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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

concerning a European Union Strategy for the Alpine Region

{SWD(2015) 147 final}

1. INTRODUCTION

The Alpine Region is one of the richest areas in the world and among the economically most dynamic, innovative and competitive areas in Europe with unique geographical and natural features. However, the Region also faces important challenges requiring a joint response:

- economic globalisation that requires the territory to distinguish itself as competitive and innovative;
- demographic trends, characterised particularly by the combined effects of ageing, low population density in the mountain areas and new migration models;
- high vulnerability to climate change and its foreseeable effects on the environment, biodiversity and the living conditions of its inhabitants;
- the energy challenge in managing and meeting demand sustainably, securely and affordably;
- its specific geographical position in Europe, as a transit region;
- a high degree of seasonality, especially in some touristic areas.

Significant differences also remain among the different areas in the Region (for example between mountainous areas and the Alpine foreland).

The European Council of 19/20 December 2013 invited the Commission, working with Member States, to draw up an EU Strategy for the Alpine Region (EUSALP) by June 2015, building on the solid background of cooperation in the Region. The Strategy will affect around 80 million people living in 48 regions (map in Annex) in seven countries, of which five are EU Member States (Austria, France, Germany, Italy and Slovenia) and two are non-EU countries (Liechtenstein and Switzerland). The proposed geographical area covered by the macro-regional strategy is particularly well suited for the sustainable development of the Alpine Region, promoting growth across Europe and mutual solidarity between mountain and peri-Alpine territories.

The Strategy will cover the following thematic policy areas: (1) economic growth and innovation; (2) mobility and connectivity; and (3) environment and energy.

The Strategy will benefit from the active role of the Alpine regions supported by the Member States and experience from a large number of cooperation structures already operating in the area and will build on work that took place before the Commission started working on drawing up the Strategy.¹

2. CHALLENGES AND OPPORTUNITIES

The preparatory work set out above has helped identify major challenges where a macro-regional response would be useful. Partners in the Strategy can build on the opportunities provided by the Region's economic dynamism and competitiveness, the high value of its natural and cultural resources, and its long tradition of cooperation.

Innovation and SMEs: The Region faces some limitations relating to:

- inter-Alpine research and innovation cooperation;
- uptake of existing research and innovation (R&I) results;
- spatially fragmented local markets;

¹ See introduction to the action plan.

- social disparities in innovation;
- funding opportunities;
- information and communication technologies (ICT) and services of general interest;
- strong migration from rural areas due to poor infrastructure availability; and
- capitalisation of applied research results.

However, the Region is also home to global key players in the field of R&I, offering a strong potential for further global development. There are notable concentrations of small and medium-size enterprises (SMEs) in different parts of the Region, and many of them are organised in clusters, building up a territorial economy which offers a solid basis for innovation based on smart specialisation strategies and allows the companies to become more competitive in areas of particular relevance to the Region (such as energy and green technologies, mechatronics and engineering; chemistry and new materials, and ICT).

Agriculture and forestry. Products, including mountain products and quality products, and services based on agriculture and forestry offer significant potential (e.g. for the bioeconomy) throughout the value chain (including for example the pharmaceutical and wooden building sector). Moving higher up in the value chain provides opportunities for rural and urban parts of the Region to work together. Farmers contribute to sustainable land management and provide for ‘ecosystem services’.

Tourism: The Region is a key destination for tourism, especially in the winter, but tourists are very unevenly spread across the Region. This could be improved through a concerted approach to sustainable and accessible tourism, involving in particular R&I, SMEs and training for the labour force. This could help to improve the geographic and seasonal distribution of the tourism market in the Region, while creating growth and jobs.

Transport and connectivity: The Region is a major European crossroads and as a transit area, an obstacle for the European Transport Network. Various corridors of the road network are close to saturation, and cause serious health issues (noise and air pollution). Major challenges include:

- increasing traffic volumes;
- the absence of harmonised regulation of transport policies for freight transport; and
- the large proportion of road freight transport.

In addition, as the air quality is poor in many areas, it would be useful to bring transport measures into line with regional sustainable mobility plans, regional air quality plans and national air pollution control programmes to improve coherence between them and increase synergies. The accessibility of remote and depopulating areas is also a challenge in many areas where public transport (mainly local railways) needs to be modernised. A balance between connectivity and prudent use of land must be reached. Promoting and facilitating projects on sustainable transport could create links between the Alpine core area and the surrounding regions, to the benefit of both. E-connectivity (especially by high speed internet) at a macro-regional scale would also open up new technological opportunities for developing services and decentralising businesses.

Environment and cultural heritage: The Alps are the second largest biodiversity reservoir in Europe after the Mediterranean Sea and one of the most important water towers of Europe. The Region’s cultural and historic heritage is also one of its strongest assets. These resources are widely used and there is strong competition for land and water for several purposes,

including energy, households, tourism, agriculture, forestry and industry. This undoubtedly represents a challenge in the search for sustainable development patterns and can have effect on ecosystems. Intensive land use has a negative impact on the environment and the population decline in remote areas has had dramatic effects on soil stability, biodiversity conservation and culture preservation. In light of the impact of climate change on Alpine water reserves, there is a need to considerably scale up activities in this field.

Climate change and risk prevention: The Region is highly vulnerable to the adverse impacts of climate change, and faces a particularly high risk of floods, landslides and changes in water resources. Tourism, agriculture and forestry are among the most vulnerable sectors, directly impacted by global warming and extreme weather events. Better coordinated European, national and regional policies and the early implementation of actions coordinated at macro-regional level, could reduce these risks.

Energy: Support schemes and European, national and regional policies regarding non-financial barriers to renewable energy and energy efficiency differ across countries and need to be better aligned. The efficiency of existing hydropower plants could be increased, and other renewable energy sources could be considered. Energy efficiency offers opportunities for technology and consulting/engineering investments in low carbon services, helping the Region to develop a leading position in R&D and renewable energy resources led by the growth in climate protection measures to support a shift to low carbon technology. Increased cooperation can help develop future opportunities for the Region as an energy storage space for peak load power, as well as developing instruments and procedures to balance the interests of sustainable energy production and other land use and protection functions.

Institutional issues: The long tradition of cooperation also results in a large number of structures operating in the area with different geographic and thematic scopes and different governance systems. It would therefore be useful to improve coordination between the actors involved, ensuring consistency between existing initiatives, filling the gaps, avoiding duplication and aligning funding, including financial instruments. This approach should encourage participants to overcome national boundaries and sectoral and cultural barriers, reducing compartmentalisation between sectoral policies, different actors and different tiers of government.

3. RESPONSE: AN ACTION PLAN

Macro-regional strategies can address these challenges and opportunities by providing a framework for collective or combined actions, bringing together regional actions and actors to provide a higher added value. In its report on the added value of macro-regional strategies,² the Commission recommended that new macro-regional strategies concentrate on a limited number of clearly defined objectives, in line with the macro-region's particular strategic needs for improved and high-level cooperation. It is an approach that should only be used when the EU's involvement is appropriate, and existing EU cross-cutting policies can be strengthened.

A rolling action plan accompanying the Communication (subject to updates and reviews as appropriate) will be implemented to do this. The plan is structured around three interdependent thematic objectives that focus on providing:

² COM(2013) 468 final of 27.6.2013.

1. fair access to job opportunities, building on the high competitiveness of the Region;
2. sustainable internal and external accessibility;
3. a more inclusive environmental framework and renewable and reliable energy solutions for the future.

And a cross-cutting objective, building:

4. a sound macro-regional governance model for the Region to improve cooperation and the coordination of action.

Within each objective, a number of actions have been identified. These support EU policy objectives, including those with a territorial dimension.

The objectives and actions for each policy area are set out below.³

3.1. Fair access to job opportunities, building on the high competitiveness of the Region

This objective focuses on improving the competitiveness, prosperity and cohesion of the Alpine region.

The main actions are:

(1) Action 1: To develop an effective research and innovation ecosystem

Some of the States and Regions in the area show high levels of innovation in the Innovation Union Scoreboard and most of them have developed smart specialisation strategies. This offers a good starting point for developing a system focusing on thematic issues of particular relevance to the Region (such as agriculture and forestry, tourism, etc.) and linking complementary assets together.

(2) Action 2: To increase the economic potential of strategic sectors

SMEs are an important part of the economy and the employment market in the Alpine Region. Constant work is needed to adapt to changing framework conditions, maintain innovativeness and preserve a competitive edge by ensuring sustainable development. Agriculture and forestry sector-based products and services throughout the full value chain and the creation of new value chains in the bioeconomy and bio-based products, tourism, energy, the health sector and the high-tech sector are specific Alpine strategic sectors where SMEs can become more competitive and sustainable.

(3) Action 3: To improve the adequacy of labour market education and training in strategic sectors

Relative to the rest of Europe, the Alpine Region has a favourable labour market, with high employment rates in many areas. However, the Strategy could help large parts of the Region to improve their access to skilled labour with the right competences, and to cope with ‘brain drain’ in remote areas that suffer from depopulation. The Strategy could also help young people access jobs opportunities. These benefits depend on upholding the free movement of people.

³ Actions and objectives are set out in more detail in the accompanying staff working document.

3.2. Sustainable internal and external accessibility

This objective's aim is to improve the sustainability of transport connectivity within the Region and with the rest of Europe. Inter-linked, sustainable transport and broadband networks are needed to develop the Region. Better cooperation can reduce bottlenecks, and complete infrastructure networks and regulatory frameworks. Coordinated monitoring of traffic and multi-modal transport can increase competitiveness and improve the welfare of people in the area.

The main actions are:

(1) Action 4: To promote inter-modality and interoperability in passengers and freight transport

The primary objective of reducing the environmental impact of transport across the Alps must be coupled with good connectivity at local level, to ensure the balanced economic and demographic development of the entire Region. In addition to facilitating the achievement of the trans-European transport network's objectives and those of similar projects to shift traffic from road to rail, complementary measures to ensure that trans-European transport network links (including cross-border links) also benefit the Region are crucial.

(2) Action 5: To connect people electronically and promote accessibility to public services

The Alpine Region is marked by the presence of sparsely populated communities in remote areas, where the lack of investment in land-based broadband connections has had a detrimental effect on the services offered and led to the further depopulation of these areas. Technology offers solutions, such as broadband satellite connections. However, to be efficient, these need to be implemented on a sufficiently large scale.

3.3. A more inclusive environmental framework and renewable and reliable energy solutions for the future

This objective's overall aims are to:

- preserve the environmental heritage of the Alps;
- help the Region benefit from its resources in various ways, including energy; and
- cope with the changes predicted due to climate change, including preventing major natural risks.

The main actions are:

(1) Action 6: To preserve and valorise natural resources, including water and cultural resources

The environment of the Alpine Region is extremely vulnerable to the effects of climate change. Resources need to be used proportionately. This action has two main aims:

- to reinforce Alpine natural and cultural resources as assets for a high quality living area; and
- to ensure the more efficient use of existing natural and cultural resources.

(2) Action 7: To develop ecological connectivity in the whole EUSALP territory

The integrity and functioning of ecosystems, including the conservation of biodiversity and

provision of ecosystem services, largely depend on the existence of effective ecological connectivity. There is currently very little promotion of ecological corridors and green infrastructure, including in unprotected areas.

(3) Action 8: To improve risk management and to better manage climate change, including major natural risks prevention

Due to its geomorphological conformation the Alpine Region is extremely vulnerable to environmental disasters and to climate change. With regard to environmental disasters, this action will focus on carrying out an appropriate, comprehensive risk assessment and implementing a disaster risk management policy at regional level. As regards climate change, the focus will be in particular on carrying out a comprehensive vulnerability assessment of the sectors and systems likely to be affected by climate change and developing a regional strategy on adapting to climate change.

(4) Action 9: To make the territory a model region for energy efficiency and renewable energy

This action focuses on promoting energy efficiency and the production and use of renewable energy in the Alpine Region, in line with the EU's energy efficiency framework and the Energy Union Package. Energy policy in the Region focuses on energy efficiency in the public and private sectors. A significant reduction in energy consumption could be achieved, in particular in the housing sector. The Alpine Region has substantial potential for renewable energy production which must be developed in a balanced way, taking into account ecological, economical and land use issues and considering societal trade-offs.

3.4. A sound macro-regional governance model in the Region (to improve cooperation and coordination of action)

Implementing the Strategy requires:

- setting up an efficient governance model involving the actors taking part in implementation and strengthening cooperation and the coordination among other relevant institutions and stakeholders⁴ in the Region; and,
- changing the decision-making process, avoiding fragmented governance, increasing knowledge sharing and coordination, both between different levels of government and across local government organisations at the same level.

Experience to date with macro-regional strategies shows that streamlined governance mechanisms are crucial for effective implementation. Experience also shows that efficient trans-border governance systems are complex and that the process of setting these up is inevitably gradual. The Commission's May 2014 report on governance⁵ identifies three main requirements: strong political leadership, effective decision-making and good organisation.

Sound governance also requires that roles be clearly defined at an early stage: how and by whom the Strategy will be implemented, and how and by whom joint actions will be initiated and financed. Governance must have both a political and operational dimension, with line ministries and implementing bodies setting and following up strategic joint objectives. The Strategy does not aim to replace existing structures but to ensure that better coordination and better cooperation provide better results.

⁴ See EP — Policy Department B: Structural and Cohesion Policies: new role of macro-regions in European Territorial Cooperation PE 540.349 (January 2015).

⁵ Report from the Commission on the governance of macro-regional strategies, COM(2014)284 of 20 May 2014.

The basis of the Strategy's governance system is laid down in the Milan Declaration of the Alpine States and Regions, in accordance with the Grenoble Political Resolution, the Commission's report on governance of macro-regional strategies⁶ and the Council conclusions of 21 October 2014. It has three inter-related levels: (1) political leadership and ownership; (2) coordination; and (3) implementation. At each level, different actors from the participating States and Regions take part in a General Assembly, an Executive Board and implementing bodies.

The Commission will act as an independent facilitator and will actively participate in the overall coordination of the Strategy, but the Strategy's success will depend on strong and lasting commitment from the main stakeholders and partners. The Strategy's action plan provides more details of the main guiding principles of the Strategy's governance arrangements.

4. FUNDING

As the Strategy does not have its own financing, it will mainly be implemented by mobilising and aligning existing EU and national funding relevant to the objectives and actions. The States and Regions affected by the Strategy should commit to drawing on this funding to implement the action plan. In particular, relevant country-specific, cross-border and trans-national programmes from the European Structural and Investment Funds (ESIF) for 2014-2020 can provide significant resources and a wide range of tools and technical options to support the Strategy. The trans-national Alpine Space programme will provide financial support for developing the governance arrangements for the Strategy

With a country-based and region-based approach of cohesion policy, there is a risk that in border areas we see:

- 1) fragmentation of efforts (e.g. parts of the infrastructure are constructed but do not bring maximum benefits because other sections are missing);
- 2) oversaturation of investment (e.g. airports);
- 3) insufficient synergies between similar activities; and
- 4) a lack of attention on cross-border problems (e.g. air pollution).

The Strategy should therefore focus on actions to identify supra-national priorities when choosing investment projects that could benefit from joint programming and cross-border coordination in the Region.

Other EU funds and instruments relevant to the Strategy's objectives are available and synergies and complementarities with ESIF funding may be sought, notably with:

- Horizon 2020 (for all objectives);
- the COSME programme (for objective 1);
- the Connecting Europe Facility (for objective 2) and
- the LIFE programme (for objective 3).

Other funding is also available, particularly from the European Fund from Strategic Investments, the European Investment Bank and other international financial institutions. In addition, national and regional budgetary resources will also be mobilised, in particular in the non-EU countries covered by the Strategy, as they do not receive EU funding.

⁶ COM(2014)284 final adopted on 20 May 2014.

These funds and instruments should bring significant leverage and attract funding from private investors. The Strategy also needs to capitalise on the work done through other macro-regional strategies for innovative financing.

5. REPORTING AND EVALUATION

As strategies do not have their own financing, they can only have an influence on policies and the way they are implemented. In order to capture the effects of the changes resulting from implementing this strategy, two types of indicators can be used:

- **results indicators** to measure cooperation and, particularly, changes in the way partners work together, e.g. better coordinated EU and domestic policies/instruments across the Region;
- **policy indicators** to capture policy aspects and, particularly, changes in the governance, socioeconomic and environmental situation in the Alpine Region (affected by greater cooperation).

A strong monitoring and evaluation system will be needed to check whether implementation of the Strategy is on track, and to assess the extent to which the Strategy is delivering on its objectives. This will be one of the first tasks for partners in the Strategy, with support from the European Commission, external experts and the Alpine Space programme, as appropriate. The system will be based on a set of regional indicators, which will be collected, validated and shared by Eurostat.

Evaluation will be based on the work of the objective coordinators and the action group leaders, who will have to report on progress towards the agreed targets.

While the prime indicator of success is the implementation of the action plan, more refined indicators must also be developed urgently. These should be able to capture the changes that the Strategy is expected to bring about.

The States and Regions affected by the Strategy will organise an annual forum to evaluate results, consult on revised actions and, where appropriate, develop new approaches.

6. LINKS WITH EU POLICIES

Requiring no changes to EU legislation, this strategy aims to strengthen EU policies relevant to the Region.⁷ It supports greater compliance with EU legal obligations, addressing gaps and practical difficulties that lead to delays, especially in relation to the Single Market and the environment.⁸ The Strategy emphasises an integrated approach, bringing together different policy areas for a territorially-coherent implementation of EU policies. This emphasises links between EU policies and programmes, including the EU strategies on Digital Single Market,⁹ biodiversity¹⁰ and forestry¹¹, and adaptation to climate change¹² and EU R&D framework programmes and rural development programmes. Implementation of the Strategy will need to

⁷ Such as the EU disaster risk management policy, trans-European networks (transport and energy), the future Transport Communities, the second pillar of the Common Agricultural Policy etc.

⁸ Notably the Birds and Habitats, Water Framework, Marine Strategy Framework, Nitrates, Ambient Air quality, National Emission ceilings and Waste Framework Directives.

⁹ http://europa.eu/rapid/press-release_IP-15-4919_en.htm.

¹⁰ COM(2011) 244 (<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0244&from=EN>).

¹¹ COM(2013) 659 (http://ec.europa.eu/agriculture/forest/strategy/index_en.htm).

¹² COM(2013) 216.

be coordinated with work on implementing the adjoining EU Strategy for the Danube Region and the EU Strategy for the Adriatic-Ionian Region. The INTERACT programme can play a central role in this. Synergies will also be sought with other inter-governmental bodies that have the same geographic reach and scope as the Strategy.

7. WHAT WILL THE STRATEGY BRING TO THE POPULATION?

The Strategy's objectives have been chosen to bring about changes in the economic prosperity and well-being of people and organisations in the Alpine Region:

- **People.** The long-term impact on people in the Region is clear: a healthier and better preserved environmental framework, thanks to better-thought-through, more coordinated policies which aim to develop sustainable joint solutions on transport, energy and natural and cultural heritage. These policies are also expected to provide more job opportunities in the Region, especially those relating to better transport connections, allowing people to remain in or return to remote areas. These advantages result from the benefits of free movement of people.
- **Public-sector institutions and organisations** (including academic/research institutions). These organisations are engaging in a strong, albeit complex cooperation process. Through this, they are clearly indicating their intention to improve their efficiency in implementing policies and actions more cooperatively (including saving money by taking better informed and coordinated decisions).
- **Economic/business sector.** This sector will reap the same benefits as the general population. They will also benefit from a more dynamic economic environment, based on the development of further activities in fields that are still untapped, and where focused cooperation with other partners in the Region (associated research centres, training and education bodies, clusters, etc.) is likely to significantly increase the productivity and the positioning of private-sector businesses in the Region.
- **Civil society organisations** linked to policy areas. The new governance model, which led to broad consultation when drawing up the Strategy, will be continued in the Strategy's implementation phase and will increase the feeling of ownership of actions and projects that support the Strategy's objectives.

By providing an overall, sustainable, long-term framework for coordinating policies, increasing territorial cooperation and implementing actions to achieve the agreed objectives, the Strategy will make the Region a better place to live, work and enjoy, and will prepare it for the challenges and opportunities of the 21st century.

The Commission therefore invites the Council to endorse this Communication. The European Parliament, the Committee of the Regions and the European Economic and Social Committee are also invited to examine this document.

Annex : Map of the EU Strategy for the Alpine Region with 7 States and 48 regions participating¹



¹ AUSTRIA (Burgenland, Kärnten, Niederösterreich, Oberösterreich, Salzburg, Steiermark, Tirol, Vorarlberg, Wien), FRANCE (PACA, Rhone Alpes, Franche-Comté) GERMANY (Baden-Württemberg, Bayern) ITALY (Lombardia, Liguria, Friuli Venezia Giulia, Veneto, Provincia Autonoma di Bolzano, Provincia Autonoma di Trento, Valle d'Aosta, Piemonte), SWITZERLAND (Aargau, Appenzell Ausserrhoden, Appenzell Innerrhoden, Basel-Landschaft, Basel-Stadt, Bern/Berne, Fribourg, Genève, Glarus, Graubünden/Grigioni, Jura, Luzern, Neuchâtel, Nidwalden, Obwalden, Schaffhausen, Schwyz, Solothurn, St. Gallen, Thurgau, Ticino, Uri, Valais/Wallis, Vaud, Zug, Zürich).