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

**EU strategy for islands**

{SWD(2026) 520 final}

# 1. INTRODUCTION

Islands are an integral part of the EU’s identity, shaping its economy, history, geography and culture. They range from densely populated territories close to the European mainland to sparsely inhabited areas in the periphery. Islands face structural challenges linked to their specific characteristics and are explicitly recognised in Article 174 TFEU among regions suffering from severe and permanent natural or demographic handicaps, which may hamper their development. Their insularity limits their capacity for sustainable growth and resilience, at the same time, their territorial specificities, cultural heritage and natural environment offer significant and diverse opportunities.

The EU has played an instrumental role over the years in helping islands overcome their developmental challenges and exploit their potential, primarily through the support of cohesion policy. However, ongoing trends and recent geopolitical developments have impacted further these territories and demonstrated the need for a broader policy approach, leading to calls by the European Parliament<sup>1</sup> and island stakeholders for a dedicated strategic framework for islands.

In light of these developments, President Von der Leyen’s political guidelines for 2024–2029 include a commitment to help address the multi-faceted challenges faced by islands in the EU today. This strategy, the first ever dedicated to islands, delivers on that commitment. Reflecting the key findings from an extensive public call for evidence and inputs from other European institutions<sup>2</sup>, it identifies actions to better tailor the main EU policies to the islands’ specificities. Moreover, it invites Member States to complement these actions with initiatives that can empower island communities to realise their potential.

The strategy is structured around four key pillars, reflecting the unique opportunities and challenges of island territories, and governance as a horizontal enabler:



The strategy covers all EU islands including the three island Member States of Cyprus, Ireland and Malta, with the exception of the EU’s outermost regions, which have their own dedicated

<sup>1</sup> [Research for REGI Committee - Islands of the European Union: State of play and future challenges](#), [European Parliament resolution of 7 June 2022 on EU islands and cohesion policy: current situation and future challenges](#)

<sup>2</sup> This strategy draws on the 358 contributions received during the call for evidence launched in March 2026, and on opinions and resolutions of the European Parliament, the Committee of Regions, the European Economic and Social Committee, and island stakeholders’ positions.

strategy - to be updated soon, taking into account their specificities as recognised in the Treaty on the Functioning of the European Union (Article 349). It is complementary to the EU Strategy on resilient, prosperous and liveable coastal communities<sup>3</sup>, reflecting the interlinkages between the sectors addressed and the territories and communities targeted. Both strategies are referenced in the [European Ocean Pact](#), reflecting the need for tailored approaches and stronger synergies to support sustainable ocean governance and coastal community resilience, development and prosperity.

## 2. STRATEGIC PILLARS FOR ISLANDS' DEVELOPMENT

EU islands constitute a highly diverse group of territories, encompassing a wide range of sizes, populations, and economic profiles. Across 16 Member States<sup>4</sup>, the EU has close to 27 000 islands, of which more than 4 000 are inhabited<sup>5</sup>, representing a total population of around 17 million people<sup>6</sup>. This includes the three island Member States - Cyprus, Ireland and Malta - home to 6.6 million inhabitants. These island Member States are strategically situated at the EU's southeastern, southern and western border. Unlike island regions, their populations have grown strongly in recent decades, while GDP per head is substantially above the EU average in Ireland and Malta and broadly at par in Cyprus. Nonetheless, during the call for evidence to which almost 360 stakeholders contributed, stakeholders from the three island Member States emphasised structural economic constraints linked to insularity, and particularly for Malta and Cyprus, their small market size.

The call for evidence confirmed that EU's islands face particular challenges. For the first time, the islands' specificities are analysed in more detail in the working paper '[Islands of the European Union](#)'. The outcomes of the call for evidence as well as the input gathered in preparatory work and other relevant documents are summarised in the Commission Staff Working Document on the stakeholder consultation (the synopsis report) accompanying the strategy.

### Box 1 - The cost of insularity

A key finding from OECD research, is the **cost of insularity**<sup>7</sup> referring to the additional economic, social, and fiscal burdens that islands face due to their geographic isolation and the institutional constraints associated with it, including administrative and regulatory constraints linked to limited accessibility, fragmented territorial structures and smaller economies of scale: transport costs can exceed mainland benchmarks by just over 300% in some cases, local government spending per capita can be around 30-50% higher and housing prices may be 75-130% higher in some island municipalities. OECD evidence shows that: in Croatia island municipalities spend around 29% more per capita on services than mainland counterparts, while

<sup>3</sup> COM(2026) 530

<sup>4</sup> Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Malta, the Netherlands, Poland, Portugal, Spain, Sweden.

<sup>5</sup> Islands are identified as bodies of land separated from the mainland using a Eurostat digital map with sufficient detail to capture features like islands, major roads, and towns. This number does not include the 20 islands in the EU outermost regions, with total population of 2.7 million inhabitants. The legal status of islands, without any discrimination to size or population, should be in compliance with international law, including the United Nations Convention on the Law of the Sea (UNCLOS).

<sup>6</sup> The figures on island population are based on data from the 2021 population census grid (see: <https://ec.europa.eu/eurostat/web/gisco/geodata/population-distribution/population-grids>). Grid-level population data is allocated to islands via a methodology developed by REGIO-GIS.

<sup>7</sup> OECD (2026), Policy Pathways Beyond the Shoreline: Enhancing Resilience and Innovation in Island Economies, OECD Rural Studies, OECD Publishing, Paris, <https://doi.org/10.1787/1aedcacb-en>.

in Sweden islands face up to 166% higher travel costs for residents and over 300% higher for businesses. In Sicily insularity can reduce GDP per capita by about 7% or in the case of Sardinia it can impose economic costs up to 36% of GDP per capita.

Beyond financial impacts, insularity also creates non-market costs, such as longer travel times and reduced access to essential services, that can lower living standards and competitiveness.

In some cases, these challenges are further compounded by ‘double insularity’, where residents must transit to a main island or through another island before reaching the mainland, increasing not only connectivity constraints, but also the broader economic and social disadvantages associated with insularity.

As the EU’s main investment policy, **cohesion policy** has been supporting locally adapted solutions that respond to the specific territorial realities of islands. In the 2021-2027 programming period, Member States allocated at least **EUR 12.5 billion**<sup>8</sup> for island-targeted investments.

As part of the **mid-term review of cohesion policy**, **EUR 1.6 billion was redirected in cohesion policy programmes dedicated to islands** towards five key political priorities: competitiveness and decarbonisation, defence, security and civil preparedness, affordable housing, water resilience and energy transition.

**Cross-regional and cross-border collaboration** through Interreg, the Interregional Innovation Investment Instrument, TAIEX or the European Urban Initiative are also helping island regions and municipalities address shared challenges by exchanging good practices and developing joint projects and initiatives.

Furthermore, the **common fisheries policy** benefits coastal communities, while the **common agricultural policy** (CAP) provides support to rural areas of islands. The contribution of these policies to the development of islands is further outlined in the following sections.

Islands are also being supported by the **Recovery and Resilience Facility** through dedicated measures that address their specific needs. Numerous reforms and investments improve islands’ connectivity by closing existing gaps and strengthening their economic potential.

**Horizon Europe** has delivered many projects in the island regions with the total net EU contribution of approximately EUR 4.2 billion EUR.

The **European Investment Bank** facilitates the modernisation of islands infrastructure and support to essential services, renewable energy, R&D and high-tech projects. From 2023 to 2025, it provided support to islands through a wide range of advisory services, as well as loans, guarantees, and technical assistance amounting at least EUR 7.3 billion, including under instruments such as InvestEU, EIF and JASPERS. Additionally, a number of EU co-financed financial instruments target islands by promoting productive investment, business creation and the green and digital transitions.

However, cross-cutting policy challenges remain in enabling citizens to have a genuine choice to remain in the places they call home. The forthcoming [strategy for the right to stay](#) will address these challenges for all remote areas, including EU islands.

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<sup>8</sup> The amount includes the EU allocations to island-specific programmes (excluding outermost regions), including for island Member States, and under programmes using specific codes for investments in island and coastal areas. Other programmes might support islands as well outside of the islands’ specific programmes and the relevant categorisation.

## *2.1. Economic development, connectivity, competitiveness and innovation*

### **Economic competitiveness**

In line with the **Competitiveness Compass**, the EU plays an important role in **supporting economic and entrepreneurial activity** on islands. Cohesion policy invests in innovation hubs, business incubators, digitalisation and capacity-building measures. These investments contribute to the diversification of island economies beyond traditional sectors and facilitate the uptake of new technologies, sustainable business models. The EU competitiveness priorities were strengthened during the **mid-term review of cohesion policy**, with nearly EUR 1 billion channelled in islands to support strategic technologies in the digital, clean and biotechnology sectors. These efforts are aligned with the **Clean Industrial Deal** promoting decarbonisation, including clean energy, and circularity.

Economic activity related to agriculture and rural development on islands is supported under the **CAP**. Through CAP strategic plans, Member States can tailor interventions to their island-specific realities, taking into account local farm structures, environmental sensitivities, and the needs of their rural communities.

The system of Geographical Indications (GIs) linking a product to its area of production can contribute to the diversification of economic activities thereby contributing to the sustainability of the area.

Islands hold significant potential in the **blue economy**, driving sustainable growth, job creation and innovation. The blue economy is addressed in more detail in the EU Strategy on resilient, prosperous and liveable coastal communities.

Furthermore, in line with [the European Agenda for Tourism 2030](#), the Commission supports Member States and their islands to strengthen the resilience of their tourism ecosystem through the [Transition Pathway for Tourism](#) and through technical assistance, notably in Greece and Croatia. The forthcoming **EU Sustainable Tourism Strategy** will build on this and will provide tools and orientation to strengthen the tourism ecosystems of islands and contribute to address social, environmental and economic challenges.

### **Connectivity**

The main challenge for islands is connectivity. Higher costs of transport, fragmented freight logistics and limited intermodal alternatives limit their economic development and other aspects of daily life. The EU provides support through investments from **cohesion policy**, the [Connecting Europe Facility](#), and the [Digital Europe programme](#) in island ports, maritime transport, digital infrastructure, electricity grid interconnections and support services, such as [Broadband Competence Offices](#).

The recently adopted [EU Ports Strategy](#), which highlights the potential of small and medium-sized ports, promotes investments in ports, including measures to improve safety, electrification and access to grids, as well as advisory services and de-risking tools to improve financing and investments that are relevant for islands<sup>9</sup>. It also supports targeted initiatives on innovation, clean energy, security and connectivity.

The EU's State aid frameworks give Member States the possibility to provide islands with tailored support in view of the structurally higher costs they face. The revised [Services of General Economic Interest \(SGEI\) Decision](#) streamlines the State aid rules applicable to

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<sup>9</sup> The European Grids Package COM(2025) 1005 of 10 December 2025, including legal proposals, and the Guidance on efficient and timely grid connections (C/2025/8473).

airports, ports and maritime connections to islands, thereby facilitating connectivity, and ensures that air links to islands remain within its scope. Under the [General Block Exemption Regulation](#) (GBER), Member States can provide State aid to support islands. This includes regional aid in islands that are designated in a regional aid map. State aid can also be granted for air and ferry transport services for residents of remote regions<sup>10</sup>, in particular islands, including in situations of double insularity, as well as for airports and ports, with higher aid intensities for airports located in remote regions, particularly islands, which has been critical for their connectivity and economic viability. The ongoing reviews of the relevant state-aid frameworks will provide an opportunity to assess comments, as appropriate, on the need to cater for island specificities.

To ensure adequate air and maritime services, some Member States introduce **public service obligations** (PSOs) and pay compensation for the provision of those services when market-based solutions fail to guarantee continuity, regularity, pricing or minimum capacity. Member States may also provide social aid for air and maritime transport of islands residents. These instruments can support year-round services to islands, ensuring their integration in the trans-European transport network (TEN-T).

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*The **Greek Transport Equivalent Mechanism** is a government scheme offsetting higher transport costs for residents and businesses on Greek islands. Air and ferry routes that are not commercially viable but essential for connecting the small islands to the mainland or to each other are subsidised through **public service obligation (PSO) contracts**. In parallel, the GR-eco Islands initiative **pilots renewable energy, electric transport and digital connectivity**.*

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In order to ensure the connectivity of certain islands, the [Emissions Trading System \(ETS\) Directive](#) and the [FuelEU Maritime Regulation](#)<sup>11</sup> allow Member States to request exemptions for certain islands<sup>12</sup>. The [Alternative Fuel Infrastructure Regulation](#) (AFIR) also includes exemptions from minimum shore-side electricity targets for ports located on islands. These exemptions recognised that the particular circumstances facing certain islands necessitated a more gradual transition to decarbonisation. The Commission is undertaking a review of the EU ETS and AFIR in 2026, followed by the planned review of the FuelEU Maritime Regulation, which will give due attention to the situation of islands.

As outlined in the [Industrial Maritime Strategy](#), the Commission expects to mobilise around EUR 1-1.5 billion in investment in the waterborne sector by 2027 out of which one third will materialise in 2026-2027, including for fleet renewal and retrofitting throughout all stages of development. Fleet renewals and retrofitting are a particularly important investment for island-connectivity, since delays in the green transition of maritime connectivity services may increase the cost of insularity and weaken the accessibility of remote island communities, and should be pursued in line with [the Sustainable Transport Investment Plan](#).

## **Innovation**

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<sup>10</sup> For the purposes of GBER, ‘remote regions’ means outermost regions, Malta, Cyprus, Ceuta and Melilla, islands which are part of the territory of a Member State and sparsely populated areas.

<sup>11</sup> Art. 2(3) of the Regulation (EU) 2023/1805 of the European Parliament and of the Council of 13 September 2023 on the use of renewable and low-carbon fuels in maritime transport, and amending Directive 2009/16/EC sets out an exemption for islands below 200 000 residents

<sup>12</sup> Article 12(3-d) of the ETS Directive 2003/87/EC (as amended by Directive (EU) 2023/959) allows Member States to exempt shipping companies from surrendering allowances for emissions released until December 31, 2030, for voyages between a port of an island with no road/rail link and fewer than 200 000 permanent residents and a port under the jurisdiction of the same Member State.

Regional innovation in islands is supported through [smart specialisation strategies](#) (S3) under cohesion policy. These strategies can help position islands within wider innovation ecosystems, promoting local research, technology diffusion, entrepreneurship and collaboration between businesses and research centres.

As the EU's flagship research and innovation programme, **Horizon Europe**, contributes to innovation in islands, e.g. through the EU Mission 'Restore our Ocean and Waters' and the Sustainable Blue Economy Partnership (SBEP). In line with the SBEP research and innovation agenda, and drawing on the commonalities among existing strategic research and innovation agendas of the sea basins (Mediterranean, Black, Baltic, and North Sea) and the Atlantic Ocean, the partnership supports islands' transformation towards a climate-neutral, sustainable, productive, and competitive economy.

At transnational, interregional and cross-border level, [Interreg programmes](#) mobilise resources and expertise for joint projects involving islands, contributing to strengthening research and innovation and the uptake of innovative solutions in key sectors such as the blue economy, tourism and digitalisation. Digitalisation is particularly relevant for islands in the context of the [Smart Villages initiative](#), which fosters local innovation ecosystems, digital solutions (e-services, smart mobility), and collaboration between islands, universities, start-ups and social innovators.

### *Going forward*

**To further support islands' ability to harness their economic potential, their connectivity, competitiveness and innovation, the Commission will:**

- Assess comments, as appropriate, on the particular circumstances of EU islands, including the costs of insularity, in the context of the ongoing reviews of the 2014 **Aviation Guidelines, the General Block Exemption Regulation (GBER), and the Regional Aid Guidelines (RAG)**, as well as provide technical support (such as training or practical assistance) on the design and use of State aid instruments available to islands.
- Consider strengthening connectivity safeguards for islands in emergency situations, including by way of competition and **PSO frameworks**.
- Assess the island-specific exemptions under the upcoming reviews of the **Alternative Fuel Infrastructure Regulation** and **FuelEU Maritime Regulation**. Ensure that islands' specific needs and specific regimes are reflected in the roll out of the Sustainable Transport Investment Plan (STIP).
- Consider potential issues that affect the competitiveness, connectivity and cost of living of European islands as part of the upcoming review of the **ETS** and **FuelEU Maritime Regulation**.
- Support Member States and islands to enhance the resilience and competitiveness **of their tourism ecosystems** through the forthcoming **EU strategy for sustainable tourism**.
- Launch an in-depth analysis on the **cost of insularity** and best practice measures to mitigate it, notably in the transport sector.

**The Commission invites Member States to:**

- Support islands in addressing their **connectivity** challenges, including by allocating part of EU ETS national revenues to accelerate the deployment of zero emission transport solutions and related investments including in maritime and aviation sectors.

- Take into account the challenges of islands in their **national transport plans and national Digital Decade strategic roadmaps**, ensuring a long-term vision for sustainable connectivity and dedicated financial allocations, including for low-carbon transport modes.
- Seize the opportunities offered by the European Maritime Space to improve access to small and medium-sized islands, including connectivity between comprehensive TEN-T ports within a single Member State. In this context, make full use of CEF reflow call 2026 under relevant CEF priorities to support islands, for example for decarbonisation projects in TEN-T ports, including onshore power supply.
- Cooperate at archipelago/sea basin level to **deploy economies of scale in the provision of public services** such as transport to achieve cost reduction, as well as to deploy large scale projects (e.g. backbone networks, including with submarine cables, satellite links, 5G connectivity, Broadband Competence Offices etc.).
- Leverage **PSO**, compensatory mechanisms and targeted subsidies, where appropriate, to ensure that sustainable transport services mitigate the constraints caused by insularity and preserve territorial connectivity.
- Maintain and expand reliable year-round **ferry services** to secure consistent islands – mainland connections. Support the electrification of ports, airports and road transport on islands, and the deployment of alternative fuels infrastructure for vessels.
- Promote a technology-neutral approach to the decarbonisation of island maritime connectivity services, taking due account of operational requirements, port readiness, grid capacity, energy availability and the maturity of alternative fuels, and develop dedicated and predictable financing frameworks to support the necessary investments.

## *2.2. Energy security, environmental protection, green transition and climate resilience*

### Energy security

A challenge with particular relevance for islands is ensuring **energy security, self-sufficiency and decarbonisation**. At the same time islands can contribute to energy solutions and security. **Cohesion policy supports investments in energy efficiency, renewable energy sources and smart energy systems**. Islands with limited **interconnections** to the mainland also receive targeted support, while the cohesion policy mid-term review allowed Member States to further increase investments in interconnectors and related transmission, distribution, storage and supporting infrastructure, as well as the protection of critical energy infrastructure and the deployment of recharging infrastructure. Energy communities are collective and citizen-driven energy actions and contribute to energy independence and security<sup>13</sup>. Clean and sustainable transport also contributes to reducing greenhouse gas emissions and meeting decarbonisation targets.

The **energy transition and energy independence** of many islands is further supported by the [Clean energy for EU islands initiative](#), which provides demand driven technical assistance and facilitates cooperation between the Commission, Member States and islands in advancing decarbonisation of the island energy systems.

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<sup>13</sup> To further support citizens in joining an energy community, action 5 of the Citizens Energy Package (COM/2026/115 final) focuses on boosting energy self-production and energy sharing among citizens. See also Commission Recommendation (EU) 2026/1007 of 30 April 2026 on supporting the development of energy communities and maximising the potential of self-consumption, C/2026/2850.

### **Environmental protection and climate resilience**

The unique and diverse **biodiversity** of EU islands is increasingly endangered by pressures such as climate change, pollution, unsustainable fishing, agriculture and tourism. In addition, island communities face acute challenges in **water and waste management**. **Cohesion policy** invests in sustainable water and waste management - including basic infrastructure, protection and restoration of nature and biodiversity, and in the circular economy. Member States enhanced water resilience measures during the mid-term review of cohesion policy.

As described in [the European Water Resilience Strategy](#), especially water scarcity is a challenge for some islands. Adequate fresh water for drinking and businesses is a growing challenge. This activates the need for innovation and investment in sustainable desalination and in general the building of a water-smart economy that fit the scale and ecosystem of islands.

**Sustainable agricultural practices and efficient management of natural resources is supported by the CAP**, for example through eco-schemes and agri-environmental climate payments.

Moreover, islands benefit from policies and initiatives relevant to the ocean and supporting the long-term sustainability of **fisheries and aquaculture**. The EU Strategy on resilient, prosperous and liveable coastal communities addresses these aspects in detail.

**To strengthen climate resilience on the EU islands, adaptation measures need to be taken.** These can be supported by **cohesion policy**, such as coastal protection works to reduce erosion and coastal flooding, or by measures to reduce the impacts of droughts. To ensure a socially fair **transition towards climate neutrality**, Member States can use the **Social Climate Fund** to support measures and investments to reduce emissions in the road transport and building sectors, reducing costs for vulnerable households, micro-enterprises and transport users.

The upcoming **Ocean and Water Research and Innovation Strategy** will focus on a source-to-sea approach to combat pollution, biodiversity loss and hydrological disruptions. [The OceanEye initiative](#) will enhance ocean monitoring and data collection, which is vital for islands given their vulnerability to climate and oceanic changes.

### ***Going forward***

**To further support islands' access to clean energy, green transition, environmental protection and climate resilience, the Commission will:**

- Extend the **Clean energy for EU islands** for the period 2027-2030 through funding under the current multiannual financial framework. Mature projects that have received technical assistance under this initiative can be eligible under cohesion policy to support islands' clean energy transition.
- Facilitate a **regular dialogue between Member State authorities**, responsible for energy transition on the islands, and promote exchange and replication of the best practices and tested solutions.
- Establish an **island network operators' voluntary platform** for exchange and capacity building in developing future-proof grids for 100% renewable energy systems.
- Work with Member States and stakeholders to put in place further measures for the **protection and sustainability of sensitive marine ecosystems**, to achieve good environmental status of their marine waters, focusing on marine biodiversity hotspots, such as Natura 2000 sites and other marine protected areas.

- Support the development of best practices and guidance on **port-city relations and the greening of ports**, through the EU Missions ‘Climate-Neutral and Smart Cities’ and ‘Restore our Ocean and Waters’, as well as the European Ocean Pact.

#### **The Commission invites Member States to:**

- Consider **integrated land–sea planning** to close resource loops linking waste, water, energy, agriculture, fisheries and tourism.
- **Address specificities of islands and integrate island energy transition plans in the national strategies.** Advance expanding and modernising grids, design concrete frameworks for energy storage, where absent, and reassess connection requirements for renewable projects implementing the applicable legal framework.
- **Accelerate deployment of renewables and energy communities**, embed **circular-economy principles** across water, waste and resource systems, and consider to reform **energy generation remuneration schemes** for the islands (solidarity or cost compensation mechanisms) to incentivise cost-efficient clean energy transition and shift away from fossil fuels. Support investment to deploy clean or energy efficient solutions in off-grid situations.
- Leverage the **Social Climate Fund**, in order to take into account the geographic specificities and challenges of islands in Social Climate Plans when addressing islands’ energy and transport vulnerability, following a public consultation and engagement with stakeholders.
- Consider including in their **national restoration plans** (scheduled for submission by September 2026) specific **measures** to protect and restore the unique **biodiversity of islands**, as marine habitats can support sustainable fisheries, and protect against or reduce the impacts of climate hazards such as sea-level rise and coastal storms, and subsequential flooding and coastal erosion.
- Prioritise **water infrastructure investments** to improve water services and distribution infrastructure, particularly in islands’ remote and underserved areas. Increase water saving measures including increased efficiency and reduced leakage, water storage, conveyance and use efficiency, while restoring natural water retention, and increasing water reuse. Strengthen the source-to-sea approach by connecting coastal and marine waters with the freshwater management and associated spatial planning.

### *2.3. Communities, demography and quality of life*

**Social cohesion is vital for the well-being and resilience of island communities.** The current investments in people and social infrastructure from **cohesion policy** improve access to essential services and ensure equal opportunities. Through cohesion policy investments, efforts can be tailored to address islands’ specific needs, from public services and private activities, to education and skills, transport and digital connectivity, and healthcare. By focusing on services like childcare and parental support, cohesion policy creates inclusive environments that bolster social protection and integration.

**Demographic change** poses significant challenges for islands, affecting population size, age structure and access to essential services. Cohesion policy helps islands facing population decline, ageing and ‘brain drain’ by investing in jobs, services, infrastructure and local attractiveness. The Commission’s [Demography toolbox](#) provides Member States with tools and highlights key EU investment instruments.

Rural communities, including in islands, are supported by the ‘**Long-term Vision for the EU’s rural areas**’, which establishes a strategic framework to make them stronger, connected,

resilient, and prosperous. Integrated and bottom-up strategies, such as **integrated territorial investments** (ITI) and **community-led local development** (CLLD), enable Member States to respond to community needs through tailored, place-based interventions. Participatory local development tools, like **LEADER**, CLLDs and other forms of cooperation like **Smart villages** and **Fisheries Local Action Groups** are also effective instruments for engaging island communities and addressing local needs and challenges.

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*The Achill Experience project strengthens community cohesion, cultural heritage, and economic vitality on Achill Island, Ireland. Funded through the CAP-LEADER/CLLD framework, the project supports local education, heritage interpretation, and sustainable tourism initiatives, providing year-round employment and opportunities for youth engagement. By integrating local marine ecology, island traditions, and community-led activities, the project reinforces social ties, preserves cultural identity, and empowers residents to contribute to sustainable development and long-term demographic resilience.*

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**Housing pressures** on many islands are exacerbated by limited land, demographic changes, increasing tourism flows, the presence of short-term rental accommodation and secondary homes, vacant dwellings and investment demand or other forms of non-primary use of housing. To help address these issues, the Commission adopted the **European Affordable Housing Plan** setting ten key areas of action where the EU can add value and support Member States, e.g. in relation to renovations and adaptive reuse of abandoned buildings as well as an increase in the supply of affordable and social housing, including by mobilising investments into housing. Improving affordable housing availability helps retain young professionals and qualified workers – including in public services, healthcare and support local communities, countering the threat of island abandonment.

Cohesion policy has been significantly supporting housing needs and its mid-term review enabled additional funding for affordable housing.

The promotion of the distinctive **cultural heritage** of islands contributes both to sustainable tourism and to the preservation of local traditions. At EU level, programmes such as **Creative Europe** support heritage-focused initiatives tailored to islands, from restoring historic fishing villages to digitising intangible cultural practices like traditional music or boat-building. Cohesion policy fosters social inclusion and regional diversity of the islands through support for cultural and heritage actions, including heritage conservation, cultural infrastructure and services, and cross-border cultural cooperation.

Furthermore, the **New European Bauhaus** supports participatory, place-based transformations that are particularly relevant for islands, combining sustainability, aesthetics, and inclusivity to shape living spaces and lifestyles.

### *Going forward*

**To further improve social cohesion, demography and quality of life in islands, the Commission will:**

- Increase support for young people’s sustainable learning mobility and engage with Europe’s cultural heritage through the **DiscoverEU initiative** (under Erasmus+), with particular attention to the inclusion of islands, and additional support measures (e.g., complementary transport solutions).
- Cut red tape to facilitate the supply of **affordable and sustainable housing** where it is most needed, by presenting a housing simplification package in 2027.

- Support public authorities with the upcoming **Affordable Housing Act** to identify areas under housing stress, and enable them, in full respect of subsidiarity, to protect and promote housing affordability in those areas.

#### **The Commission invites Member States to:**

- Actively promote and facilitate youth participation in EU mobility, education, culture and capacity-building programmes, such as **DiscoverEU** and the **European Solidarity Corps**, with a focus on sustainable development in island regions. Raise awareness among young people about tools and opportunities that enhance cultural and sustainable learning mobility in islands destinations, including the **New European Bauhaus route**, and the **European Youth Card Associations** promoting access to cultural services in islands and advancing intercultural dialogue.
- Boost **housing supply and affordability** and expand social, sustainable and affordable housing, including through cohesion policy funding, public–private partnerships, targeted national funding schemes and long-term structural reforms. In addition, consider island-targeted measures stemming from the Affordable Housing Act alleviating housing pressure.
- Simplify islands’ planning and permitting systems, strengthen their administrative capacity, and use public procurement flexibilities to promote efficient **housing provision**. Some examples include: zoning additional land, enforcing affordability requirements, leveraging municipal land, and expanding dual-use accommodation for students and seasonal workers.

#### *2.4. Security and crisis preparedness*

**Islands across the EU territory hold significant strategic value** due to their geographic location. Recent geopolitical developments have further highlighted their relevance and need for additional investment. In particular, islands play an important role in ensuring security, defence, preparedness, resilience of critical infrastructure, secure connectivity, and effective border surveillance in the context of evolving geopolitical and security challenges.

In the context of the current geopolitical challenges, and in particular the ongoing Russian aggression against Ukraine, which is challenging the overall security architecture of the EU, the Baltic Sea region is a strategic and crucial area for the security and defence. Together with the Mediterranean Sea region, it constitutes an essential part of the collective defence architecture and plays a key role as a maritime, energy, and infrastructure corridor.

The mid-term review of **cohesion policy** has mobilised targeted funding for defence capabilities and security, with a number of Member States programming investments to enhance civil preparedness and industrial capacities and develop resilient infrastructure - including military mobility island’s sea and hinterland connections of TEN-T ports and airports.

The [White Paper on European Defence](#) and [the ReArm Europe Plan – Readiness 2023](#) provide the overarching policy framework, while the [Preparedness Union strategy](#), and the [internal security strategy](#) are particularly relevant for islands given their emphasis on critical physical and digital connectivity infrastructure, and address their protection under the [Critical Entities Resilience](#) framework and the [Network and Information Systems Directive 2](#). The security of the maritime space is particularly relevant for islands and the implementation of the [EU Maritime Security Strategy](#) is a key instrument to address all types of maritime security threats and challenges that can directly impact islands and their population.

To counter disruption of **submarine data cable infrastructures** the Commission has undertaken an [EU Risk Assessment](#), deployed a **Cable Security Toolbox** and designated

priority funding areas for [cable projects of European interest \(CPEIs\)](#). This work is complemented by [Connecting Europe Facility - digital work programme](#) funding for submarine cable investments. Islands are explicitly considered, for instance, with a dedicated risk sub-scenario as well as CPEI areas connecting to EU islands. Where terrestrial infrastructures are lacking, EU satellite programmes, **Galileo and EGNOS**, provide islands with high-precision navigation, emergency and early warnings, and search and rescue capabilities. **GOVSATCOM** and **IRIS<sup>2</sup>** ensure secure and resilient **connectivity** in remote and challenging maritime islands and regions for navigation, crisis management, civil protection and redundant general connectivity and to explore the potential of EU islands in diversifying the EU's access-to-space capabilities, with a view to supporting the EU's autonomous access to space.

**EU islands located in the Mediterranean Sea basin bear migratory pressures** as primary EU entry points. This calls for strengthened involvement of regional and local authorities in policy design and funding allocation. The [European migration strategy](#) and the [Pact on Migration and Asylum](#) provide the overarching framework, with screening, border procedures, reception conditions, and vulnerability assessments predominantly implemented on island territories. **Frontex**, **Europol**, and the **European Union Agency for Asylum** provide operational support on the ground, while the **Asylum, Migration and Integration Fund** and **EU solidarity mechanisms** - support a more equitable distribution of responsibilities across Member States, including through relocation schemes as well as operations for the transfer of migrants from the islands to Member States' mainland.

The EU's [Preparedness Union strategy](#) also strengthens **disaster preparedness and risk management**, promoting early warning systems, community preparedness, and cross-border cooperation. **Interreg programmes** facilitate cross-border cooperation between EU Member states and also with Southern Mediterranean countries on risk prevention and sustainable development.

Furthermore, the **Union Civil Protection Mechanism** provides a framework and tools for disaster prevention, preparedness, and response. The European Civil Protection Pool of national resources could be further reinforced to take into account the specific needs and vulnerabilities of islands, while rescEU continues to provide a strategic reserve of disaster response capacities.

These efforts are further reinforced by regional cooperation within the Common Mediterranean Space, particularly through the [Pact for the Mediterranean](#), which promotes coordinated actions to address shared security and preparedness challenges in areas such as anti-smuggling, border and migration management, civil protection, judicial and law enforcement cooperation, as well as protection and legal migration pathways.

### *Going forward*

**To further improve the security and crisis preparedness of islands, the Commission will:**

- Promote in coordination with Member States and relevant EU agencies, the application of the **EU port strategy and the European Ports Alliance security best practices and port security guidance** specifically to islands ports.
- Identify, in close cooperation with the Member States, targeted short-term **investments** to be implemented by Member States as a matter of priority along the **EU military mobility corridors, including islands**.
- Encourage **Interreg** programme partnerships to capitalise on results that enhance the resilience and preparedness of island communities through **cooperation with Southern**

**Neighbourhood partner countries** in areas such as wildfire response, civil protection and disaster risk management, and facilitate their replication across islands.

**The Commission invites Member States to:**

- Ensure full transposition of the **Critical Entities Resilience and the Network and Information Systems Directive 2 (NIS2)** with island-specific provisions, reinforcing national frameworks for safeguarding **critical infrastructures** on islands territories, including by designating islands ports as critical entities in line with the EU port strategy.
- Ensure that **island-specific security needs are systematically reflected in national security and migration strategies and operational plans**, based on regular updating of island-specific situational and risk assessments, where possible and in view of available resources and capabilities, with the support of Europol and the European Multidisciplinary Platform Against Criminal Threats (EMPACT). Where relevant, ensure that island ports and airports benefit from appropriate levels of law enforcement presence, intelligence sharing, and institutional and financial support. Also, Member States are encouraged, where possible, to continue identifying vulnerabilities and informing targeted security measures at local level.
- Strengthen **coordination and cooperation between neighbouring Member States and regions** by establishing joint preparedness plans and response capacities with the support of available funding opportunities. In parallel, Member States are encouraged to promote a **high level of risk awareness among island communities** at local level to empower residents to react and respond effectively in the event of an emergency.
- Promote monitoring systems for preventive maintenance of critical infrastructure such as island ports, small municipal or regional airports, to provide better situation awareness for local and national authorities.

### **2.5. Governance frameworks for islands**

Integrating an island-sensitive approach within national planning and governance structures has been shown to contribute significantly to the sustainable development and resilience of island territories. OECD research has shown how ‘island-proofing’ in policy design and monitoring frameworks helps to assess territorial impacts<sup>14</sup>.

This may include the formal recognition of the specific status of islands in constitutional frameworks and development of dedicated island-related policy frameworks or dedicated strategies. Member States with islands could consider developing such approaches in line with good governance principles<sup>15</sup> based on a multi-stakeholder process involving local authorities, civil society, and other relevant actors, in full respect of their legal and institutional frameworks.

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*Island development policy in Croatia is coordinated at national level by the Ministry of Regional Development and EU Funds and is framed by the Islands Act, which establishes a multi-level governance framework involving counties and local island authorities. At county level, a dedicated plan for island development is integrated into each county development plan and covers the islands within each county.*

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<sup>14</sup> “Island Economies: Building resilient, innovative and connected island regions. Improving the quality of multi-level governance and strengthening the resilience of island economies of Croatia, Greece, and Sweden.” 27 November 2025.

<sup>15</sup> [European Code of Conduct on Partnership](#)

*Within the EU cohesion policy framework, Croatia has further developed this approach by introducing a territorial instrument for island development based on a more structured bottom-up governance model.*

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The Commission applies an integrated approach to better regulation, both when preparing new initiatives and evaluating existing ones. Within this framework, and in line with the communication ‘A simpler, clearer and better enforced EU rulebook’, the Commission establishes the necessary evidence and analysis in function of the nature of the initiatives and their expected impacts. This includes the analysis of differential impacts across regions, where relevant. The analysis of territorial impacts can support the identification of place-based risks, distributional effects and possible mitigation measures, whenever significant impacts are distributed heterogeneously across different types of regions such as islands.

When planning and implementing EU funds under shared management, in line with the European Code of Conduct on Partnership, relevant partners should be involved not only in preparing these measures but also in implementing them. In view of the island-specific challenges, local and regional actors should have their say to ensure their needs are reflected and a coordinated national approach is developed accordingly.

### ***Going forward***

#### **To further support capacity building and governance of islands, the Commission will:**

- Promote the visibility and use of existing **data** on economic and social conditions as well as the production of more granular data, including accessibility indicators at and below NUTS3 level in islands in view of better understanding and target policies to their specific challenges<sup>16</sup>.
- Support Member States in tailoring and implementing reforms and investments addressing the needs of islands in the **national and regional partnership plans**.
- As part of its better regulation approach, the Commission will seek to identify, at an early stage, whether an upcoming initiative may have significant and differential impacts on islands, and consider such impacts in an integrated manner as part of its **impact assessment process**.
- Provide technical support, **under the Technical Support Instrument**, on developing, implementing, and updating growth strategies and spatial plans for islands.
- Provide **capacity building** support for regional and local authorities through TAIEX-REGIO Peer2Peer exchanges and facilitating efficient implementation of cohesion policy, as well as targeted support to island urban authorities through the European Urban Initiative.
- Organise a **biennial event** bringing together EU institutions, island authorities, stakeholders and civil society to facilitate dialogue, peer learning and the exchange of experiences on island development.
- Ensure **regular technical dialogue** with EU institutions, island authorities, stakeholders and other relevant bodies to address island-related policies (including on State aid issues), contribute to simplifying and reducing the administrative burden, and support the exchange of good practices.
- Liaise with the EIB group, together with other international and national financial institutions to facilitate **access to finance** and foster the sustainable development of islands.

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<sup>16</sup> Without prejudice to restrictions on information and data protection under EU and national law, as well as relevant confidentiality agreements.

The targeted lending support through the participating institutions may be granted on more favourable terms, for example if combined with cohesion policy financing instruments.

#### **The Commission invites Member States to:**

- Include in their future **national and regional partnership plans** targeted measures addressing development challenges of islands, including capacity building support. Allocate sufficient resources to address the specific needs and challenges of islands, including those linked to insularity, affecting areas such as connectivity, services and infrastructure. In addition, make use of the possibilities under the future **Connecting Europe Facility** and the **European Competitiveness Fund**.
- Design measures to support the needs of island territories using the flexibilities under the existing **State aid framework** (e.g. GBER, RAG, State aid rules in agriculture (ABER) or the Fishery Block Exemption Regulation (FIBER)).
- Expand the production and reporting of **EU harmonised statistics** at LAU level to improve the assessment of economic and social conditions in islands.
- Consider using the **toolkits for administrative capacity** building roadmaps and for beneficiary capacity building, as well as the outcome of the pilot project on attraction, development and retention of key skills<sup>17</sup>.
- Consider using **EIB technical advisory support** (e.g. JASPERS and InvestEU Advisory Hub) for the preparation of projects and strategies tackling islands related issues or loans for their implementation.
- Promote integrated territorial investment tools to island areas as ‘functional’ areas to promote integrated strategies for islands and facilitate better coordination.

## **CONCLUSIONS**

EU islands are vital to the Union’s economic, social and territorial cohesion, as well as its environmental, natural, and cultural diversity and heritage, while contributing to its competitiveness, security and resilience.

The EU strategy for islands underlines their importance across EU policies and instruments, providing a structured framework to strengthen their capacities, enhance their role within the EU, and improve living conditions for local communities, addressing the costs of insularity, contributing to a level playing field for participating in the Single Market and a just transition. This strategy also seeks to create synergies and complementarities with other EU strategies, such as the strategy on resilient, prosperous and liveable coastal communities, the Cities’ Agenda, and the forthcoming strategies on outermost regions, the right to stay and sustainable tourism.

A successful implementation of this strategy requires a coordinated approach by all relevant stakeholders, including EU institutions, Member States, regional and local authorities, social partners, and civil society.

The next Multiannual Financial Framework and in particular the national and regional partnership plans offer an opportunity for place-based investment reflecting the needs and opportunities of islands.

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<sup>17</sup> [A practical toolkit for preparing roadmaps for administrative capacity building](#), [Administrative capacity building self-assessment instrument](#) and [Managing authority toolkit for beneficiary capacity building under EU cohesion policy](#)

By addressing the specific development needs of islands and fully leveraging the opportunities offered in the EU toolbox and the islands' own assets, the sustainable and long-term development of these territories, can be ensured to the benefit of local communities and the entire European Union.