

IMPACTS OF CLIMATE CHANGE ON INSULAR ECONOMIES: HOW THE EU COHESION POLICY CAN SUPPORT RESILIENCE AND ADAPTATION

A **hybrid workshop** organized by the Network of the Insular Chambers of Commerce and Industry of the EU (INSULEUR)

in partnership with the European Economic and Social Committee (EESC) and with the cooperation of the CPMR Islands Commission and the European Small Islands Federation (ESIN) will take place in

Brussels, 4th of April 2025 (10.30-13.00)

at the European Economic and Social Committee

Address: rue Belliard 99, 1040 Brussels

Room: JDE63

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(before March 27th)



Interpretation provided from/to: English, Greek, Spanish, Italian (spoken)



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Background Note

How Could the European Cohesion Policy Help Islands Face Climate Challenges ?

Islands are at the forefront of climate change impacts but remain marginalized in the broader climate change debate. Their vulnerability arises from their geographic isolation, extensive coastlines, and limited economic diversification. Climate change threatens key sectors such as tourism, maritime transport, and energy demand, posing severe challenges to island economies. While islands contribute minimally to global greenhouse gas emissions, they face disproportionate risks from climate change. Therefore, adaptation—rather than mitigation—should be the primary focus for Europe's islands.

According to research (Vrontisi, Z., Charalampidis, I., Lehr, U., et al. 2022), the potential economic losses for islands under all climate scenarios could be more than double. The extent of these impacts varies depending on factors like economic diversification and geographic remoteness. The tourism sector, a cornerstone of many island economies, is particularly vulnerable. Disruptions to its complex value chains could have significant repercussions on overall economic stability. Similarly, rising electricity demand for cooling and water desalination exacerbates economic stress.

Assessing Vulnerability and Risks

Conducting vulnerability assessments for individual islands is a crucial first step in understanding the specific risks posed by climate change. These analyses can identify areas where biodiversity and economic sectors are most at risk, forming the basis for targeted, effective interventions.

The Role of a Tailored Cohesion Policy

A cohesion policy designed specifically for islands offers a strategic approach to addressing these challenges. Cohesion policy, in its current form, has significantly contributed to the socio-economic development of the EU, reducing regional disparities and fostering economic growth. For islands, these principles can be further refined to address their unique needs.

Key Areas for Focused Investment

To enhance the resilience and sustainability of islands, European cohesion policy should prioritize:



- **Sustainable Infrastructure:** Investments in climate-resilient infrastructure, such as coastal defenses and sustainable transportation systems, can mitigate the impacts of climate change.
- **Digital Connectivity:** Improved digital infrastructure can bridge the gap caused by geographical remoteness, fostering innovation and economic diversification.
- **Renewable Energy Projects:** Harnessing local renewable energy sources can reduce reliance on external energy supplies and enhance energy security.
- **Biodiversity Protection:** Preserving and restoring biodiversity can help mitigate environmental impacts and support sustainable tourism.

Funding Mechanisms

To implement these priorities effectively, the funding process for European islands under the EU's cohesion policy should follow these steps:

1. **Identification of Needs and Priorities:** Islands should conduct thorough assessments to identify specific development needs in areas like infrastructure, renewable energy, and social services.
2. **Operational Programs (OPs):** Based on identified needs, the EU and member states should develop detailed Operational Programs, emphasizing overcoming geographical disadvantages and promoting sustainable growth.
3. **Access to EU Funds:** A range of EU funds should be mobilized to support these programs, ensuring adequate resources for transformative projects.
4. **Performance-Based Approach:** A performance-based framework, with clear milestones and measurable targets, can ensure funds are utilized efficiently and achieve tangible outcomes.

Discussion

The European Union can foster sustainable development and resilience by tailoring cohesion policy to islands' specific challenges and opportunities. Focused investments in infrastructure, connectivity, renewable energy, and biodiversity protection can help islands adapt to climate change while promoting economic stability and growth.

PROGRAM

Time	Session & Speaker(s)	
10:30 – 10:45	Introductory Session	
	<ul style="list-style-type: none"> • Mr. Ioannis Vardakastanis, President of the ECO Section, EESC • Mr. Stefanos Gkikas, Deputy Minister of Maritime Affairs & Insular Policy • President of INSULEUR (to be elected by the GA in the morning) 	
10:50 – 11:10	Key Speaker	Professor Judit Carrillo , University of La Laguna - Canary Islands (<i>online</i>)
	Islanders' Voices	
	<ul style="list-style-type: none"> • Moderator: Ms. Irene Mikelis, Project Officer, INSULEUR 	
	Ms. Claire Helly , CPMR Islands Commission	
11:10 – 12:00	Mr. Eleftherios Kechagioglou , President, Hellenic Small Islands Network / Capt. Panagiotis Foinikis , Graduate of Merchant Navy, Academy Club	
	Mr. Gaetano Attilio Nastasi , Member Board, Chamber of Commerce of Cagliari-Oristano / Mr. Giovanni Satta , Environment Department, Sardinia Region, Italy / Mr. Emanuele Cabras , EuroMed Cooperation, Advisor, Chamber of Commerce of Cagliari-Oristano	
	European Institutions' Responses	
	<ul style="list-style-type: none"> • Moderator & Conclusions: Mr. Manolis Koutoulakis, Secretary General, Ministry of Maritime Affairs and Insular Policy 	
	Ms. Gergana Miladinova , Directorate-General Regional and Urban Policy, European Commission	
12:00 – 13:00	Mr. Tonino Picula , MEP, European Parliament	
	Ms. Céline Ollier , Head of Task for Climate Change Adaptation, European Court of Auditors	
	Mr. Ioannis Vardakastanis , President of the ECO Section, EESC	