

Contribution to the Consultation on the EU Strategy for Islands

Strengthening the European framework for insularity, territorial cohesion and fully insular Member States

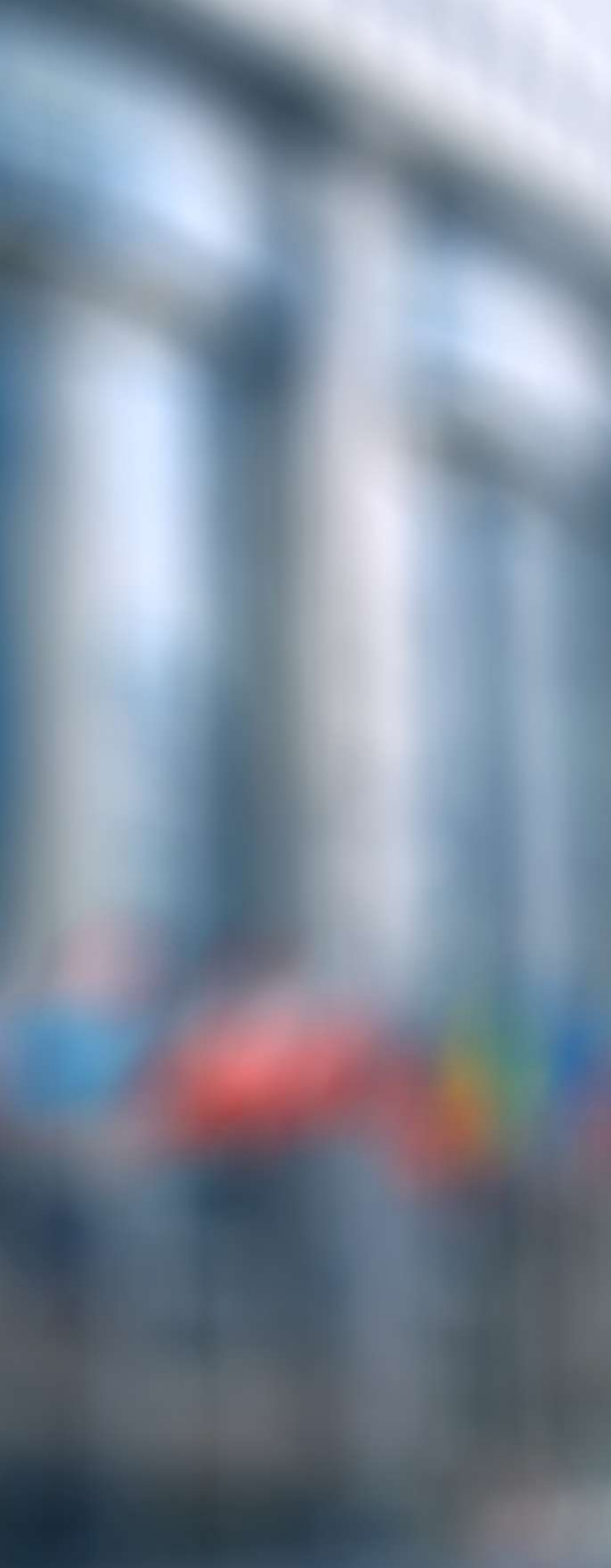
Perspective from Malta
and its local and regional
government sector
September 2026



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Purpose of this contribution. This paper is intended as a constructive contribution to the European consultation and follow-up process on the EU Strategy for Islands. It takes as its starting point the European Commission's first EU Strategy for Islands (COM(2026) 520 final) and the Committee of the Regions COTER working document on the EU Strategy for Islands (COR-2026-02016-00-00-DT-MTR). It identifies the important advances already made and proposes additional measures that would turn political recognition of insularity into systematic, measurable and operational treatment across EU policy, legislation and funding.



Executive summary

The publication of the first EU Strategy for Islands is a significant step forward. It recognises that islands face permanent structural challenges and organises EU action around economic development and connectivity; energy, environmental protection and climate resilience; communities and demography; security and preparedness; and governance.

The COTER working document usefully goes further by focusing on the costs of insularity, systematic island-proofing, differentiated financing, multilevel governance and the need to translate Article 174 TFEU into practical delivery.

The central proposal of this contribution is that the final policy framework should move from recognition to implementation. Insularity should not be treated mainly as a circumstance that may justify exceptions after an EU measure is designed. It should become a permanent territorial factor assessed at the outset of relevant EU legislation, programmes, funding allocations and impact assessments.

For Malta, this requires particular recognition of the position of a fully insular Member State. Malta's entire territory, population, economy, public administration and infrastructure operate without a mainland hinterland. At the same time, Gozo experiences an additional layer of insularity within an already insular Member State. The EU framework should therefore be capable of recognising cumulative territorial constraints, including insularity, double insularity, small market size, land scarcity, high population density, connectivity dependence and exposure to supply-chain disruption.

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1. What the EU Strategy and the COTER working document already establish

The Commission's EU Strategy for Islands is the first dedicated EU strategic framework for islands. It expressly covers the three island Member States - Cyprus, Ireland and Malta - alongside other EU islands, except the outermost regions, which have their own framework. The Strategy recognises the structural challenges of insularity under Article 174 TFEU and seeks to tailor EU policies more effectively to island realities.

The COTER working document correctly identifies the implementation gap. Although Article 174 requires particular attention to island regions, island-specific realities are not yet systematically reflected across EU legislation, funding and policy implementation. It therefore places the debate around five particularly important themes:

- Recognition to delivery: The political milestone of a dedicated strategy must now produce tangible improvements in islanders' daily lives.
- Costs of insularity: Additional costs are not limited to transport. They can affect healthcare, education, energy, housing, digital connectivity, essential goods and public services.
- Island-proof EU policies: The document raises a systematic island-proofing mechanism and a possible 'island clause' so that territorial realities are considered from the beginning of policymaking.
- Investment and implementation: It asks how the 2028-2034 financial framework and National and Regional Partnership Plans should reflect insularity, including through differentiated or higher EU co-financing rates and criteria beyond GDP.
- A strategy built with islands: It stresses diversity among island Member States, island regions, archipelagos and very small or doubly insular islands, and calls for continued participation of island communities and authorities.



2. Areas where the proposal should be strengthened

2.1 Recognise fully insular Member States as a distinct territorial reality

The existing documents acknowledge island Member States, but the policy consequences of full national insularity should be made explicit. An island region within a continental Member State may have access, directly or indirectly, to national mainland road, rail, energy, logistics, administrative and market systems. A fully insular Member State has no such mainland hinterland. The effect of insularity therefore extends across the entire national territory and across all levels of governance.



Proposal: introduce a policy category or principle of a 'Fully Insular Member State' for the purposes of territorial impact assessment and implementation of the Islands Strategy. This need not create an automatic legal entitlement or blanket exemption. It would ensure that the cumulative national effect of insularity is identified and assessed whenever relevant EU measures are designed.

2.2 Make island-proofing systematic and operational

The COTER document is right to identify the absence of a dedicated and systematic island-proofing mechanism. This should become one of the Strategy's principal implementation tools.

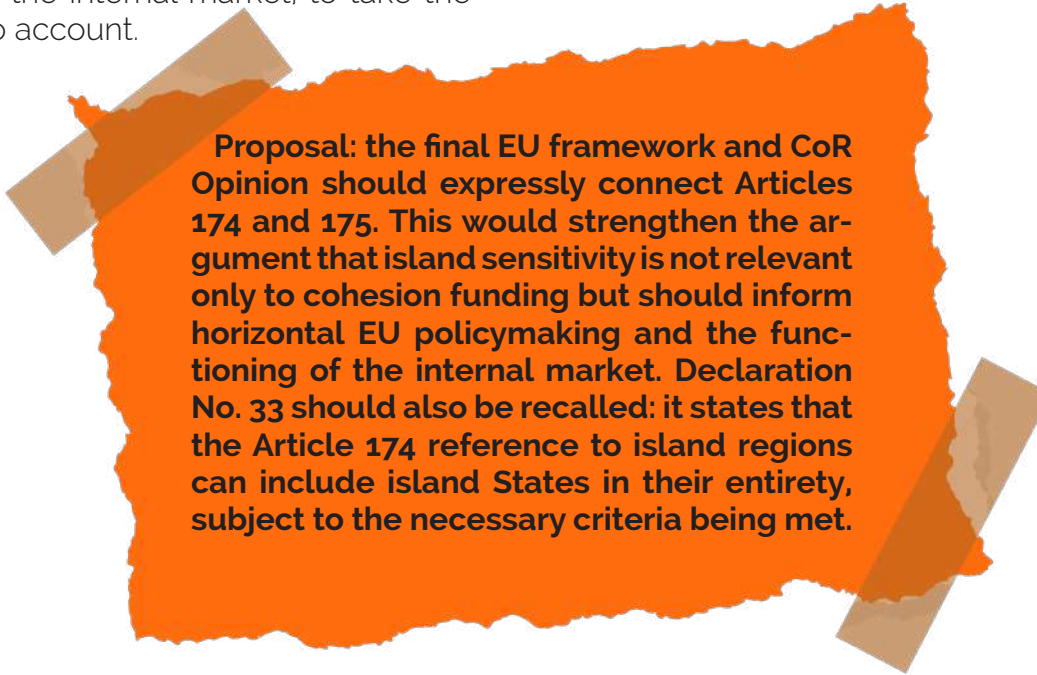


Proposal: require relevant Commission impact assessments to contain an island dimension where a proposal could materially affect transport, energy, climate, competition, state aid, agriculture, fisheries, housing, digitalisation, public services, the internal market or territorial development. The Commission should state whether differentiated effects on islands were identified, what mitigation is required, and why no specific adjustment is necessary where none is proposed.

A standard 'island clause' could

2.3 Link Articles 174 and 175 TFEU more clearly

Article 174 provides the territorial cohesion basis and specifically refers to regions suffering severe and permanent natural or demographic handicaps, including island regions. Article 175 is equally important because it requires the formulation and implementation of Union policies and actions, and the implementation of the internal market, to take the objectives of Article 174 into account.



Proposal: the final EU framework and CoR Opinion should expressly connect Articles 174 and 175. This would strengthen the argument that island sensitivity is not relevant only to cohesion funding but should inform horizontal EU policymaking and the functioning of the internal market. Declaration No. 33 should also be recalled: it states that the Article 174 reference to island regions can include island States in their entirety, subject to the necessary criteria being met.

2.4 Establish an objective EU methodology for the costs of insularity

The working document asks how the costs of insularity should be defined and measured. This question should result in a concrete European methodology rather than remain an open debate.



Proposal: develop an EU Insularity Index or comparable evidence framework covering, among other factors, passenger and freight connectivity, import dependence, energy costs and interconnection, market size, public-service delivery costs, digital connectivity, healthcare and education accessibility, housing pressure, water security and essential-goods costs. Eurostat and the Commission could develop common indicators while allowing territorial data to reflect very different island realities.

The purpose should be to support evidence-based funding, state-aid assessment, territorial impact assessment and policy design.

2.5 Move beyond GDP as the dominant territorial measure

GDP per capita measures economic output but does not remove permanent geography. A territory can become economically stronger while remaining separated from continental networks, dependent on maritime and aviation connectivity, constrained by land availability and exposed to higher logistics costs.

Proposal: EU allocation and co-financing decisions affecting islands should combine economic indicators with permanent territorial indicators. Structural geographical disadvantage should not cease to be relevant merely because an island crosses a GDP threshold. A Cumulative Territorial Vulnerability Index could complement GDP by measuring permanent and interacting territorial constraints.

2.6 Recognise cumulative territorial disadvantage

Insularity rarely operates alone. In Malta's case it interacts with very small territory, a small domestic market, high population density, land scarcity, dependence on external connectivity and infrastructure pressures. Other islands may instead face remoteness, ageing, depopulation or extremely low density.

Proposal: introduce the concept of cumulative territorial disadvantage. EU policy should assess combinations of structural characteristics rather than treating each factor in isolation. This would also prevent a single model of 'island disadvantage' from being imposed on very different territories.

2.7 Establish territorial continuity as a guiding principle

Connectivity should be understood not merely as a transport-sector concern but as a condition for participation in the Single Market, access to essential services and equality of opportunity.

Proposal: recognise territorial continuity as a guiding principle for island policy, covering essential air and maritime links, freight, digital connectivity and energy interconnection. For fully insular and peripheral Member States, aviation and maritime transport should be assessed as essential territorial infrastructure, not only as commercial or tourism activities.



2.8 Strengthen competition and State aid treatment of insularity

The COTER working document lists State aid among the policies requiring island-proofing but does not develop the issue. Small island markets can face structural limitations in scale, competition, transport and supply chains.

Proposal: develop an Insularity Compatibility Test within relevant State aid and competition assessments. Proportionate measures that compensate for objectively demonstrated additional costs of insularity, territorial discontinuity or very small markets should be capable of being assessed within a clear and predictable EU framework, while preserving competition and Single Market safeguards.

2.9 Address demographic pressure as well as depopulation

European island policy often focuses on ageing and population decline. These are serious challenges for many islands, but other islands face the opposite problem: intense population and development pressure within a very limited territory.

Proposal: the Strategy should explicitly recognise both demographic decline and demographic pressure. Indicators should capture population density, seasonal population, tourism intensity, housing pressure, congestion and infrastructure demand as well as depopulation and ageing.

2.10 Introduce island carrying-capacity assessments

For small islands, growth can create pressures that GDP figures do not reveal. Land, transport, water, energy, waste systems, housing and ecosystems have physical limits.

Proposal: support Island Carrying Capacity Assessments, particularly for small and densely populated islands and tourism-intensive territories. Such assessments should inform infrastructure planning, climate adaptation, housing, tourism and EU investment priorities without becoming a mechanism for imposing uniform development models.

2.11 Give water security greater strategic importance

Water security is insufficiently prominent relative to its significance for Mediterranean and other water-stressed islands. Limited freshwater resources, drought, climate change and dependence on desalination can create structural costs and vulnerabilities.

Proposal: treat island water resilience alongside energy resilience. EU support should encompass efficient desalination, renewable-powered water production, leakage reduction, storage, reuse, wastewater treatment and climate adaptation.



2.12 Add food, medicines and essential-supply resilience

Recent crises have shown the vulnerability of territories that depend heavily on maritime and air supply chains. For a fully insular Member State, disruption of shipping or aviation can rapidly become a national resilience issue.

Proposal: create an Island Essential Supplies Resilience Framework addressing food, medicines, fuel, medical equipment and other critical goods, including contingency planning, strategic infrastructure and supply-chain diversification.

2.13 Give islands' security and maritime-border role appropriate recognition

The Strategy's security and preparedness pillar should more explicitly recognise that many islands form part of the Union's maritime frontier and host strategic transport, energy and communications infrastructure.



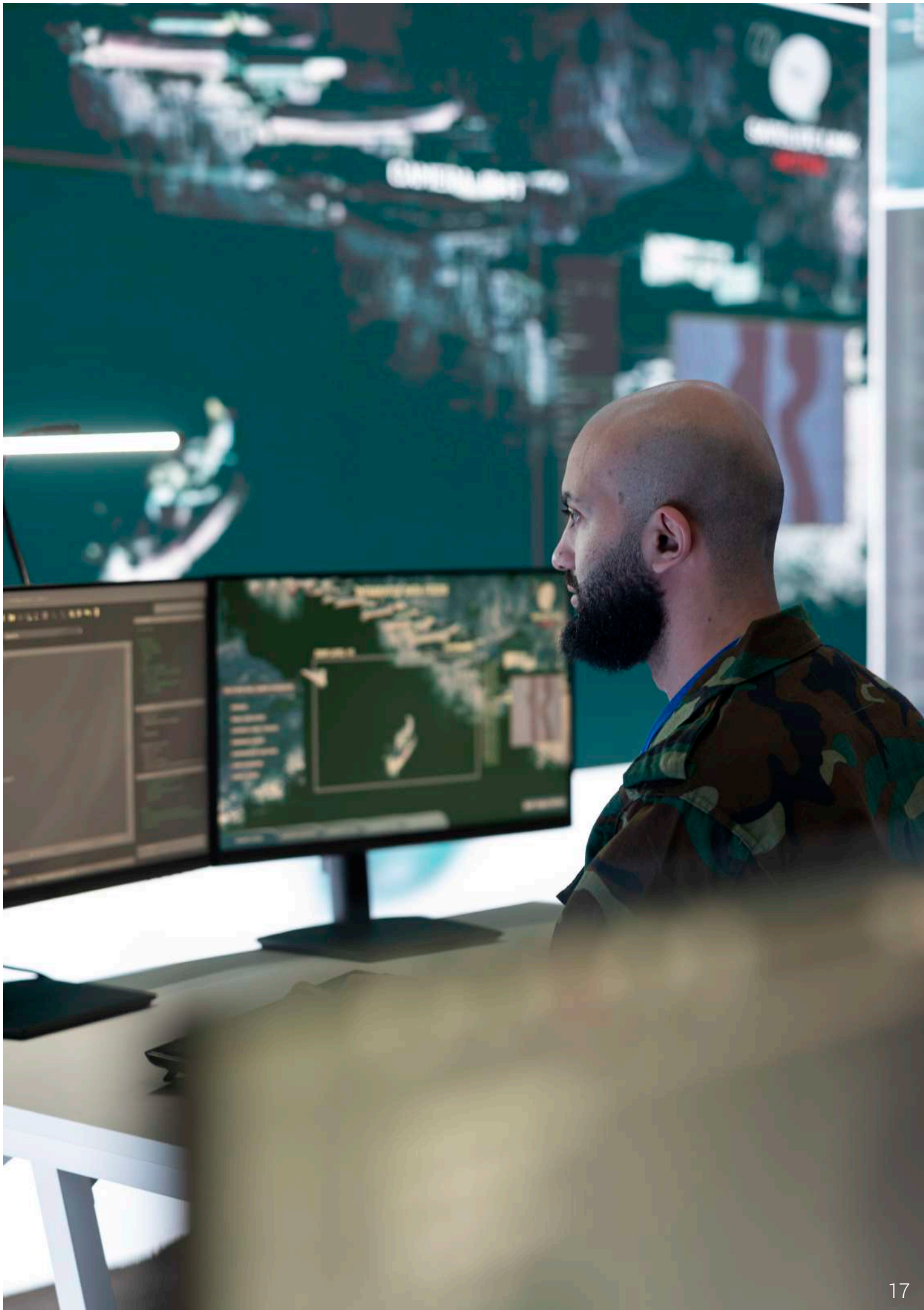
Proposal: integrate maritime surveillance, civil protection, search and rescue capacity, protection of ports and subsea infrastructure, cybersecurity, emergency preparedness and other relevant external-border pressures into island resilience assessments and financing, in accordance with EU and Member State competences.

2.14 Ensure direct capacity support for local and regional authorities

The working document correctly supports multilevel governance, but participation in consultation is not enough. Small island authorities can struggle to compete for EU programmes because the administrative cost of preparing, managing and reporting projects is disproportionately high.

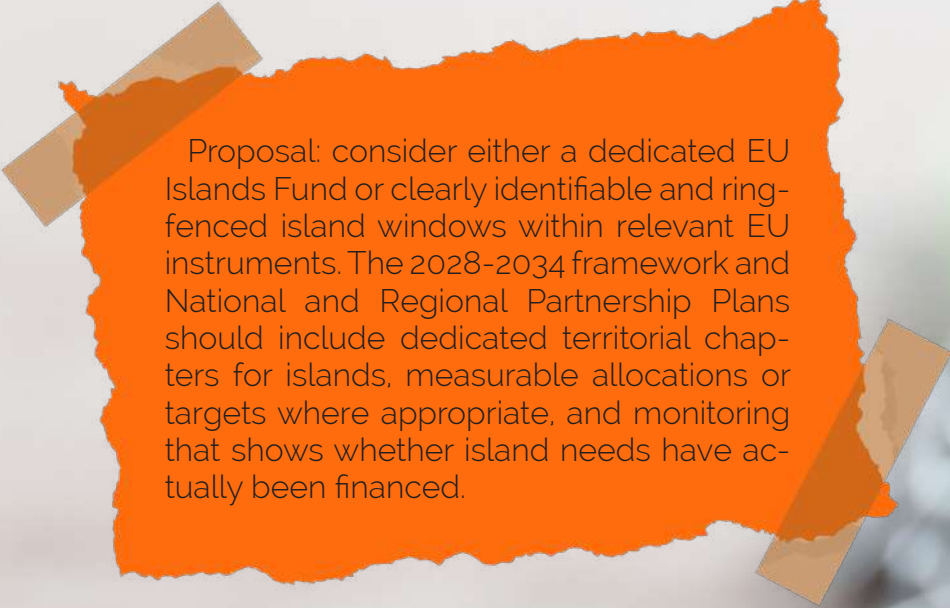


Proposal: create dedicated technical assistance, simplified calls, capacity-building support and, where appropriate, direct island windows accessible to local and regional authorities. Administrative capacity should itself be recognised as a factor influencing islands' ability to benefit from EU opportunities.



2.15 Make island financing identifiable and protected

The COTER document opens an important debate on differentiated co-financing. This should be accompanied by mechanisms that ensure island priorities are visible in future financial architecture.



Proposal: consider either a dedicated EU Islands Fund or clearly identifiable and ring-fenced island windows within relevant EU instruments. The 2028-2034 framework and National and Regional Partnership Plans should include dedicated territorial chapters for islands, measurable allocations or targets where appropriate, and monitoring that shows whether island needs have actually been financed.

2.16 Create permanent governance and monitoring arrangements

A strategy will have limited value without ownership, indicators and accountability.

Proposal: establish a permanent EU Islands Forum bringing together the Commission, European Parliament, Committee of the Regions, Member States, island regional and local authorities, social partners, academia and civil society. An EU Islands Scoreboard should track connectivity, public-service access, costs of insularity, demographic trends, climate resilience, investment and implementation of island-proofing. The Commission should periodically report on progress.

3. Malta's specific contribution: safeguarding the position of the EU's smallest Member State and a fully insular state

Malta's contribution should be framed not as a request for general preferential treatment, but as a territorial cohesion proposition: EU citizens and businesses should not face structural inequality in access to the Single Market, essential services and European opportunities solely because their Member State has no mainland territory.

Malta offers a particularly useful test case for whether the Union can reconcile competitiveness, cohesion and geographical discontinuity. Its position combines full national insularity with very small territory and domestic market, high population density, scarce land, dependence on maritime and aviation connectivity, and an internal island dimension through Gozo.



3.1 Proposed Malta package

1. Formal policy recognition of Fully Insular Member States when implementing Article 174 TFEU and the EU Islands Strategy.

2. A mandatory Fully Insular Member State dimension within relevant territorial and regulatory impact assessments.

3. Systematic island-proofing and an EU island clause requiring the Commission to explain how island effects were assessed.

4. Recognition of territorial continuity across air, sea, digital and energy connectivity.

5. An EU Insularity Index and a Cumulative Territorial Vulnerability Index to complement GDP-based assessments.

6. Differentiated or higher EU co-financing rates where objective permanent territorial constraints create disproportionate investment burdens.

7. Dedicated island chapters and identifiable financing within the 2028-2034 MFF and National and Regional Partnership Plans.

8. An Insularity Compatibility Test for relevant State aid and competition-policy assessments.

9. An Island Connectivity framework recognising essential aviation and maritime links as territorial infrastructure where justified.

10. An Island Strategic Resilience mechanism covering food, medicines, energy, water and other critical supplies.

11. Recognition of demographic pressure, land scarcity and carrying capacity alongside depopulation and ageing.

12. Dedicated water-security and climate-resilience measures for Mediterranean islands.

13. Direct technical assistance and simplified EU access for island local and regional authorities.

14. A permanent EU Islands Forum and measurable Islands Scoreboard.

15. Specific recognition of double insularity within fully insular Member States, including Gozo.

3.2 Gozo and double insularity

The working document already recognises double insularity as an important factor. The final framework should make clear that double insularity can also arise within a fully insular Member State. Gozo's residents and businesses must first connect to the main island of Malta and then, for many European connections, connect onwards beyond the national territory. This additional territorial discontinuity can affect healthcare, education, labour mobility, business costs, public services and investment.

Proposal: double insularity should be an explicit factor in EU allocation criteria, territorial impact assessments and co-financing decisions, rather than being subsumed under a general island category.







4. From the current proposal to a stronger EU framework

Current direction in the EU/COTER documents	Proposed strengthening
Recognition of severe and permanent island handicaps	Translate recognition into mandatory, systematic island-proofing across relevant EU policy.
Recognition of the costs of insularity	Create an objective EU methodology/Insularity Index and use it in policy and funding decisions.
Island diversity acknowledged	Recognise fully insular Member States, double insularity and cumulative territorial disadvantage.
Better Regulation framework referenced	Add an operational island clause and territorial impact assessment requirements.
Connectivity as a strategic challenge	Establish territorial continuity as a guiding EU principle for essential air, sea, digital and energy links.
Funding debate beyond the amount available	Create dedicated island chapters/windows, differentiated co-financing and transparent tracking of island investment.
GDP plus structural constraints discussed	Institutionalise indicators beyond GDP through cumulative territorial vulnerability measures.
State aid mentioned among relevant policies	Develop a predictable Insularity Compatibility Test for objectively demonstrated additional costs.
Communities and demography pillar	Cover demographic pressure, housing, land scarcity and carrying capacity as well as ageing and depopulation.
Energy, environment and climate pillar	Give water security and essential-supply resilience explicit strategic status.
Security and preparedness pillar	Recognise maritime-frontier responsibilities and protection of critical island infrastructure.
Multilevel governance and participation	Give island local/regional authorities direct technical assistance, simplified access and permanent representation in governance.

5. Proposed political ambition for the final Strategy

The Strategy should move: from recognition to obligation; from exceptions to island-proofing; from GDP alone to territorial reality; from competition for generic funding alone to identifiable territorial consideration; from consultation to structured participation; and from compensating disadvantage to securing equal territorial opportunity.

A successful EU Strategy for Islands should therefore be judged not by the number of references to islands in EU documents, but by whether an island resident, local authority or business can identify measurable improvements in connectivity, access to services, resilience, investment capacity and participation in the Single Market.



6. Proposed recommendations for inclusion in the consultation outcome

16. Establish systematic island-proofing across relevant EU legislation, programmes and impact assessments.
17. Create a standard EU island clause requiring explicit consideration of differentiated territorial effects.
18. Operationalise Articles 174 and 175 TFEU together and recall Declaration No. 33 concerning island States in their entirety.
19. Develop an EU methodology to quantify the direct and indirect costs of insularity.
20. Use permanent territorial indicators alongside GDP in relevant funding and policy decisions.
21. Recognise fully insular Member States and cumulative territorial disadvantage within implementation of the Strategy.
22. Recognise double insularity, including within an island Member State, as an additional structural constraint.
23. Adopt territorial continuity as a guiding principle for essential connectivity.



24. Provide differentiated co-financing and dedicated island financing mechanisms where objectively justified.

25. Strengthen State aid and competition assessment to account transparently for demonstrable additional costs of insularity and small markets.

26. Address demographic pressure, housing, land scarcity and carrying capacity alongside depopulation.

27. Elevate water, food, medicine, energy and critical-supply resilience within island policy.

28. Recognise islands' strategic maritime, border, civil-protection and critical-infrastructure roles.

29. Provide direct technical assistance and simplified EU programme access for island local and regional authorities.

30. Establish a permanent EU Islands Forum, an Islands Scoreboard and periodic implementation reporting.

7. Suggested concluding statement

Europe's islands should not be approached as peripheral exceptions to a continental norm. They are permanent European territories, communities, economies and strategic frontiers whose geography forms part of the Union's territorial reality. The EU Strategy for Islands is therefore an opportunity to ensure that geography does not translate into structural inequality.

For Malta, the smallest Member State and a fully insular state, this principle is particularly important. Economic progress does not remove geographical discontinuity. Malta's case demonstrates why territorial cohesion must remain relevant even where headline economic indicators improve. A stronger Strategy should ensure that insularity is measured, island impacts are assessed before decisions are taken, territorial constraints are reflected in financing and regulation, and island authorities are partners in implementation.

The lasting test of the Strategy should be simple: whether living, working, investing or delivering public services on an island ceases to result in avoidable structural disadvantage within the European Union.





References

- European Commission, EU Strategy for Islands, COM(2026) 520 final, 10 June 2026.
- European Committee of the Regions, Commission for Territorial Cohesion Policy and EU Budget (COTER), Working Document: EU Strategy for Islands, COR-2026-02016-00-00-DT-MTR, 2026.
- Treaty on the Functioning of the European Union, Articles 174 and 175.
- Declaration No. 33 on Article 174 TFEU.



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