



What future for Cohesion policy post 2020?  
Towards a more place-based development that more effectively considers territorial cohesion

## EUROMONTANA'S RESPONSE TO THE PUBLIC CONSULTATION ON EU FUNDS IN THE AREA OF COHESION

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### Mountains are well placed to deliver EU2020 goals and the Sustainable Development Goals (SDGs)

Mountains cover 28.7% of the EU27 and are home to 16.9% of its population<sup>1</sup>. They are territories with a future that have a major contribution to make to the European Union and its 2020 strategy. These territories have strong innovation and growth potential in areas of key importance to the European Union's 2020 strategy, for example smart growth (bioeconomy...), green growth (energy, sustainable agriculture and forestry...) and inclusive growth (strong communities, welcoming territories...). Exploiting fully this potential requires active, ambitious and targeted policies, which help people living in mountain areas to overcome constraints related to difficult geography and a changing climate, constraints that mean that every action is more expensive to implement than in lowland areas (for description and examples per priority axis of the Cohesion policy, see Euromontana's work: Towards Mountains 2020<sup>2</sup>).

Europe's mountains are the continent's ecological backbone, containing a huge reservoir of natural resources. Often located in border areas, mountains provide invaluable ecosystem services to all European citizens. They provide places for recreation and inspiration and are places of residence, of

<sup>1</sup> Gløersen E (2013) and all. [GEOSPECS Report: European Perspective on Specific Types of Territories](#), page 8

<sup>2</sup> Euromontana (2013). [Towards Mountains 2020, Step 1 –Capitalising on Euromontana work to inspire programming](#)

production, of life, which provide food, energy, employment and quality places to live. Mountains are also areas of innovation and can play key roles in implementing many of the Sustainable Development Goals.

Euromontana recognises the reality of continuing urban growth in Europe and the opportunities and challenges this brings, but notes that the development of rural, isolated, mountain and other geographically specific territories offers potential for sustainable growth that can be a complement and counterbalance to continued urbanisation. Recognising the limits of the economic footprint of major urban centres, Euromontana advocates greater recognition of the strategic value of small market towns and villages as catalysts of development and anchors of communities. Mountains thus have interesting potential and resources on which to capitalise to develop smart specialisation strategies as well as place-based and integrated development to overcome the natural conditions of mountain areas.

Drawing on the GEOSPECS project, Euromontana calls upon policymakers to ‘focus on development opportunities – rather than limitations – and thereby identify endogenous growth potentials of areas’<sup>3</sup> and help overcome the difficult conditions of mountain areas.

## Cohesion policy is also territorial cohesion and should pay particular attention to mountain areas

Cohesion policy aims “at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions” and states that “**particular attention shall be paid to (...) mountain regions**” according to article 174 of the Treaty of the Functioning of the EU (TFEU). Thus, Cohesion policy has a key role to play in addressing the specific challenges of mountain areas. Unfortunately, there is little evidence that Cohesion policy has yet paid enough attention to these territories and successfully addressed this territorial challenge by developing place-based policies for mountain areas.

Euromontana welcomes the fact that DG Regio has contracted a consultant to deliver a study, by August 2018, on how the current Operational Programmes are strengthening the development of islands, mountains and sparsely populated areas through Cohesion Policy. In this context, Euromontana suggests in this position paper how the future Cohesion Policy could better pay particular attention to mountain regions and thus applies the obligations of the TFEU to ensure territorial cohesion.



<sup>3</sup> Gløersen E (2013) and all. [GEOSPECS Report: European Perspective on Specific Types of Territories](#), page 5

## A better use of existing tools to address place-based development in mountain areas

As Fabrizio Barca explained in the 2017 Cohesion Forum<sup>4</sup>, Cohesion policy should better take into account the spatial dimension and develop a more place-based policy. Some instruments already exist, but there is no strong encouragement to use them optimally.

Euromontana proposes that the **specificities of mountain areas should be better recognised at each key stage of the programming period**. According to the study “Cohesion in mountainous regions of the EU”<sup>5</sup>, this could be done during the following steps, adopting a more flexible approach to systematically address the situation of sub-regions that are partially or entirely comprised of mountain areas:

- ▶ During the **ex-ante evaluation**, the specific socio-economic characteristics (access to basic services, physical infrastructures, ICT and access to broadband, demographic trends...) should be analysed and evaluated for the mountain areas. Given that these generally comprise only parts of NUTS2, or even NUTS3, areas, this requires more detailed analysis than currently done only at NUTS2 level. This should help to better address the differences within a region and take sub-regional characteristics into account. In addition, an efficient multi-level governance model, involving regional and local authorities together with stakeholders, should be better implemented at regional and sub-regional levels, especially during the elaboration of the territorial strategies and Operational Programmes at a scale that is coherent with the functionality of their area.
  
- ▶ When **designing and implementing the Operational Programmes**, a more flexible approach could be used, giving the possibility for sub-regions with geographical specificities, including mountain areas, to be systematically taken into account. Some regions are already developing such approaches, such as:
  - Ⓜ The “Comités de Massif” established in France have established dedicated Operational Programmes for mountain ranges, with the **Operational Programmes for the Massif Central, French Pyrenees and the Alps**.
  - Ⓜ The **Operational Programme Friuli Venezia Giulia** (Italy) includes dedicated instruments for mountain areas.
  - Ⓜ The use of **ITIs and CLLD instruments** in mountain areas; only four examples exist: ITI in Sterea Ellada (GR) focusing on cultural heritage and tourism development in the Mani peninsula, in the Isonzo valley (IT-SI) focusing on cross-border cooperation among three municipalities, and Valvecchiana 2020 (IT) focusing on Inner peripheries; and CLLD in Tirol and Trentino (IT-AT) focusing on cross-border cooperation and urban rural linkages. The use of these instruments should be reinforced to better implement integrated approaches to territorial development.
  - Ⓜ Use the possibility of **modulating co-financing rates** from the European Structural and Investment Funds to give a higher co-financing rate to areas with geographical specificities like priority axis mountain areas.
  
- ▶ During the **monitoring** of the Operational Programmes, some key indicators could be analysed at the sub-regional level to better monitor the changes implemented in mountain areas.
  
- ▶ Finally, during the **ex-post evaluation stage**: implementation in mountain areas could be systematically evaluated at this sub-regional level. This would allow the Member States and then

<sup>4</sup> Barca F (2017) [Keynote speech: EU cohesion policy, a forward-looking perspective - 7th Cohesion Forum](#)

<sup>5</sup> Gløersen E (2016) and all. [Cohesion in Mountainous regions of the EU, study for the European Parliament](#)

the Commission to better justify how the article 174 of the TFEU is adequately taken into account in the implementation of the Cohesion Policy.

In addition, the **macro regional strategies** are a powerful tool to better take into account territorial cohesion and better answer to local needs. The bottom-up governance developed in the Alpine macro-strategy (EUSALP) combined with the active involvement of regions is key to better address the challenges and opportunities of mountain areas.

## Widen the set of available tools to make it easier to pay special attention to mountain areas

Despite the existing possibilities, Member States are not really encouraged to pay particular attention to mountain areas and, in general, areas with geographical specificities. To facilitate the programming and implementation of Cohesion policy, Euromontana encourages the Commission to integrate the following suggestions in the next legislative proposals:

- ▶ An **Agenda for EU Mountainous Regions** should be developed by the Commission, as suggested by the European Parliament Resolution on “Cohesion policy in mountainous regions of the EU”<sup>6</sup> to provide a strategic framework for policy coordination in mountain areas. Such an agenda could show the political willingness to better take into account the specific characteristics of mountain areas, adopt specific legislation to promote more harmonious territorial development, and encourage a more balanced funding to support integrated and place-based Cohesion policy.
- ▶ A **specific macro-regional strategy for the Carpathians**: The current Danube strategy is mainly focused on the river basin and thus neither takes into account the specific characteristics of the Carpathians nor provides an adequate strategy for this mountain range, which covers 6 EU and 2 non-EU countries. In the same way, the Adriatic-Ionian macro-region does not cover mountain issues. Thus, a dedicated macro-regional strategy would help to better address the common strategies across borders and reinforce cross-border cooperation between these countries. This would also be a concrete way to implement the [EC Communication on boosting growth and collaboration in cross-border regions](#) published in September 2017.
- ▶ To develop **cross-border Operational Programmes for some mountain ranges, like the “Comités de massifs” in France** or develop the possibility to better take into account functional territories, with the possibility of creating multi-regional or intra-regional Operational Programmes for inter alia mountain ranges when relevant.
- ▶ **A minimum of 5% of Structural and Investment Funds for areas with geographic specificities to encourage place-based, integrated and sustainable development.** A similar measure has been introduced with success for urban areas. It encouraged all Operational Programmes to better earmark a dedicated part of the funds for urban areas, encouraging more integrated and sustainable urban development and giving more visibility to this measure. This successful approach should be replicated for areas with geographical specificities.

<sup>6</sup> [European Parliament resolution of 10 May 2016 on cohesion policy in mountainous regions of the EU](#)

## Simplify Cohesion policy to make it more accessible for all potential beneficiaries and more coherent

Euromontana recognises the need to maintain some continuity in the implementation of the rules, as beneficiaries should not be obliged to learn a new set of rules for each new programming period. However, some changes would allow easier and more flexible access to the Structural and Investment Funds. **Simplification should first and foremost be done for beneficiaries** and only then other bodies involved in implementing European Structural and Investment Funds from the grass roots upwards, starting from local authorities which are delegated to act as implementing and/or intermediary bodies in the Operational Programmes.

Euromontana thus recommends the following measures to be adopted:

- ▶ A delivery system constructed in a sequence commencing with **bottom-up communication of local and regional conditions and opportunities**, so that each emerging strategy is based in local and regional realities.
- ▶ Increased flexibility: **multi-fund Operational Programmes** and solutions **for cross-financing of operations between ESF and ERDF** should be made easier, given implementation difficulties experienced during the current programming period.
- ▶ **Encourage the possibility to have more synergies between the different Operational Programmes in one region** (including between the different Operational Programmes of ERDF, ESF, Cohesion Fund, but also with EAFRD or cross-border or transnational Operational Programmes). To help these synergies, it would be beneficial to have **one monitoring committee** for all the different programmes of the same territory and clear demarcation lines between the different programmes, with clear demarcation of tasks and responsibilities to avoid costly administrative overlaps or duplication.
- ▶ **Encourage a one-stop shop for all managing authorities of Structural and Investment Funds**, to ensure easier access to funding for beneficiaries and a single, uniform monitoring system for the different Structural and Investment Funds.
- ▶ Promote the **principle of proportionality in the controls**, so that the size of the administrative burden takes into account, not only the size of the project as a whole, but particularly the amount of aid granted, in that way smaller projects should have less administrative burden than bigger ones
- ▶ **Use more simplified and unit costs** to simplify the management and reporting of the operations for the beneficiaries.
- ▶ Encourage managing authorities to systematically have a **pre-financing** of at least 50% of project costs at the beginning of each project to avoid cash flow problems for smaller organisations. The absence of pre-financing and long delays between the submission of the report and the interim payment create financial difficulties for smaller organisations who have less cash flow than bigger organisations. As a result, small organisations or NGOs no longer wish to participate in projects financed by the Structural and Investment Funds.
- ▶ **Simplify reporting processes**: having reporting periods every 6 months, with a systematic first level control, for INTERREG Europe and regional programmes is too demanding and obliges beneficiaries to spend too much time on administrative issues without necessarily ensuring more

effective project implementation. Structural and Investment Funds should take inspiration from other EU funds such as Horizon 2020 and **implement longer reporting periods** (at least every 12 or 18 months); ask for an **external audit certification only above a certain threshold of grant received** (€325 000 for Horizon 2020 projects); develop **systematic electronic reporting in a coherent and uniform approach** for all Structural and Investment Funds (same requests for application forms, progress reports).

- ▶ Evaluate Cohesion policy in a more coherent way, using the definition of “**smarter**” indicators that go beyond the current focus on GDP, and taking more account of the demographic challenges at regional and local levels and other special challenges (e.g. social, environmental, geographical and natural).

To conclude, Euromontana calls for a more balanced implementation of Cohesion policy in all territories, with the core objective of developing sustainable economic, social and territorial cohesion and, in particular, to address regional disparities and current trends of internal polarization within regions. Euromontana calls for a greater ambition to also reduce infra-regional disparities within the more developed regions, particularly by better targeting areas with geographical specificities.

## **Euromontana - the European Association for mountain areas**

Euromontana is the European Association for mountain areas. Founded in 1996, it assembles around 70 organisations (regions, universities, chambers of commerce, of agriculture, development and environmental agencies) from around 17 European countries in and out of the EU. Dedicated to the improvement of the quality of life of mountain people, Euromontana is working on different themes of crucial importance for mountain areas, such as cohesion policy, rural development, climate change, innovation, mountain products, tourism, agriculture and forestry, transport, youth... Euromontana is also officially supporting the RUMRA (Rural, Mountainous and Remote Areas) intergroup of the European Parliament.

Euromontana has organised a conference with DG Regio on “Cohesion policy in mountain areas: how to increase the contribution from mountains and benefits for mountain territories?” on the 7<sup>th</sup> June 2017. Proceedings and presentations [are available here](#).

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