

2003

Revision Date:
8 September 2003

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B7 Positions Papers:

Part 1 - Key Political Issues.

POSITION PAPERS - WHY HAVE THEM?



Position Papers (PPs) are ongoing working documents that describe within an agreed policy area:

- What the B7 wants to achieve
- What lobby actions it should undertake?
- Current status of B7 positions.

At the Annual Conference on Öland in December 2002, B7 politicians decided that focused lobby activities were essential to promote the interests of the islands.

The B7 Islands Strategy has 4 objectives:

- Lobby for Structural Funds support after 2006.
- Exchange experience and ideas.
- Run projects to develop the islands.
- Adapt the organisation to meet our goals

In order to further define what we want to concentrate our energies on, the B7 has two catalogues of Position Papers which it updates continuously.

Part 1 - Key Political Issues

Part 2 - Positions for Internal Discussions

The PPs are based on the priorities stated in the B7 Strategy and are designed to be short, suc-



Meteor crater on Saaremaa or prime land for development?

cinct and to the point.

The Position Papers will guide us in our future actions, the projects we support, and the initiatives we take and the work of our politicians, board members, work group members and supporters.

The B7 has asked Bornholm - Knud Andersen, Gotland- Jan Lundgren and Hiiumaa - Hannes Maasel, to lead this work.

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WHAT ARE ISLAND ISSUES?

THE ISLANDS DIMENSION

Islands have permanent constraints that put them at a comparative and competitive disadvantage to the mainland.

Islands often cannot or do not know how to benefit from the single market.

Islands need to develop win-win strategies with their neighbouring regions.

Baltic Islands have a small population base, face geographic constraints but must still be able to offer their citizens the basic range of services and quality of life compared to the mainland.

Typical Island Issues.

- Accessibility - transport limiting development.
- Comparative disparities with major city regions in the country.
- Limited markets
- Limited tertiary education and training opportunities.
- State commitment for lagging regions.
- Technological backwardness.
- Tighter budgets
- Total population and population in employment decreasing.
- Younger citizens moving to the mainland and a greater proportion of elderly.

PP DEMOCRACY & GOVERNANCE

B7 wants to achieve:

Democracy and governance that recognises the roles of regions and local government, based on the subsidiarity principle, is open, and respects the rights of citizens.

Constitutional Convention:

The B7 islands support a constitution for Europe that:

- Makes the EU more understandable to the citizens of Europe.
- Respects the principle of subsidiarity
- Simplifies island issues and works to reduce the permanent constraints of islands

The B7 notes that:

- Decisions made by the EU and the member states often have consequences on the local/ regional level and very often the decisions are meant to be implemented and accepted by these levels.
- "Strong" (tasks, responsibilities, finance, etc.) local/regional representative democracies are the base in society and necessary both for developing the own island and to get more people interested and engaged in important future questions. Which besides can lead to an increased legitimacy for example for EU-policy.

For the future it is important for B7:

- Possibilities for increased participation and earlier involvement for the local/regional levels when EU-policies are formed.
- For avoiding negative effects of EU-legislation etc. on islands (from Off the Coast):
 - it must be asked if the application on the islands require specific measures on the basis of the provisions provided for in the Treaties.
 - the European Commission has to practice an "Inter-services" approach when examining the situation of an island region.
 - to make it possible according to the characteristics of each island to come up with original solutions for example by "tripartite contracts".

*"Position Papers
will guide the B7
in our future,
work, actions,
and the projects
we support"*

PURPOSE of LOBBY WORK:

- To support democracy and governance that takes heed of island constraints and gives them the tools to prosper and develop.
- Support the initiatives of the CPMR where appropriate.

POSITION STATUS: 28 August 2003

- Draft accepted by B7 Board 21 August 2003.
- Follow developments of Convention relating to islands e.g. ex Article 158 below.



Looking to the future on Rügen. It's a bit hazy after 2006.

ECONOMIC, SOCIAL AND TERRITORIAL COHESION - Article III-111 (ex Article 158)
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.
In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, including rural areas.

PP STRUCTURAL FUNDS

Purpose of Policy for each island.

- The B7 Co-operation will assist Hiiumaa and Saaremaa to gain maximum benefit from EU membership and the Structural Funds Programme.
- The B7 Co-operation will assist Rügen to maintain its objective 1 status after 2006.
- The B7 Co-operation works for Bornholm, Gotland, Öland and Åland getting Structural Funds support after 2006.

The B7 Islands Co-operation supports EU Structural Funds interventions:

- As a positive tool for the development of lagging regions
- To reduce disparities of peripheral regions with permanent constraints.

For the B7 a future Structural Fund Policy should:

- Automatically give islands, as a minimum, the equivalent of objective 2 status
- Target regions with permanent geographic or demographic constraints
- Have a flexible approach for islands owing to the imprecision of statistics
- Support policies that promote social, economic, plus territorial cohesion
- Promote interregional interventions across maritime boundaries

The B7 notes that:

Tripartite contracts: B7 have a positive view on the Commission proposal to implement various parts of the coming policy in the form of Tripartite contracts, which is done by EU Commission, member state and region/island.

State Aid: Authorise the legitimacy of state aid schemes designed similar to sparsely populated areas to overcome effects of geographic and demographic handicaps.

*EU
Structural Funds
interventions
can reduce
disparities of
peripheral regions
with permanent
constraints*

PURPOSE of LOBBY WORK:

Ensure islands continue to receive SF support after 2006 by:

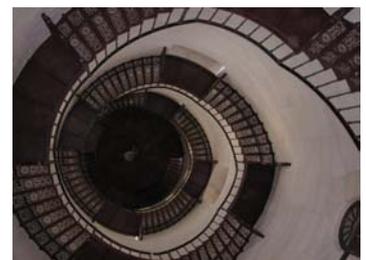
- Promoting greater awareness and understanding of the structural handicaps of islands
- Having a clear case for Structural Funds support for B7 islands.

WHO TO LOBBY:

- EU Commission, Committee of the Regions, EU Parliament and MEPs, National Governments, CPMR, CBSS, Greek and Italian Presidencies

POSITION STATUS: 28 August 2003

- Approved by B7 Board and Steering Committee: 28 April 2003
 - Follow up after publication of the Third Cohesion Report



Is this the way up in the world for islands?

PP FISHERIES

Fisheries on the islands are characterised by:

- Restructuring – people are forced to find jobs in other sectors
- Declining fish stocks
- Declining fleet
- Arguments over quotas and fish stocks
- Fish processing industries moving to cheaper production cost areas, resourcing raw materials from further afield and importing of raw material from unstable third markets (out of EU)
- The fishing industry, boats, harbours and hamlets forming a key part of the traditional island experience that tourists are seeking.

For the B7 a future Fisheries Policy should:

- Adopt the possibilities in the CFP (e.g. small scale fisheries, local administration -of local stocks-, regional advisory councils, encourage cooperation between fishermen and scientists)
- Seek to retain a sustainable fishing and fish processing industry
- Work towards achieving sustainability in the industry
- Acknowledge that visitors expect to see fishing traditions and the flavour of a history of fishing hamlets when visiting the islands
- Support for fish farming
- Development of recreational fishing within tourism policy

The picture of the quaint, picturesque, fishing hamlet with a few small boats and well maintained fishing tackle, often characterises island communities.

How do we reconcile the best of our traditions with the challenges of the future?

PURPOSE of LOBBY WORK:

- continuation of structural fund support for fisheries with possibilities for integration between areas (contrary today) to optimise results for socio-economic restructuring and development as well as for achieving CFP goals
- acknowledgement of fisheries as a vital part of islands socio-economic structure
- Support work of CPMR

WHO TO LOBBY:

- local to national level as well as CPMR to EU
-



Fisheries

POSITION STATUS: 28 August 2003

- Draft approved by B7 Board 21 August 2003
- Watch trends particularly transfer of processing facilities to other countries
- B7 awarded SEK 40,000 to develop an INTERREG IIIB application 21.08.03

PP TRANSPORT

The B7 wants to achieve:

- A transport infrastructure for islands that enables economic growth, social development and territorial cohesion within a dynamic Baltic Sea Region.
- An effective transport infrastructure to and from islands as a core factor for islands development.
- Territorial cohesion for islands.

The B7 Position on transport:

- Good, competitively priced transport and communication facilities that fulfil the needs of islanders, business and visitors are a pre-requisite for development.
- Public service obligations must include a social as well as an economic dimension.
- Low cost operators are not a solution, as they do not provide a satisfactory answer to islands needs.
- Aid regimes need to be maintained and be more flexible – mobile infrastructure such as ferries for islands is infrastructure in the same way roads are infrastructure for the mainland.
- Taxes and Dues on transport should not be an added barrier for islands.

*An effective
transport
infrastructure to
and from islands
as a decisive
factor for islands
development*

PURPOSE of LOBBY WORK:

- Promote awareness of island transport issues and develop measures to solve them
- Support the lobby and policy making activities of the CPMR Islands Commission

WHO TO LOBBY:

- National governments and EU
- CPMR

POSITION STATUS: 28 August 2003

- Draft approved B7 Board 21 August 2003.
- What about TENS harbours etc? Transport developments to Eastern Baltic region.
- Await report from Transport Focus Group. Expected October 30.



The sea divides and the sea unites.

PP COMMON AGRICULTURAL POLICY

PURPOSE of POSITION PAPER

To assist the B7 Islands as they work towards a position on Agricultural Policy

POLICY STATEMENT – What do we want to achieve?

- High employment within the agricultural sector
- Keep an active, effective and sustainable agricultural sector on the islands
- Economic benefit from fairly small farms, with possibility to work with diversity
- Keep and develop the local food industry on the islands that produce food with high quality and high food safety

NOTES:

Key elements of the CAP reform:

- a single farm payment, independent from production ("decoupling"),
- linking those payments to the respect of environmental, food safety, animal welfare, health and occupational safety standards, as well as the requirement to keep all farmland in good condition, ("cross-compliance"),
- a stronger rural development policy with more money, new measures to promote quality, animal welfare and to help farmers to meet EU production standards,
- a reduction in direct payments ("digression") for bigger farms to generate additional money for rural development and the savings to finance further reforms,
- revisions to the market policy of the CAP,
 - o including a final 5% intervention price cut for cereals and higher direct payments for cereal farmers,
 - o a wider ranging and accelerated milk reform with differentiated price cuts for butter and skimmed milk powder and the maintaining of the milk quotas until 2014/15,
 - o reforms in the rice, durum wheat, nut, starch potatoes, dried fodder sector.

The objectives for CAP are agreed as follow:

- A competitive agricultural sector;
- Production methods that support environmentally friendly, quality products that the public wants;
- A fair standard of living and income stability for the agricultural community;
- Diversity in forms of agriculture, maintaining visual amenities and supporting rural communities;
- Simplicity in agricultural policy and the sharing of responsibilities among Commission and member-states;
- Justification of support through the provision of services that the public expects farmers to provide

Possible effects of proposals:

Decoupling

- Less bureaucracy and the transfer efficiency of the direct payment as an income aid will increase significantly, which should lead to an improvement in the income situation of farmers
- Could lead to a gradual decline in production in island areas as farmers take more land out of production or move to more extensive systems.
 - This could have a negative impact on a range of supply industries.

Farmers and farming communities have been the guardians of our countryside. Is the role of our country side changing? Who will preserve its traditions and shape its future?



Island landscapes - utilising renewable energy resources

PP COMMON AGRICULTURAL POLICY

- Could have a significant effect on primary products to the food industry
- Could have effect of the tourism industry
- Could lead to problems for farmers that want to expand, because the aid level is set out from historic data.

Cross-compliance

(link between support payments, standards of environmental protection, animal welfare and food safety)

- Positive link and may be supported
- May be a need in many island communities to ensure that there are incentives for small part-time, low intensity units to meet the standards set.
- May have effect on increased and more complicated control systems
- Member states should define and enforce standards, following a common framework providing basic implementation criteria.

Farm auditing

- May contribute to higher farmers skills, make them more economic conscious and increase the profitability on the farms. Do we have the right resources on the islands to keep a high quality farm auditing?
- How many of the islands farmers will not get this farm auditing? (less than 5 000 euro per year in direct payments)

Modulation

- More money to rural development might be positive for the islands. In this case it is important to lobby the member states.
- Whereas most of the farmers on the islands are quite small the result of the modulation will reduce the profitability on the farms
- Farmers with that small production that they just get 10 000 euro in subsidies, grants are still an important part of the income, further reduction might give less economic conditions
- The level of 5 000 euro seems to be to low to include the concept small scale farmer and could be higher

“More money to rural development will be positive for the islands.”

PURPOSE of LOBBY WORK:

- Ensure that agricultural policies continue to support the agricultural sector and the development of the countryside.

WHO TO LOBBY:

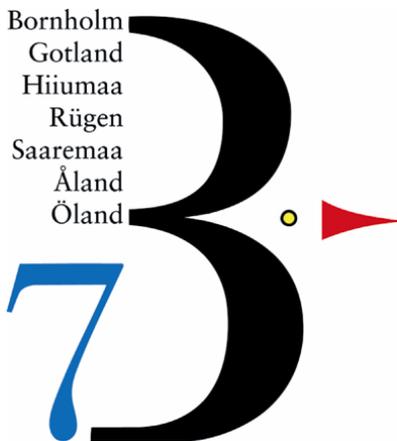
- National governments and EU
- Work with CPMR

POSITION STATUS: 28 August 2003

- Approved B7 Board 21.08.03
- To be revised in light of CAP reform proposals of July 2003.
- Individual islands discussing the B7 role in agriculture.
- B7 to consider implications on current and future CAP and associated rural policies on islands development. Åland considering development of exchange of knowledge and experience seminars



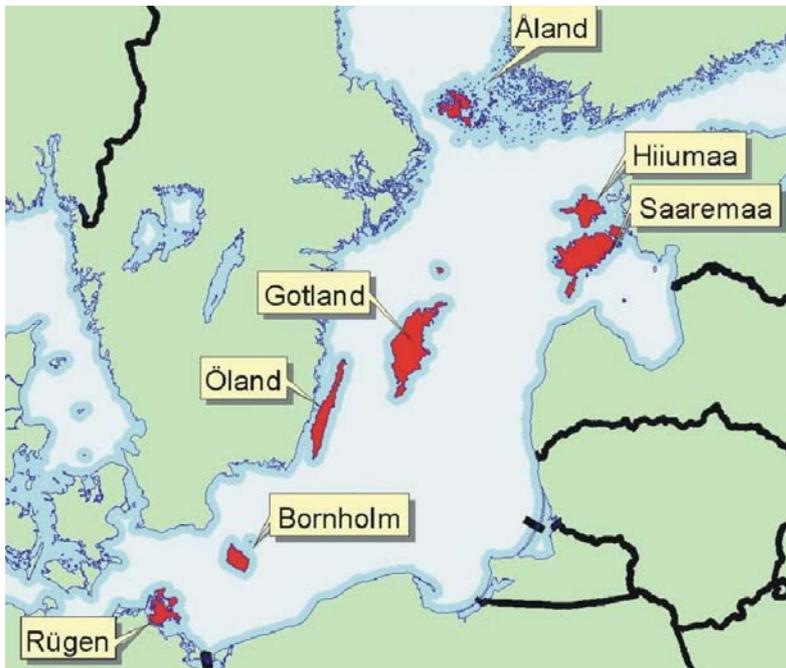
The rich heritage of islands -
The basis for a tourism industry



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The Islands of the Baltic Sea Seven Islands Co-operation Network

WHAT IS THE B7?

The B7 is a co-operation of the 7 largest islands in the Baltic Sea from 5 different countries that began in 1989.

The B7 islands believe that as a co-operation they can influence developments for their common good.

The partners of the co-operation are, Bornholm (Denmark), Gotland (Sweden), Hiiumaa (Estonia), Rügen (Germany), Saaremaa (Estonia), Åland (autonomous region of Finland), Öland (Sweden). Since 1996 B7 has had an office in Brussels.

The B7 has an annual rotating Chairmanship and Secretariat. In 2003 Hiiumaa holds the Chairmanship of the organisation and is responsible for the Secretariat.

The principles of membership are:

- Each member is a Baltic Sea island.
- Each island contributes to the co-operation based on population size.
- The B7 Co-operation is a partnership of equals.

The B7 islands believe that they can better serve the interests of our islanders and achieve more as a co-operation than alone.



Enlargement Conference on Hiiumaa - April 2003