

16 October 1998

A4-0368/98

REPORT

on a new strategy for mountain regions

Committee on Agriculture and Rural Development

Rapporteur: Giacomo Santini

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By letter of 4 February 1998 the Committee on Agriculture and Rural Development requested authorization to draw up a report on a new strategy for mountain regions.

At the sitting of 13 March 1998 the President of Parliament announced that the Conference of Presidents had authorized the committee to report on this subject and that the Committee on Regional Policy had been asked for its opinion.

The Committee on Agriculture and Rural Development had appointed Mr Giacomo Santini rapporteur at its meeting of 22 January 1998.

It considered the draft report at its meetings of 22 and 23 September and 28 and 29 September 1998.

At the latter meeting it adopted the motion for a resolution unanimously.

The following took part in the vote: Colino Salamanca, chairman; Santini, rapporteur; Anttila, Cabezón Alonso (for Campos), Chesa, Filippi, Garot, Goepel, Iversen, Jové Peres, Kofoed, Philippe-Armand Martin, Mulder, Otila (for Trakatellis), Poisson (for Hyland), Redondo Jiménez, Rosado Fernandes, Sonneveld and Virgin (for Sturdy).

The Committee on Regional Policy decided not to deliver an opinion.

The report was tabled on 16 October 1998.

The deadline for tabling amendments will be announced in plenary sitting.

A
MOTION FOR A RESOLUTION

Resolution on a new strategy for mountain regions

The European Parliament,

- having regard to Rule 148 of its Rules of Procedure,
 - having regard to the study drawn up for the Directorate-General for Research on 'mountain regions in the European Union - problems, results obtained and adjustments needed',
 - having regard to the report of the Committee on Agriculture and Rural Development (A4-0368/98),
- A. whereas mountain regions account for around 20% of the European Union's UAA,
- B. whereas agricultural activities in these regions are severely restricted by countless factors including altitude, gradient, poor soil fertility, low population density and land fragmentation,
- C. whereas a similar situation is to be found in arid and semi-arid zones, owing to low and irregular rainfall, and in Arctic areas, owing to a short growing season and a harsh climate;
- D. whereas geomorphological barriers generate major difficulties for communications and transport in these regions, a problem aggravated by their remoteness from centres of habitation and markets,
- E. having regard to the danger of a gradual depopulation of mountain regions because of an ageing population and the difficulty of attracting young people to settle there, deterred as they are by the harsh living conditions, isolation and the poor prospects for earning a livelihood,
- F. whereas mountain areas and arid and semi-arid zones represent an irreplaceable heritage comprising resources that are vital for the Union as a whole, ensuring the preservation of watercourses, forests, rare species and habitats, areas of rural tranquillity and recreational activities,
- G. whereas, because of their special character and environmental and social importance, these areas cannot be treated in the same way as other rural areas, but require a specific strategy geared to their needs; whereas to this end the set of measures for the disadvantaged areas must therefore be made flexible,
- H. whereas, in the context of the agreements on cross-border transport, for mountain regions, in particular alpine passes, a proposal was made to introduce a specific clause recognising these areas as 'sensitive areas' from the environmental point of view,

- I. whereas mountain communities - with particular regard to the farming population - are not adequately recompensed for the services they provide in the general interest,
- J. having regard to the risks encountered by small farms which find it difficult to face the globalisation of markets by themselves,
- K. whereas these areas need basic infrastructures (schools, roads, social services) in order to prevent desertification, an irreversible process because of the inevitable deterioration suffered by such areas if they are abandoned and the difficulties and costs of rectifying the situation,
- L. whereas, because of the natural handicaps referred to above, agriculture in mountain areas and arid and semi-arid zones is totally unable to compete with agriculture in lowland areas,
- M. whereas the measures taken by national and Community bodies should, from an economic point of view, seek to encourage local initiatives designed to promote endogenous development through the creation and diversification of activities and products linked as closely as possible to the region concerned,
- N. whereas, from an environmental standpoint, such measures should seek to disseminate the necessary knowledge and skills among all those concerned, with a view to ensuring rational management of natural resources and balanced land-use planning,
- O. whereas the subsidies provided by the European Union under Directive 268/75 have had a positive effect in slowing down the exodus of the farm population from mountain areas and arid and semi-arid regions but whereas it is urgent to continue to define the mountain regions on the basis of Community criteria whilst in the Member States there should be national differentiation between them on the basis of the extent to which they are disadvantaged,
- P. whereas the Structural Funds, Community initiatives such as LEADER and the new rural development strategy should include specific measures for mountain areas,
- Q. whereas the consideration of Agenda 2000 currently in progress may provide an opportunity for a productive debate on the problems of mountain regions, which should be given the prominence warranted by their social, economic and environmental importance,
- 1. Calls on the Commission, working together with the regions and governments concerned, to strengthen existing measures to assist mountain regions and, with appropriate adjustments, arid and semi-arid zones, designed in particular to:
 - 1.1 gather and update all available information, issue periodic reports and submit a communication to the Council and Parliament on mountain regions of the European Union;
 - 1.2 submit a Community action plan for these areas;
 - 1.3 make provision for a specific programme for mountain regions as part of the new rural development measures, as well as in the framework of cross-border cooperation initiatives;

- 1.4 with regard to the reform of the Structural Funds, particularly the new Objective 2, strengthen the assessment and monitoring procedures, precisely defining the areas eligible at local level through criteria based on the most recent data; facilitate the introduction of the necessary transport and communications infrastructures; step up Union action to provide compensation for the environmental services provided in the general interest by the population of mountain areas and the other areas referred to;
- 1.5 exempt from EU legislation on state aids firms operating in areas with important natural features, such as national parks located in mountain regions;
- 1.6 encourage national and regional assistance policies for those mountain areas not falling within the future Objective 2, with Union support via partnership agreements;
- 1.7 maintain and improve existing allowances so as to boost their impact on farm incomes, in order to combat the trend towards depopulation more effectively;
- 1.8 make the compensatory allowances system more flexible, since the current system is based on surface area and the number of livestock units and does not allow for adequate compensation to offset the natural handicaps suffered;
- 1.9 introduce or, where they already exist, maintain more favourable differentiated rates of Community aid for investment, processing and marketing of agricultural products and all structural measures;
- 1.10 support sustainable production systems and local breeds (for example good breeding cows which are not intended for reproduction on the farm but to be sold to milk producers) and varieties;
- 1.11 examine the possibility of exempting small-scale milk producers in mountain areas from the milk quota system, since this activity is invariably their sole means of survival and the milk produced is processed to make high-quality local products (butter, cheese); however, this must not jeopardise the general continuation of the rules on milk quotas;
- 1.12 make provision under the CAP for specific funds to support the production of milk, meat and breeding cows. These products are traditionally the mainstay of mountain farming, where they are often the only source of income;
- 1.13 given that agriculture and forestry in mountain regions make an essential contribution to the ecological stability of the regions and to the preservation of cultivated land which is in harmony with nature, reward these achievements through Community environmental programmes, which should also include forestry; extend agri-environmental measures to include forestry and make communities and forestry organisations in mountainous and arid and semi-arid zones eligible for aid to prevent forest fires and for reforestation based on criteria related to environmental protection, biodiversity and preservation of the countryside;
- 1.14 ensure that the management of all kinds of aid and intervention is as decentralised as possible in line with the subsidiarity principle;

- 1.15 within the framework of transport policy, the multiannual programme for tourism, and the action plan for the information society, give priority to mountain regions for short haul transport, in particular in order to make producers in isolated areas competitive, since they have high costs to bear for the transport of their products to processing and marketing centres, the planning of various forms of tourism, local cooperation, the promotion of local culture and traditions and new information technologies;
 - 1.16 exploit the potential of renewable energy sources in mountain regions based on agriculture, forestry or wind power, through financial incentives and/or tax concessions;
 - 1.17 encourage investment in small local production units, traditional craft industries - supporting business initiatives by young people via financial incentives or tax relief in order to ensure the continuity of traditional production -, direct marketing of products, and the establishment of local warehouses for the collection and sorting of these products;
 - 1.18 support the establishment of small downstream units for the drying or dehydration of fodder;
 - 1.19 take account of the problems suffered by mountain regions during accession negotiations with the countries of Central and Eastern Europe, with particular reference to assistance and support using the pre-accession financial instrument;
2. Instructs its President to forward this resolution to the Council and Commission.

B

EXPLANATORY STATEMENT

(This report is based on the conclusions of the study entitled 'Towards a European policy for mountain regions - problems, results obtained and adjustments needed', currently being published by the Directorate-General for Research of the European Parliament.)

1. BACKGROUND

Mountain regions represent a resource for the future of Europe. In order to fully exploit the potential of these regions to the benefit of the continent as a whole, improvements are needed in the framework of existing EU policies.

One of the major objectives is to pinpoint a clearer, more coherent and more effective strategy aimed at promoting sustainable development of EU mountain regions.

The reasons why an integrated approach to the future of mountain regions needs to be formulated at EU level are as follows:

- the fact that these regions represent a shared natural and cultural heritage, the trade flows in the tourism and transport sectors, the infrastructures and projects where cross-border cooperation is needed, migration from less-favoured mountain areas to more developed urban regions and urban areas are all factors which call for concerted action on the part of the EU Member States;
- no solution has been found to the problems of emigration and depopulation, and indeed they have worsened in some mountain regions in the countries of northern and southern Europe and will do so still further with the accession of new Member States from central and eastern Europe, posing a serious threat to the cohesion of the enlarged Europe of the future, unless an appropriate strategy is followed in these countries in cooperation with the European Union,
- European policies have already had a substantial impact on the development of mountain regions (agricultural policy, environment policy, economic and social cohesion, transport), but greater integration and consistency are needed, together with improved efforts to adapt to the specific requirements of some mountain regions and the opportunities they offer;
- the true potential for sustainable development in mountain regions must be more effectively assessed in order to devise an appropriate response to the two main challenges the European Union must face in future, namely the environment and employment, so as to bring mutual benefits to both urban and mountain areas.

The EU has drawn up a policy to assist disadvantaged regions and, as a general rule, sees rural areas as a priority sector on which future initiatives should be focused. The guidelines in this area are crucial to the future of mountain regions.

However, mountain regions must be the focus of particular efforts and a specific strategy at European Union level for social, economic and environmental reasons. It is not a matter of settling the claims of mountain regions against other categories of economically sensitive region, such as

rural areas, less-favoured areas, environmentally sensitive areas such as wetlands, coastal zones and arctic regions. An accurate assessment of the effects of Community policies is needed in all these areas, with measures being geared to the goal of developing their potential, protecting their environment and ensuring cohesion within the Union.

It is not a question of drawing up a new and specific structural policy or a new cohesion policy applying the same criteria to all mountain regions, but rather adapting existing instruments to local situations in order to achieve economic and social cohesion.

The main objectives of a Community strategy for mountain regions should be to ensure fair compensation for the environmental benefits they provide to society and develop not so much a permanent aid system as the ability of the population and communities in these regions to practice sustainable development themselves, concentrating on their potential rather than their handicaps, at a time when cohesion and competitiveness at European level are increasing.

The new guidelines for the common agricultural policy, structural policy and the forthcoming enlargement of the Union as laid down in Agenda 2000 offer the promise of interesting developments.

In conclusion, it should be stressed that the problems of mountain regions go hand-in-hand with two questions vital for the future of the EU beyond the year 2000, namely the environment and employment. These must form the cornerstones of the new strategy to be developed by the European Union for the sustainable development of mountain regions.

2. FOUNDATIONS FOR A NEW APPROACH TO MOUNTAIN REGIONS BY THE EUROPEAN UNION - ENVIRONMENTAL COHESION

Mountain regions represent a unique environmental heritage for Europe as a whole, both in terms of nature and culture. This heritage offers resources vital for the Union's socio-economic welfare, which must be protected and managed.

To safeguard this unique heritage and maintain the hydrological balance and harmony of the landscape, the protective role of forests, biodiversity, open spaces and the capacity to welcome visitors seeking peace and quiet, relaxation and recreation, it is vital to maintain a permanent self-sufficient population.

In order to earn a livelihood in the modern globalised world, this population must preserve and reinvent the foundations for sustainable development. In order to be sustainable, this development must be based on sound management of local, natural and human resources and must be endogenous, founded on an economy which respects local identities and derives its strength from the individual's sense of belonging to a community, its past as well as its future, and which can operate viably by providing the market with goods and services meeting the growing demand by consumers for authentic, high-quality and attractive products. For the most part, the populations of mountain regions have already turned to the development of high-quality agricultural products and quality tourism.

These regions should be recompensed for the environmental services they provide to society as a whole by ensuring that their population is guaranteed basic services.

The amount of such compensation should not remain uncertain, but should be at a fixed level intended to maintain their presence, mainly through basic infrastructures and services.

Assistance is already provided for hill farming and was originally intended to take account of the specific handicaps of these areas; today, it is increasingly justified by the recognition of the fundamental role played by the farmers in managing the countryside and ecosystems in mountain areas.

Maintaining farming and forestry in these areas is vital and should remain one of the cornerstones of Community activity. Yet today the problem goes further. What is the use of maintaining agricultural activity if the living conditions needed to enable the rest of the population to remain in these regions cannot be ensured?

A policy to assist these regions must therefore go far beyond agriculture and rural development policy and must, as a matter of principle, involve a regional, national and community partnership, reflecting the fact that the Union as a whole can benefit from the resources of mountain regions.

Above and beyond considerations related to economic and social cohesion, the foundations for a Community policy to assist these areas must therefore be environmental in nature. What is needed is environmental cohesion, a new objective to be pursued in the medium to long term with a view to achieving Community cohesion. Since the European Union is not equipped with instruments designed to meet this objective, the solution must be to propose the appropriate adjustments to existing mechanisms, with particular reference to the Structural Funds.

In any case, the European Union needs to develop a global, integrated and coherent approach to mountain regions, in order to gain a better grasp of the vast diversity of these regions, strengthening rather than jeopardizing Community cohesion through cooperation and solidarity between mountain areas.

3. PRIORITY GUIDELINES

The following priority guidelines are proposed for a new Union approach to mountain regions:-

- mountain regions should be made autonomous and attractive for the local population, with economic activities supported by the Community to offset the high costs of living for local communities;
- all aspects of the natural and cultural heritage should be protected and enhanced, by supporting and promoting the structural bases for the sustainable development of mountain communities;
- encouragement should be given for the development of trade and cooperation between mountain communities at the European level, giving priority to Union countries and applicant countries.

In formulating this approach three stages must be followed. The first concerns the negotiations on the Commission proposals under Agenda 2000. The aim is to adapt the regulations to the needs of mountain regions, by pinpointing their requirements and possibilities more effectively, with particular reference to the Commission's new legislative proposals (Structural Funds, reform of CAP,

pre-accession instruments). In doing so, attention should be paid to the principle that measures must be adapted to cater for individual circumstances.

The second stage should follow on immediately from the first and should take the form of a Commission document outlining its position on the situation of mountain regions. This could take the form of a 'Commission communication to the Council on mountain regions in the Union', with a view to enlargement.

The third stage should involve the adoption of a horizontal action plan based on this communication and translating the new Community approach to mountain regions into operational terms.

The plan of action would be based on instruments, regulations and measures geared exclusively to mountain regions; this would involve programmes or parts of programmes, taking into account specifically the needs of mountain regions in the context of the new Community initiatives, particularly cross-border, international and interregional cooperation and rural development, and new innovative measures and technical assistance provided for under the Structural Funds for certain sectors crucial to the future of mountain regions (tourism, telecommunications, transport, education, training and research, equal opportunities).

All three stages should be underpinned by a global and coherent, yet at the same time, detailed and precise, vision of the objectives to be pursued. Laying down priority guidelines in the manner proposed will serve to maintain the consistency of the principles and proposals to be submitted on a more sectoral basis.

4. SECTORAL PROPOSALS

1. Information, communication, monitoring and assessment of Community policies for mountain regions

Given the lack of transparency and visibility with regard to Community actions in mountain regions, the lack of accessible information to assess the needs of these areas, and the effects of existing policies, as well as the need to strengthen monitoring and assessment of all EU policies, it is proposed that available information should be gathered and processed in such a way as to provide easily accessible and regularly updated documentation, and that the main regulations having a significant impact on mountain areas should be published in a single volume (EU mountain code).

2. Integrated regional approach to mountain regions

Given the experience acquired in the field of rural development under the LEADER programme and the lessons that could be drawn from pilot projects on land-use planning implemented under the TERRA programme, it is proposed that a strategy be formulated designed to improve the integrated regional approach to mountain areas, taking into account the interaction between various decision-making levels (vertical integration) and in particular that a seminar should be held on 'mountain regions and land-use planning'; a communication from the Commission to the Council on EU mountain regions should be drawn up, extending and adapting to mountain regions the method applied to coastal areas as set out in the Commission communication to the Council and the European Parliament on the integrated management of coastal zones; on the basis of that communication, a Community action plan for mountain areas should be drawn up and submitted to the Council for approval, grouping together horizontally a package of measures which could be

carried out by the Union under different Community regulations, programmes and initiatives. Finally, as part of the new initiative on rural development, a specific sub-programme for mountain regions should be developed, as provided for in Agenda 2000 with a view to applying the methodological experience gained under LEADER to all EU mountain regions with the emphasis on matters of key importance for the sustainable development of these areas.

3. Trade and cooperation between mountain communities at Union level

Given the need for mountain populations and communities to become more active and to allow them to benefit more directly from the measures designed to assist them, to take better account of the positive effects of 'soft' measures with regard to infrastructures and production structures and bearing in mind that increased know-how through exchange of experience with other regions is vital for the future of European mountain regions, it is proposed that, under the new initiative on cross-border, international and interregional cooperation set out in Agenda 2000, a specific sub-programme should be drawn up for mountain regions, so as to allocate an appropriate budget share to these regions in future programmes, disseminate information and ensure fair competition for isolated mountain regions.

4. Needs and specific potential of mountain regions under the EU's economic and social cohesion policy

In view of the priority accorded to Objective 1, defining a new Objective 2 and maintaining the Structural Funds, it is proposed that the procedures for assessment, monitoring, information and communication governing the use of these funds should be strengthened so as to ensure that due account is taken of mountain regions, that the populations of these regions are aware of the possibilities available and the outcome of measures taken, and that the environmental vulnerability of these regions should not be overlooked. Under the individual programmes for each region, with particular reference to Objective 1, it is also proposed that there should be a detailed comparative assessment (ex ante and ex post) of the measures adopted and their impact on mountain areas in the regional context.

5. Improving the compensation for services provided to the European Union as a whole by mountain communities through the management and conservation of natural resources and local services

With a view to providing the infrastructures and services needed to maintain an adequate level of population, including young people in particular, and to cope with the seasonal influx of visitors, for which purpose priority must be given to local transport services, education, health, information and communication, it is proposed in the short term to strengthen the level of assistance provided by the Structural Funds and the Cohesion Fund to eligible areas.

6. Aid for hill farming and forestry

In the light of the memoranda forwarded to the Commission by Austria, France and Italy on hill farming and forestry, the opinion drawn up by the Committee of the Regions on a policy for hill farming in Europe, and the broad consensus regarding these traditional activities, which are seen as the cornerstone of any form of sustainable development in mountain areas, it is proposed that income support be stepped up for farms by means of compensatory allowances and that the principle of differentiated rates of assistance for mountain areas with regard to aid for investment, industry,

technical improvements, processing and marketing of products (farming, stockbreeding, forestry and other basic activities) should be maintained (reintroduced) in the regulation on rural development.

Special attention should also be given to providing support for certain production systems where sufficient measures are not taken, in particular the breeding of sheep and goats for milk production, and the use of local indigenous breeds and/or varieties, with a view to achieving sustainability. Agri-environmental measures should be extended to farming and forestry practices which are environment- friendly, bearing in mind the key elements for the sustainable development of mountain farming and agriculture. Firm incentives should be introduced (in progressive but rapid stages) for land-use management, high-quality products and cultivation systems with low intermediary consumption, grouping together the funds currently paid in the form of compensatory allowances on the one hand and accompanying measures on the other in a single payment procedure, to create a new allowances system with sufficient transparency and guarantees for the future.

Finally, aid for the reforestation of agricultural land must be subject to the principle that due care and attention must be exercised and compatibility must be ensured with the harmony, openness and quality of the landscape, protection of the environment and biodiversity and that local authorities in mountain areas must be clearly included in the list of beneficiaries of aid provided for operations to maintain the ecological stability of forests, and protect against and prevent fires by means of farming and stockbreeding activities.

7. Marketing and labelling of quality products and services in mountain regions

Given that the marketing of clearly identified goods and services, offering a guarantee of authenticity, is a means of securing an acceptable value added on the market and boosting the confidence of local populations in their potential to expand and export, thereby reducing the dependence of economies in mountain regions on cohesion policies it would be useful to create an 'EU mountains' label to supplement existing measures in a consistent manner, encourage competitiveness and cooperation between European mountain regions in the export of their products (goods and services) to the world market, and maintain high quality standards, yet still reflecting the actual conditions of production, by applying less restrictive standards to farm products.

8. Encouraging access to new technologies, telecommunications and transport to give the population, particularly young people, an incentive to remain where they are, develop environment-friendly forms of tourism, and devise, create and attract new types of activity and new sources of income.

9. Mountain regions and enlargement of the Union

Given the need to bear in mind the prospective enlargement of the Union when implementing the new approach to mountain regions and the fact that significant progress has been made towards taking account of the special needs of mountain regions in most of the applicant countries, it is proposed that specific support should be given under the PHARE programme for pilot measures to promote sustainable and integrated development of mountain regions.

Finally, from the outset of negotiations, support for agriculture, forestry and rural development in mountain regions should be singled out as priorities under the agricultural pre-accession instrument, paying special attention to basic public services and sustainable tourism.