improved for the post-2020 period:

- **Implementation of Article 174 TFEU and multi-level governance arrangements**
- **Flexibility in thematic concentration**
- **Cohesion Policy funding**
- **European Territorial Cooperation (ETC)**
- **Territorial tools**

The CPMR Islands Commission is aware of the difficult context of the upcoming budgetary negotiations, but reminds the need to secure an ambitious post-2020 Cohesion Policy, with a reinforced place-based approach. The territorial dimension at the heart of Cohesion Policy delivers high European added value and must not be sacrificed, particularly if ‘European added value’ means ‘fulfilling EU Treaty objectives’.

The proposals listed below are therefore open to discussion during the conference on 24 April at the European Parliament. *This event is just the beginning of a reflection process between CPMR Islands Commission Members, which should result in a Policy Position Paper to be presented at the CPMR Islands Commission General Assembly in 12-13 July 2018 in Bastia (FR).*

- **Implementation of Article 174 TFEU and multi-level governance arrangements**

The CPMR [study](#) and the fact-checking analysis revealed that the reinforced provisions on multilevel governance introduced in 2014-2020 were a necessary but not sufficient condition for improving the recognition of island challenges in strategic and policy documents, as per Article 174 TFEU.

- Provisions on Partnership and Multi-Level Governance (Article 5 CPR) should not only make reference to territorial cohesion and Article 174 TFEU, but **specify how Cohesion Policy specifically addresses the needs and challenges of specific territories mentioned in Article 174 TFEU.**
- **The Commission should have a more stringent role with regard to evaluating the level of involvement of regional and local stakeholders and the way specific territories are addressed by Member States.** For instance, when screening Operational Programmes covering specific territories, the Commission should be given the right to deliver recommendations calling for the Member State to ensure a more effective implementation of Article 174 by setting up specific measures/ad hoc programs to address specific natural and demographic handicaps of islands and/or harness their untapped potential.

- **Flexibility in thematic concentration**

The spirit of Article 174 requires that all Europe's citizens are treated equally irrespective of where they live, and this must be reflected in a comprehensive way in Cohesion Policy as well:

- All island territories should benefit from the **same degree of flexibility to the thematic concentration requirements under the ERDF** (Art.4 of ERDF Regulation)

Recent discussions on the future of Cohesion Policy raised the possibility of introducing a new '**territorial thematic objective**', out of 3-6 future 'aggregated' thematic objectives, to ensure each sectoral priority has a proper place-based approach.

The CPMR Islands Commission would welcome such an approach as it is in line with Article 174 TFEU, but also with the [Council Conclusions](#) from 12 April 2018, in which the Council considers that '*greater flexibility in the programming should be ensured, thus allowing Member States and regions to accommodate their specific needs within the thematic scope of Cohesion Policy*'. If the European Commission is to be consistent with its territorial approach, we suggest that this territorial objective should be translated into concrete measures:

- For island territories, investment priorities under this territorial thematic objective should be **strictly related to island conditions and investment needs as identified by regional authorities**.
- In that respect, the European Commission should consider the concept of '**smart regional concentration**', adopted by the CPMR in its [Policy position on the post-2020 EU budget](#). This concept, applied to this new territorial thematic objective, would allow regions to prioritise and concentrate funding under Cohesion Policy on 'European added-value' priorities identified in their respective regional development or S3 strategies. Such concept would also be perfectly in line with the goal of simplifying Cohesion Policy in the next programming period.
- **The concentration of funding on this territorial thematic objective should be at least 50% of the national Cohesion Policy envelope**, to ensure that investments are made in the most place-based approach.

- **Cohesion Policy funding**

In its [Policy Position on the post-2020 EU budget](#) the CPMR emphasizes the need for a strong EU budget at the service of a reinforced economic, social and territorial cohesion. In that respect, the CPMR urges the European Commission not to sacrifice Cohesion Policy budgetary resources during the MFF negotiations. Cohesion Policy must continue to pay particular attention to specific territories such as islands and outermost regions, in compliance with Article 174 TFEU.

At the time of writing, two possible options could be considered to ensure a fair treatment of island territories in the post-2020 period:

1. **At European level, provide an additional envelope for Member States with islands**. However, the CPMR is aware that, given the current budgetary context, this option might not reach a successful consensus during the MFF negotiations.
2. **At national level, set up specific redistribution mechanisms in favour of islands**. For instance, this could be implemented by:

- **an earmarking of ERDF and ESF for island and outermost regions**, corresponding to at least the percentage of the population living in the Member-State's island and outermost regions⁵ without prejudice to the special allocation for outermost regions and additional envelopes negotiated for island Member States.
- **Islands at NUTS III level with lower GDP compared to their NUTS II area could get a special allocation of EUR 20 per inhabitant per year.**

- **European Territorial Cooperation**

The challenging context of the upcoming EU budget negotiations are calling into question the very existence of Cohesion Policy and of cooperation across borders under the European Territorial Cooperation objective. The [European Commission's Communication on the next MFF](#) did not even mention ETC programmes and specific territories it covers as key priorities to be addressed by Cohesion Policy in the future. At the time of writing, maritime cross-border cooperation (CBC) programmes seem to be the most threatened by potential budgetary cuts and willingness of European Commission to rationalise ETC programmes.

In that respect, the CPMR has published an [Open letter](#) conveying key messages on the future of ETC and in particular on the added value of maritime cross-border cooperation programmes for islands and outermost regions.

- **Maritime CBC programmes should not be abandoned in the next programming period.** EU support for cooperation across maritime borders remains essential for islands and outermost regions, in order to reduce their isolation and ensure their full integration into the single European area.
- If, during the political negotiations on the post-2020 Cohesion Policy, the proposal supported by the CPMR Islands Commission of creating specific ETC programmes for islands sharing the same sea-basin cannot be considered as a viable option, **an 'earmarking' in ETC Operational Programmes could be at least foreseen, through dedicated priority axis and/or calls focusing on issues related to island cooperation.**
- **Specific technical assistance schemes** to boost cooperation between islands could be also introduced.
- In cross-border cooperation, islands within their respective sea basin should be eligible for cooperation actions based on a common strategy within their functional area, **independently of the current 150 km maximum distance limit to the other eligible areas.**

- **Territorial tools**

CLLD and ITI are useful instruments which produced positive results since their implementation, however their use should be better optimised in the next programming period.

- **The European Commission should provide incentives** to encourage managing authorities to recognise the added value of ITI and implement them further in the post-2020 period.
- Beyond the thematic framework of sustainable urban development, **ITI could be particularly relevant in declining the objectives of the smart regional concentration**, in line with the [Council Conclusions](#) which recommend to 'better adapt them to the socio-economic situation of a given type of territory'

⁵ See table in Annex II

- These instruments should be **significantly simplified and enhanced technical support as well as support for exchange of good practices** should be foreseen, in order to boost their use among island and outermost regions. For instance, **a specific technical assistance platform for territories from Article 174 could be set up** to foster the implementation of integrated territorial development strategies in these territories.

Annex I – CPMR Forecasts of Structural Funds eligibility



Forecast of Structural Funds eligibility

2014 - 2020 Structural Funds eligibility-Comparison of reference periods

The regional GDP of the year 2016 at NUTS2 level was published by Eurostat on 28 february 2018. Below is a comparison between average GDP of the years 2007, 2008 and 2009 used to determine the structural funds eligibility in the three categories of regions (Less Developed Regions LDR, Transition and More Developed Regions MDR) and an eligibility simulation redefining in which category the regions could be if the more recent data published are used. Rounded to the nearest unit.

Outermost Regions and Island Regions which would change eligibility if the more recent three years average GDP was used.

2014 - 2020 Structural Funds eligibility-Comparison of reference periods

| CPMR members | Average GDP 2007, 2008 and 2009 | Structural Funds eligibility 2014-2020 | GDP difference | SCENARIO 1 | SCENARIO 2 | SCENARIO 3 | | |
|---------------------------------|---------------------------------|--|----------------|--|---|--|---|---|
| | | | | Eligibility simulation based on EU28 GDP | EU 28 - Average GDP 2014, 2015 and 2016 | Eligibility simulation based on EU27 GDP (with Brexit) | EU 27 - Average GDP 2014, 2015 and 2016 | Eligibility simulation with Brexit and new transition category (75%-100%) |
| Denmark | | | | | | | | |
| Hovedstaden (Bornholm) | 148 | MDR | ▲ 14 | MDR | 162 | MDR | 164 | MDR |
| Estonia | | | | | | | | |
| Eesti (Hiiumaa, Saaremaa) | 68 | LDR | ▲ 8 | Transition | 75 | Transition | 76 | Transition |
| Greece | | | | | | | | |
| Ionia Nisia | 84 | Transition | ▼ -21 | LDR | 64 | LDR | 65 | LDR |
| Voreio Aigaio | 76 | Transition | ▼ -22 | LDR | 53 | LDR | 54 | LDR |
| Notio Aigaio | 112 | MDR | ▼ -36 | Transition | 76 | Transition | 77 | Transition |
| Kriti | 83 | Transition | ▼ -24 | LDR | 59 | LDR | 60 | LDR |
| Spain | | | | | | | | |
| Illes Balears | 111 | MDR | ▼ -17 | MDR | 95 | MDR | 96 | Transition |
| Canarias (ES) | 89 | Transition | ▼ -14 | Transition | 75 | Transition | 76 | Transition |
| France | | | | | | | | |
| Corse | 87 | Transition | ▼ -1 | Transition | 86 | Transition | 87 | Transition |
| Guadeloupe (FR) | 66 | LDR | ▲ 2 | LDR | 68 | LDR | 69 | LDR |
| Martinique (FR) | 72 | LDR | ▲ 5 | Transition | 77 | Transition | 77 | Transition |
| Guyane (FR) | 51 | LDR | ▲ 0 | LDR | 52 | LDR | 52 | LDR |
| Réunion (FR) | 66 | LDR | ▲ 4 | LDR | 70 | LDR | 71 | LDR |
| Mayotte (FR) | - | LDR | | LDR | 32 | LDR | 33 | LDR |
| Italy | | | | | | | | |
| Sicilia | 68 | LDR | ▼ -8 | LDR | 60 | LDR | 61 | LDR |
| Sardegna | 79 | Transition | ▼ -8 | LDR | 71 | LDR | 72 | LDR |
| Cyprus | | | | | | | | |
| Kypros | 97 | MDR | ▼ -15 | Transition | 82 | Transition | 83 | Transition |
| Malta | | | | | | | | |
| Malta | 79 | Transition | ▲ 14 | MDR | 93 | MDR | 94 | Transition |
| Portugal | | | | | | | | |
| Região Autónoma dos Açores (PT) | 73 | LDR | ▼ -4 | LDR | 69 | LDR | 70 | LDR |
| Região Autónoma da Madeira (PT) | 103 | MDR | ▼ -30 | LDR | 73 | LDR | 74 | LDR |
| Sweden | | | | | | | | |
| Småland med åarna (Gotland) | 109 | MDR | ▼ -4 | MDR | 105 | MDR | 106 | MDR |
| United Kingdom | | | | | | | | |
| Highlands and Islands | 84 | Transition | ▲ 8 | MDR | 92 | | | Transition |

Annex II – Comparison of island regions and outermost regions' population with share of ERDF and ESF

| | | Population 2017 | National population = 100% | | ERDF + ESF 2014-2020 | |
|-----------------------|----------------------|-------------------|----------------------------|-------|-------------------------|-------------|
| Denmark | | 5 748 769 | | | 413 231 682 € | 100% |
| DK014 | Bornholm | 39 773 | 0,7% | | | 0,4% |
| France | | 66 989 083 | | | 14 453 007 278 € | 100% |
| FR83 | Corse | 334 283 | 0,5% | 3,4% | 123 654 391 € | 0,9% |
| FRA4 | Réunion | 860 815 | 1,3% | | 1 676 200 000 € | 11,6% |
| FRA5 | Mayotte | 249 154 | 0,4% | | 218 972 908 € | 1,5% |
| FRA2 | Martinique CR | 374 780 | 0,6% | | 650 301 522 € | 4,5% |
| FRA1 | Guadeloupe CR | 429 085 | 0,6% | | 608 546 279 € | 4,2% |
| FRA1 | Guadeloupe St Martin | | | | 212 614 896 € | 1,5% |
| Spain | | 46 528 024 | | | 26 998 452 915 € | 100% |
| ES53 | Baleares | 1 150 962 | 2,5% | 7,1% | 175 829 970 € | 0,7% |
| ES70 | Canarias | 2 154 978 | 4,6% | | 1 160 118 600 € | 4,3% |
| Portugal | | 10 309 573 | | | 18 320 027 981 € | 100% |
| PT20 | Azores | 245 283 | 2,4% | 4,9% | 1 139 752 011 € | 6% |
| PT30 | Madeira | 254 876 | 2,5% | | 403 347 728 € | 2% |
| Greece | | 10 768 193 | | | 11 868 485 914 € | 100% |
| EL62 | Ionian Islands | 205 431 | 1,9% | 12,8% | 181 539 758 € | 2% |
| EL41 | North Aegean | 203 700 | 1,9% | | 241 335 599 € | 2% |
| EL42 | South Aegean | 338 383 | 3,1% | | 84 085 281 € | 1% |
| EL43 | Kriti | 632 674 | 5,9% | | 347 906 498 € | 3% |
| Italy | | 60 589 445 | | | 31 118 743 230 € | 100% |
| ITG1 | Sicilia | 5 056 641 | 8,3% | 11,1% | 4 033 503 339 € | 13% |
| ITG2 | Sardinia | 1 653 135 | 2,7% | | 1 153 379 082 € | 4% |
| Estonia | | 1 315 635 | | | 774 403 149 € | 100% |
| EE004 (NUTS3) | Hiiumaa | n.a | | | n.a | |
| | Saaremaa | n.a | | | n.a | |
| Sweden | | 9 995 153 | | | 1 675 721 081 € | 100% |
| SE214 | Gotland | 58 003 | 0,6% | | n.a | |
| Malta | | 460 297 | | | 490 247 445 € | 100% |
| MT002 | Gozo | 32 206 | 7,0% | | n.a | |
| United Kingdom | | 62 808 573 | | | 10 768 177 980 € | 100% |
| UKM64 | Western Isles | 26 860 | 0,04% | 0,3% | 2 112 000 € | 0,02% |
| UKM66 | Shetland Islands | 23 228 | 0,04% | | 1 327 706 € | 0,01% |
| UKM65 | Orkney Islands | 21 755 | 0,03% | | 1 729 300 € | 0,02% |
| UKJ34 | Isle of Wight | 140 008 | 0,22% | | No data available | |



CPMR ISLANDS COMMISSION

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The Islands Commission is one of the 6 Geographical Commissions of the Conference of Peripheral Maritime Regions of Europe (CPMR).

It represents about 15 million people in 23 European regional island authorities from 11 countries located in the Mediterranean, North Sea, Baltic Sea and the Atlantic, Indian and Pacific Oceans.

It operates both as a think tank and as a lobby group for Island Regions, urging European Institutions and Member States to pay special attention to the islands and to implement policies that are best suited to their insularity.

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