The Project is implemented by the OECD in cooperation with the European Commission's Directorate-General for Structural Reform Support (DG REFORM) and funded by the EU's Technical Support Instrument (TSI) 2022.

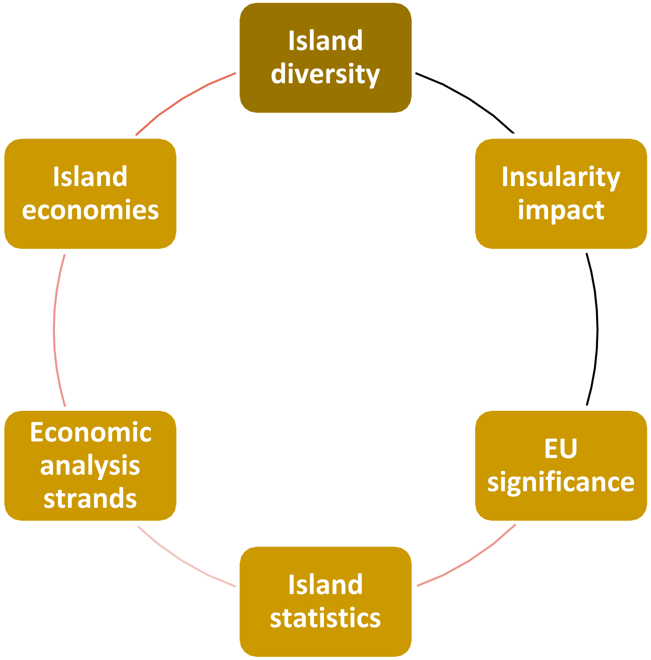
European Commission

Improving the quality of multi-level governance and strengthening the resilience of island economies of Croatia, Greece, and Sweden

(MCP - 23EL34)

Characteristics of Island Economies

- **Diversity of islands:**
  - Multifaceted concept
  - Unified by water enclosure
  - Varied in size, administration, location, and population
  - Distinctive features under "insularity" concept
- **Impact of insularity:**
  - Physical discontinuity and peripherality
  - Socio-economic effects, especially on smaller islands
- **EU and OECD significance:**
  - Integral to EU's and OECD's geography and demography
  - Contribute to cultural diversity and national economies
- **Island statistics for EU and for 3 countries:**
  - EU-27: 4.6% of the population
  - Sweden: Most islands globally (267,570), 0.01% of the population
  - Greece: 3,054 islands, 15% of the country's population
  - Croatia: 1,244 islands, 3.3% of its population
- **Economic analysis strands:**
  - Small Scale Analysis
  - Geographic Position Analysis
- **Island economies:**



Project's beneficiaries

The national authorities beneficiary of this project are:

- The Special Office of the Secretary General for Aegean & Island Policy, Ministry of Maritime Affairs and Insular Policy, Greece.
- The Ministry of Regional Development and EU Funds, Directorate for Islands, Republic of Croatia.
- Region Gotland, Sweden.

Additional beneficiaries of the projectare:

- In Croatia: the county of Zadar and the county of Dubrovnik-Neretva.
- In Sweden: the municipality of Öckerö.
- In Greece: the island of Kastellorizo and the island of Chios and its islets.

Furthermore, the project's impact will reach a wide range of islands, island-municipalities, and island-regions across the entire European Union

Challenges and Opportunities for Island Economies

Themes	Challenges	Opportunities
Economic	• Lack of **critical mass** (e.g., local market size and narrow production base) • Geographic isolation and transport costs • Integration with national communications and **energy networks** • Low level of **innovation** • Lack of qualified labour and professional development	• Diverse **tourism** offers (natural, recreational, business, cultural, health and well-being) • High-quality, diverse **food production** (agriculture and fisheries) • Entrepreneurial spirit and "can do" mindset • **Blue economy**
Environment	• Seasonality/sustainability of **tourism** • Vulnerability to **climate change** and natural hazards • Complex **land use** planning and sensitive environmental management issues (e.g. waste, water and sanitation)	• **Green economy**, renewable sources of energy • **Natural resources** and high levels of natural and man-made amenities • Unique **biodiversity** and ecosystem services
Social and institutional	• Ageing **population**, migration **trends** and "brain drain" • High cost of **services** • Diseconomies of scale (higher unit costs for infrastructure and public services)	• **Quality of life** • Close social ties and community support structures • Territorial **attractiveness**/cultural heritage and histories

Source: OECD (2022), OECD Territorial Reviews: Gotland, Sweden.

Project Methodology

The methodology identified to assist Croatia, Greece, and Sweden in strengthening the resilience of their island economies is based on the ***OECD Territorial Review* methodology**.

The project will advance for each beneficiaty country through the following steps.

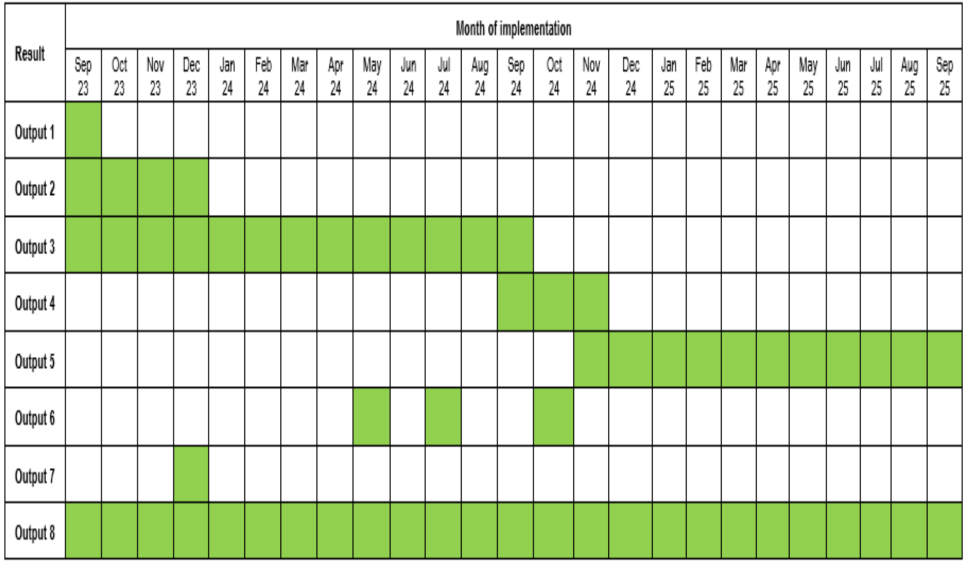
- Identification of key indicators for island development
- Data collection and analysis
- Experimental estimation of insularity costs
- Analysis of Island-specific factors that impact on islands
- Study visits and interviews
- Case studies
- Capacity building seminars for peer-learning
- Reports with assessment of strategies policies and multi-level governance
- Policy recommendations
- Policy action plan
- Policy toolkit
- Pilot policy implementation

Project outputs, activities and timeline

- **OUTPUT 1.** Kick-off meeting
- **OUTPUT 2.** Inception report.
- **OUTPUT 3.** Diagnostic reports of the factors holding back growth and productivity of island economies
- **OUTPUT 4.** Recommendations and draft action plan for multi-level governance and economic performance
- **OUTPUT 5:** Report on support to the implementation of the draft action plans
- **OUTPUT 6:** Capacity building seminars for peer-learning
- **OUTPUT 7:** Project description summary
- **OUTPUT 8:** Final report

Updated indicative Timeline by month

- project duration 11 Sept. 2023 - 10 Sept. 2025



Thank you!

Stefano.Barbieri@oecd.org

Twitter: @OECD_local
LinkedIn: www.linkedin.com/company/oecd-local
Website: www.oecd.org/cfe

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