

Study on the relevance and the effectiveness of ERDF and Cohesion Fund support to Regions with Specific Geographical Features – Islands, Mountainous and Sparsely Populated areas

Second Intermediate Report

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Study coordinated by ADE

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The views expressed are those of the
consultant and do not represent the official
views of the European Commission.

3.2 Rhône Alps

1. Identification

1.1. Identification of NUTS2 area and corresponding NUTS3 region(s)

| Code | Name | NUTS level | Territory type (according to Study definition at NUTS3) |
|--------------|---------------------|------------|---|
| FR71 | Rhone-Alps | 2 | |
| FR711 | Ain | 3 | |
| FR712 | Ardèche | 3 | Mountainous (Massif Central) |
| FR713 | Drôme | 3 | |
| FR714 | Isère | 3 | |
| FR715 | Loire | 3 | Mountainous (Massif Central) |
| FR716 | Rhône | 3 | |
| FR717 | Savoie | 3 | Mountainous (Alps) |
| FR718 | Haute-Savoie | 3 | Mountainous (Alps) |

Source: Eurostat, 2011.

With 65% of its territory classified as mountainous and 73% classified as a massif zone shared between three massifs (*Jura, Alps and Massif Central*), Rhone-Alps belongs without doubt to the mountainous territorial category. Mountain areas are present in 7 of the 8 NUTS3 regions (*with the Rhone for exception*) which belong to Rhône Alps NUTS2 region.

For the purpose of this study, mountainous regions were defined as NUTS3 regions with at least 50% of their population living in topographic mountain areas. Only 4 NUTS3 regions correspond to this definition (*Ardèche, Loire, Savoie, Haute-Savoie*) which will be the subject of a particular focus in this analysis. The other three NUTS3 regions (*Ain, Drôme, Isère*) have respectively relatively smaller populations living in mountainous areas.

1.2. Identification of relevant programmes supported by ERDF or CF

| Period | Programme | Progr. type | EU Contribution (EuroM) | | |
|--------------|--|-------------|-------------------------|------|-------|
| | | | ERDF | ESF | EAGGF |
| 00-06 | SPD Objective 2 Programme for Rhone-Alps (CCI 2000FR162DO020) | Regional | 356,2 | 61,4 | 56,5 |
| 07-13 | OP Rhone-Alps (CCI no : 2007FR162PO022) | Regional | 334,0 | | |
| 07-13 | OP Massif Central (CCI no : 2007FR162PO025) | Regional | 40,6 | | |
| 07-13 | OP Alps (CCI no : 2007FR162PO023) | Regional | 34,9 | | |

Source: European Commission, 2011.

Rhone-Alps is an Objective 2 region and therefore does not receive Cohesion fund. The region benefited from ERDF support during the two respective programming periods. The ERDF contribution has slightly decreased by 6.6% between the two periods. But this comparison remains nevertheless difficult, since only a third of the regional population was in eligible areas in 2000-2006.

Beyond the regional (OPs *Rhone-Alps*) and Interreg programs, ERDF also supports during the current period (2007-2013) several multiregional programs at mountainous massif level (*the Jura, Alps, Massif Central*) or at a scale of hydrographical basin (*the Rhone or the Loire*). Even though limited amounts of funding are allocated, these programs do help to contribute to meeting some specific territorial needs. The two most relevant programmes in the framework are:

- *Multiregional OP Massif central (Euro 41 million ERDF support)* which covers six regions;
- *Multiregional OP Alps (Euro 35 million ERDF support)* which covers two regions (*Rhone-Alps and Provence-Alps-Côte d'Azur*);

2. Regional features and Domestic Policy Responses

2.1. Main characteristics of NUTS2 and NUTS3 regions

The region of Rhone-Alps, located in southeast France, covers 44.000 km² (*higher area than Belgium or Switzerland*) and shares a border with Switzerland and Italy. In terms of economy and demographics (*5.6 million inhabitants, equivalent to Finland or Denmark*), the region ranks second in France, after Paris. The influence of Lyon (*Rhône*), which has the dynamism of an international metropolis and the 'high-tech' valley of Grenoble (*Isère*), benefit the entire region. The population is younger than the French national average.

The territory is divided between the valleys of the Rhône and the Saone, on the one hand, and the Massif Central, Northern Alps and Jura massif on the other.

On many characteristics (*population trends and characteristics, GDP, economic structures ...*), the mountain area, taken as a whole, does not appear to be significantly different compared to the lowland areas of the region. The reality, however, is more complex. Indeed, one essential characteristic of this large region is its considerable territorial diversity. The mountains do not form a unique coherent area with single, uniform characteristics; instead several territorial contexts coexist each with different economic and demographic traits.

In short, one can summarise the regional situation as follows:

- The 'west': foothills of the *Massif Central*, including the NUTS3 regions of *Ardèche* and *Loire*. Before 2000, these areas underwent a decline in population due to out-migration from the rural areas, which contributed to an ageing of the population. In addition, deindustrialisation (*in particular for the Loire*) and job losses in agriculture and the craft sector took place. Moreover, some parts of the territory face problems of relative remoteness (*in particular Ardèche*), even if the urban centres and the main transport axes remain relatively close compared to other EU mountainous areas.
- The 'centre': the Rhone and Saone valleys, in which significant economic activity is concentrated, as well secondary and tertiary activities.
- The 'east', the Alps constitutes an exceptional and attractive massif of average and high mountains including the following NUTS3 regions: *Savoie, Haute-Savoie, Isère and Drôme*. These areas have many assets (such as: *exceptional environment and landscapes, close to major*

transport axes and large cities, attractiveness for both summer and winter tourism, research facilities and high tech companies around Grenoble, etc.) which place them above the regional average with respect to demographic and socio-economic indicators. The activities are strongly oriented towards tourism and related services and on real estate activities. However, the increasing urbanisation and tourist development lead to increased pressure on the environment, the landscape and housing.

Thus, the challenge for the region is to try and guarantee a balanced development both within and between these relatively diverse mountainous sub-territories. In the *Massif Central*, the issue is to try to reverse the decline of population by attracting new inhabitants as well improving economic competitiveness. In the Alps, the main issue is to manage the growth issues stemming from urbanisation and tourism in order to reduce their impact on the environment.

2.2. Position, Trends and Dynamics

In 2000, the position of NUTS3 regions of the *Loire* and *Ardèche* (Massif central) displayed a relatively large gap compared to the regional average in terms of GDP per capita (*respectively 78 and 69% of the regional average*) as well as in terms of unemployment (*9.5% compared to 8.1%*). Conversely, the position of *Savoie* and *Haute-Savoie* were comparable to or better than the regional average.

Between 2000 and 2007, the region's population grew slightly faster (+6.6%) compared to the national average (+5.1%). In terms of GDP growth, the region mirrored the national average although there were intra-regional differences with *Ardèche* and *Haute-Savoie* performing slightly less well compared to the other NUTS 3 regions.

| Nuts code | Region name | GDP at current market prices, 2000 | GDP at current market prices, 2007 | GDP at current market prices, 2008 | GDP Growth 2000-2007 | Total Population (M), 2000 | Total Population (M), 2009 | Population Growth 2000-2009 | Population density (2000) | Population density (2007) | Population density variation 2000-2007 |
|-----------|--------------|------------------------------------|------------------------------------|------------------------------------|----------------------|----------------------------|----------------------------|-----------------------------|---------------------------|---------------------------|--|
| EU27 | | 19.100 | 25.000 | 25.100 | 30,9% | n.a. | n.a. | n.a. | 112,3 | 115,5 | 2,8% |
| FR | France | 23.700 | 29.700 | 30.400 | 25,3% | 60,545 | 64,369 | 6,3% | 96 | 100,9 | 5,1% |
| FR71 | Rhône-Alpes | 24.100 | 30.000 | 30.500 | 24,5% | 5,689 | 6,165 | 8,4% | 130,8 | 139,4 | 6,6% |
| FR711 | Ain | 20.500 | 24.700 | 24.900 | 20,5% | 0,521 | 0,588 | 12,9% | 91 | 100,3 | 10,2% |
| FR712 | Ardèche | 16.700 | 20.200 | 20.500 | 21,0% | 0,288 | 0,314 | 8,8% | 52,4 | 56,2 | 7,3% |
| FR713 | Drôme | 21.700 | 27.700 | 27.900 | 27,6% | 0,441 | 0,482 | 9,2% | 67,9 | 72,9 | 7,4% |
| FR714 | Isère | 23.500 | 28.600 | 29.000 | 21,7% | 1,102 | 1,198 | 8,7% | 149,1 | 159,3 | 6,8% |
| FR715 | Loire | 18.900 | 24.400 | 25.100 | 29,1% | 0,731 | 0,743 | 1,7% | 153 | 155,1 | 1,4% |
| FR715 | Rhône | 30.100 | 37.700 | 38.600 | 25,2% | 1,589 | 1,702 | 7,1% | 491 | 518,2 | 5,5% |
| FR717 | Savoie | 24.200 | 32.200 | 32.800 | 33,1% | 0,377 | 0,412 | 9,5% | 62,8 | 67,5 | 7,5% |
| FR718 | Haute-Savoie | 24.000 | 28.700 | 29.000 | 19,6% | 0,639 | 0,725 | 13,5% | 146,7 | 162,2 | 10,6% |

Source: Eurostat, 2011.

| Nuts code | Region name | Unemployment rate % (15 or over years), 2000 | Unemployment rate % (15 or over years), 2007 | Unemployment rate % (15 or over years), 2009 | Evolution of unemployment rate 2000-2009 | Evolution of unemployment rate 2000-2007 | Employment in '000 persons 2000 (Agriculture, fishing) | Employment in '000 persons 2007 (Agriculture, fishing) | Evolution of empl.in primary sector 2000-2007 | Employment in '000 persons 2000 (Services**) | Employment in '000 persons 2007 (Services**) | Evolution of empl.in services 2000-2007 |
|-----------|--------------|--|--|--|--|--|--|--|---|--|--|---|
| EU27 | | 9 | 7.2 | 8.9 | -1.1% | -20.0% | n.a. | n.a. | | n.a. | n.a. | |
| FR | France | 10.2 | 8.4 | 9.5 | -7.4% | -17.6% | 910.6 | 817.7 | -10.2% | 17939.1 | 19634.2 | 9.4% |
| FR71 | Rhône-Alpes | 8.1 | 6.6 | 8.7 | 6.9% | -18.5% | 59.9 | 56.4 | -5.8% | 1643.2 | 1826.8 | 11.2% |
| FR711 | Ain | 5.2 | 4.9 | 7.4 | 29.7% | -5.8% | 7.1 | 7 | -1.4% | 122.7 | 135.2 | 10.2% |
| FR712 | Ardèche | 9.5 | 8.1 | 9.8 | 3.1% | -14.7% | 6 | 5.2 | -13.3% | 62.4 | 69.1 | 10.7% |
| FR713 | Drôme | 10.6 | 8.5 | 10.4 | -1.9% | -19.8% | 11.1 | 9.7 | -12.6% | 119.6 | 130 | 8.7% |
| FR714 | Isère | 8.4 | 6.5 | 8.5 | 1.2% | -22.6% | 8 | 7.9 | -1.3% | 302.9 | 338.8 | 11.9% |
| FR715 | Loire | 9.5 | 7.3 | 9.7 | 2.1% | -23.2% | 8 | 7.7 | -3.8% | 181.6 | 196.7 | 8.3% |
| FR715 | Rhône | 8.2 | 7 | 8.6 | 4.7% | -14.6% | 10.8 | 9.8 | -9.3% | 556.4 | 619.6 | 11.4% |
| FR717 | Savoie | 8 | 5.8 | 7.7 | -3.9% | -27.5% | 3.7 | 3.4 | -8.1% | 121.7 | 139.5 | 14.6% |
| FR718 | Haute-Savoie | 6.6 | 5.2 | 8.1 | 18.5% | -21.2% | 5.2 | 5.7 | 9.6% | 175.9 | 197.9 | 12.5% |

Source: Eurostat, 2011.

2.3. Domestic Policy Responses

Several domestic policy instruments were developed within the framework of the national and regional policies in order to answer the specific needs of French mountainous territories.

The evolution of French mountain policy since the 1970s

Since the beginning of the 1970's, France developed a specific policy approach to mountainous areas in which integrated policies to enhance the development of mountain regions had specific legal status focused on improving sustainable development. This included a range of policy tools; legal definitions of mountain areas, usually in terms of altitude, slopes, soil quality and duration of the growing period; the delineation of massifs; mountain-specific legislation and governance.

Following the intensification of agriculture related to the opening of French agriculture with the European Common Market, at the beginning of the 1960s, small family farms located in mountain areas became less competitive, and rural migration became more intensive.

Mountain policy aimed at reconciling several objectives by adapting them to the diversity of the Massifs: control the land against the urbanisation; maintain agriculture through compensation of the production over-costs; helping young farmers to set-up in business; diversification of economic activities; economic development and tourism; maintaining public services; safeguarding the environment and the management of fragile spaces.

Mountain policy was structured at the beginning by the creation of the Massifs Commissariats in 1973 (*Law of 1972*) and the Mountain Law with delimitation of six Massifs (*Mountain law of 9th January 1985 relating to the development and the protection of the mountain*), of which three relate to the Rhone-Alps (*the Alps of North, Massif Central, the Jura*).

The Rhone-Alps stakeholders take part in three Committees of Massif. In order to implement the orientations laid down by the Committee of Massif within the framework of the period of programming 2000-2006, multiregional conventions of Massif had been prepared in partnership within the framework of the *Contrat Plan Etat-Region (CPER)*. Part of the budget of the regional SPD was dedicated to support projects in line with Massif

priorities. Lastly, the selection of the projects in the mountain territories had to be coherent with multiregional conventions.

For the 2007-2013 programming period ERDF directly supports multiregional OPs at the level of the massif. This allows the Committee of Massif to have its own funds to lead specific and coherent policies at the scale of the Massif (see below for more details).

The governance at the massif level is organised on the following way :

1. A regional Prefect is designated has the **Coordinator Prefect of the Massif**. As a management authority and coordinator, he/she ensures the coherence of massif policy, negotiates the massif conventions and multiregional OP and ensures its implementation.
2. The **Massif Committee** is the forum for dialogue which gathers representatives, associations and qualified persons in the domain of the mountain⁵². It aims to discuss and lay down the guidelines to develop, arrange and protect the massif through several documents :
 - a. The “*schémas de massif*” which carry out the main objectives and strategic guidelines in a mid- or long perspective;
 - b. The “*conventions interregional de massif*” is the contractual tool for the massif territorial planning and development;
 - c. The Multiregional OP constitutes since 2007 the tool to finance the multiregional parts of massif conventions.
3. The **programming committees** at the level of the regions are the follow-up authorities of multiregional massif conventions and the OP as well as grant decisions regarding State and ERDF funds.
4. The « **Commissariat de Massif** » is the operational body ensuring the secretariat of the Massif Committee;
5. The **National Council of the Mountain** contains elected officials concerned with the mountain programs.

Strengthening of a local approach ('bottom-up') approach since 2000

Since 2000, local (*bottom-up*) approaches were strongly encouraged and reinforced in France through the structuring of projects focused on particular territories (« *Pays* », « *Parcs Naturels Régionaux* »⁵³, etc.).

This aimed to:

- structure projects at the territorial level and to reinforce the dialogue at the local level around strategies and action plans;
- adapt the policies and actions to particular territorial contexts in a coherent way;

⁵² Massif committee for the *Massif Central* is composed of 83 members spread into three colleges: i) a College of elected members, ii) a College of economic activities (representatives of public institutions, professional, tourist and union organisations) and iii) a College with representatives of associations, including parks, managing organisations and qualified persons in the domain of the mountain. A permanent commission has also been created.

⁵³ Several mountain territories are also covered by the “*Parc Naturel Régional*” (*Regional Natural Park* - PNR) which has existed for forty years. These were created to protect specific rural areas, landscapes, natural environments and areas of cultural inheritance.

The strengthening of the local approach is certainly not specific to the Rhone-Alps region nevertheless it was an important response to the heterogeneity of its territory and encouraged the adaptation of regional policies to local specific issues. Indeed, this local approach was at the heart of the French ERDF 2000-2006 strategy and constituted the first priority of the regional SPDs. In particular, this priority includes actions aimed at supporting the development of local strategies, at defining and implementing projects of territories within the framework of integrated approaches and at informing and training local stakeholders.

A specific diagnosis and a regional strategy for mountain areas in 2006

In order to prepare 2007-2013 programming period, the *Région Rhone-Alps* decided to elaborate a specific regional development policy for mountain areas through the adoption of a “*Regional Strategy for the mountains*”⁵⁴ in 2006. This was based on a specific diagnosis⁵⁵ of its various mountain territories. Considering the important diversity of the massifs, the strategy aims at promoting partnerships and cooperation between massifs and border regions on this thematic.

The strategy is organised around three strategic axes (*composed of 13 strategic orientations and is declined into 70 actions*):

- i) open up the mountains to the external environment and foster solidarities within the massif,
- ii) make it a territory of excellence for sustainable activities;
- iii) preserve and enhance specific natural resources;

This regional strategy is developed through:

- The adaptation of the interventions and policies of the *Région Rhone-Alps*, the *CPER* and *ERDF* interventions;
- The adoption of new policy levers (*e.g.: support for country doctors in mountain areas*);
- The launch of several new priorities, including the development of an action plan for public services in mountain areas⁵⁶, the launch of a call for innovative mountain projects⁵⁷; the adoption of new intervention criteria for the medium mountain stations and the ‘*refuges*’.
- The implementation of multiregional conventions of massif with respective partners.

Multiregional Operational Programme 2007-2013 in France

The multiregional operational programmes in France are a new initiative of the current programming period, 2007 to 2013. There are four multiregional programs at the French national level, two of them linked to a mountainous massif (*Alpine massif and the Massif*

⁵⁴ http://territoires.rhonealps.fr/IMG/pdf_brochure-13-orientations-montagne_1_.pdf.

⁵⁵ http://territoires.rhonealps.fr/IMG/pdf_nouveau_diagnostic_pr_C3_A9alable.pdf.

⁵⁶ The public services action plan in mountain areas makes it possible for the mountain territories to explore new organizational ways for public services in mountain. The two main parts are the collection, the share of experiments share, competences and methods as well as to support initiatives of the territories.

⁵⁷ The *Région Rhone-Alps* launched in March 2008 a call for projects “*remarkable territories of mountain*” which aims at supporting small areas of mountain which do not have the label *Parc Naturel Régional* with the aim of developing their potential. This call supports two types of projects: 1) the innovating projects for economic valorisation of the mountain specificities and for safeguarding of the resources, 2) the support actions of experiment transfers from the 6 *Parcs Naturels Régionaux* to the other territories of mountain suffering from a deficit in engineering of project.

Central), involving several regions including Rhone-Alps. They have been developed in order to tackle specific problems that go beyond the regional scale.

During the 2000-2006 programming period, some experiments were already in place: some extensions of regional SPD supported the development of multiregional initiatives. In the *Massif Central*, it was included in the operational programme of Auvergne. Some conventions were signed between regions that have now been formalised in French national law.

Following these experiments, and taking into account lessons learnt during the 2000-2006 period, the “Alps region” and “Massif Central”, both coming under the *Regional Competitiveness and Employment Objective*, has a total budget of respectively Euro 72 million and Euro 101 million. The support provided by the ERDF amounts to respectively some Euro 35 million and Euro 41 million.

Both programmes aim at overcoming specific difficulties of these massifs together with enhancing their attractiveness. Indeed, the programme for the alpine region highlights the specific advantages (*beauty of the landscape, the closeness of nature, the quality of the forests, the proximity of recreational areas and the presence of large towns in the surrounding, etc.*) as well as the disadvantages of the region (*relative isolation from Italy, incomplete transport networks, etc.*). In this light, the regional authorities set out a strategy based on three priority objectives:

- i) increasing in a sustainable manner the competitiveness of the valley systems around medium-sized mountain resorts;
- ii) managing natural hazards specific to mountains;
- iii) developing the use of wood-based energy and other renewable energies;

The governance system in place to manage the 2007-2013 programmes between the different regions was derived from the existing Massif Committee (*see previous box*).

3. ERDF programme priorities and fields of intervention

The regional Objective 2 programme for 2000-2006 is structured around three main priorities:

1. **Provide support for local development and innovation** (7% of EU contribution), which aims at encouraging project development by supporting innovation in urban and rural territories. This includes training for local development stakeholders and development of or support for local initiatives.
2. **Improve the attractiveness of the territory** (70% of EU contribution), which aims at improving the management of fragile nature areas, strengthening the regions attractiveness in terms of tourism activities and increasing services for businesses and the inhabitants.
3. **Bolster the dynamism of business to consolidate the economic base** (21% of EU contribution), which aims at increasing the competitiveness of different sectors of

activity (*industry, trade, craft activities and services*) on the diverse steps of the business life cycle. Particular attention was given to the environment and new technologies.

The following table shows the distribution of the commitments⁵⁸ by fields of intervention over the 2000-2006 programming period.

| Territorial level (Nuts) | Name | EU | EU | FR | FR71 | FR712 | FR715 | FR717 | FR718 |
|---|------------------------|---------------|---------------|---------------|-----------------------|-------------------|-----------------|------------------|------------------------|
| | | | | | | | | | |
| | | | | | | | | | |
| Fields of intervention | Region eligibility SGF | Objective 2 | Objective 2 | France | Rhône-Alpes Obj. 2 | Ardèche Obj. 2 | Loire Obj. 2 | Savoie Obj. 2 | Haute-Savoie Obj. 2 |
| | | | M | | | M- | M- | M- | M- |
| 11 Agriculture | | 0,2% | 0,0% | 0,0% | 0,0% | | | | |
| 12 Forestry | | 0,1% | 0,0% | 0,0% | 0,0% | | | | |
| 13 Promoting the adaptation and the development of rural areas | | 2,5% | 2,1% | 3,4% | 2,7% | 0,7% | 2,8% | 9,8% | |
| 14 Fisheries | | 0,0% | 0,0% | 0,1% | 0,0% | | | | |
| 15 Assisting large business organisations | | 5,1% | 12,9% | 2,5% | 0,5% | | | 0,1% | |
| 16 Assisting SMEs and the craft sector | | 31,2% | 18,2% | 14,5% | 13,2% | 12,7% | 13,7% | 11,6% | 10,3% |
| 17 Tourism | | 10,2% | 15,9% | 14,0% | 25,1% | 38,4% | 18,9% | 31,7% | 53,2% |
| 18 Research, technological development and innovation (RTDI) | | 10,1% | 10,0% | 7,0% | 3,2% | 1,4% | 4,9% | 2,2% | 0,8% |
| 21 Labour market policy | | 0,1% | | 0,0% | 0,0% | | | | |
| 22 Social inclusion | | 0,7% | 0,1% | 0,5% | 0,2% | | 0,0% | 0,9% | |
| 23 Developing education and vocational training | | 1,4% | 0,6% | 5,4% | 1,1% | 0,5% | 1,9% | 0,0% | 0,0% |
| 24 Workforce flexibility, entrepreneurial activity, innovation, ICT | | 0,4% | 0,6% | 0,4% | 0,0% | 0,1% | | | |
| 25 Positive labour market actions for women | | 0,1% | | 0,0% | 0,0% | | | | |
| 31 Transport infrastructure | | 7,7% | 6,0% | 14,9% | 0,0% | | | | |
| 32 Telecommunication infrastructure and information society | | 2,9% | 3,0% | 3,0% | 2,5% | 4,1% | 1,8% | 1,6% | 0,1% |
| 33 Energy infrastructure | | 0,8% | 1,9% | 1,4% | 2,2% | 1,6% | 1,1% | 3,2% | 1,0% |
| 34 Environmental infrastructure | | 5,2% | 10,6% | 7,8% | 9,9% | 3,4% | 15,0% | 16,6% | 14,1% |
| 35 Planning and rehabilitation | | 17,0% | 14,6% | 19,8% | 35,6% | 32,7% | 38,1% | 18,2% | 18,6% |
| 36 Social and public health infrastructure | | 1,9% | 1,1% | 2,9% | 0,8% | 0,3% | | 2,5% | |
| 41 Technical Assistance and innovative actions | | 2,3% | 2,2% | 2,4% | 2,9% | 4,3% | 1,8% | 1,6% | 1,9% |
| Total | | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% |
| <i>Total 1 Productive environment</i> | | <i>59,5%</i> | <i>59,1%</i> | <i>41,5%</i> | <i>44,7%</i> | <i>53,2%</i> | <i>40,3%</i> | <i>55,5%</i> | <i>64,3%</i> |
| <i>Total 2 Human resources</i> | | <i>2,7%</i> | <i>1,3%</i> | <i>6,3%</i> | <i>1,3%</i> | <i>0,5%</i> | <i>2,0%</i> | <i>0,9%</i> | <i>0,0%</i> |
| <i>Total 3 Basic infrastructure</i> | | <i>35,6%</i> | <i>37,4%</i> | <i>49,8%</i> | <i>51,1%</i> | <i>42,0%</i> | <i>56,0%</i> | <i>42,0%</i> | <i>33,8%</i> |
| <i>Total 4 Technical Assistance</i> | | <i>2,3%</i> | <i>2,2%</i> | <i>2,4%</i> | <i>2,9%</i> | <i>4,3%</i> | <i>1,8%</i> | <i>1,6%</i> | <i>1,9%</i> |

Source: SWECO, 2008.

At the regional level, the main fields of intervention were initially planning and rehabilitation in line with the territories of projects (*35% of the ERDF*), then tourism (*25%*), the assisting of SMEs and craft sector (*13%*) and environmental infrastructures (*10%*).

These four fields are also the main fields on the four NUTS3 mountainous regions (*according the study definition*). Nevertheless, their order corresponds to contrasted stakes and strategies between these four NUTS3 regions:

- Relatively larger investment in tourism in the Alps regions and the Ardèche;
- Relatively high investment in planning and rehabilitation in the Massif Central;
- Relatively lower investment in environmental infrastructures in Ardèche.

The 2007-2013 regional OP for Rhone-Alps reflects a significant change in the approach in line with European guidelines. Indeed, the regional OP is centred on five priorities:

1. **Innovation and knowledge-based economy** (*38% of total*), which aims at supporting innovation and anticipating changes in order to provide support for SMEs and very small enterprises;
2. **Diversification and promotion of economic activities** (*25% of total*) with aims to boost sustainable development and to encourage the creation of jobs by supporting

⁵⁸ This was based on SWECO study. These 2000-2006 commitments present estimate final spendings at NUTS3 level and by common fields of intervention.

growth in economic activities, by making services accessible to the population and economic operators and by promoting the use of ICT;

3. **Environment and risk prevention** (13% of total) with aims to focus climate changes (*energy efficiency, renewable energy and transport*) and to boost the quality of life and the environment
4. **Accessibility – transport and ICT** (15% of total) with aims to develop multimodal and environmentally-friendly transport, to support innovative transport projects to encourage ICT access by enterprises and by the public;
5. **The Rhône river** as a centre of economic development and environmental protection (7% of total)

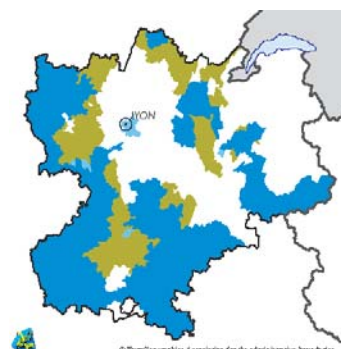
Distribution of the budget by fields of intervention

| FR71 2007FR162PO022 - Programme opérationnel FEDER RHONE-ALPES EC decision C(2011)2069 - 30/03/2011 | OP Budget | |
|---|--------------------|---------------|
| | (EU amounts) | in % of total |
| A. Innovation & RTD (1-4;7;9) | 88.500.000 | 26% |
| B. Entrepreneurship (6-7;8) | 62.500.000 | 19% |
| C. Information society (10-15) | 39.000.000 | 12% |
| D3. Transport - Other (Multimodal, air, boats) (24-32) | 13.500.000 | 4% |
| E2. Energy - Renewable (39-43) | 22.000.000 | 7% |
| F1. Environment protection and infrastructure (44-52;54) | 43.000.000 | 13% |
| F2. Risk prevention (53) | 8.000.000 | 2% |
| G. Tourism and culture (55-60) | 22.000.000 | 7% |
| H. Urban and rural regeneration (61) | 17.500.000 | 5% |
| I. Increasing the adaptability of workers and firms (62-64) | 500 | 0% |
| J. Improving access to employment and sustainability (65-70) | 2.000.000 | 1% |
| L. Investment in social infrastructure (75-79) | 5.500.000 | 2% |
| M4. Technical assistance (85-86) | 10.049.596 | 3% |
| Grand Total | 333.550.096 | 100% |

Source: European Commission, 2011.

4. ERDF strategies and relevance

During 2000-2006 programming period, the diagnosis was carried out by taking account the different sub-territories (*under the level NUTS3, at the scale of employment basins or territorial subsets*). The diagnosis clearly shows the heterogeneity of the territories and the diversity of the issues and challenges between the respective massifs. The SPD includes a specific section on the relevance of the SPD to specific territorial issues, and in particular to mountain areas (*section 3.3.2 of the SPD*). This section recalls that the heterogeneity of the mountainous regions is not conducive to the development of a strictly "mountainous" section of focus within the SPD. Moreover, these territories are integrated in their geographical sets (*links city-valley-mountain - Massifs*) and not into unique specific characteristics common to all the mountain areas. Formally, the SPD does not include



particular provisions exclusively reserved for the mountain. The priorities and measures do not target particular territories.

Nevertheless, the specific geographical features are taken into account in an indirect way:

- **Eligibility areas:** Objective 2 in 2000-2006 programming period was related to the zones in socio-economic re-conversion often in line with structural and/or geographical handicaps. In the Rhone-Alps, the zones were mainly mountain areas (*mainly at the level of the massifs and some enclosed areas in Southern Alps*). Thus, more than 60% of the ERDF were allocated to the *Ardèche* and the *Loire* NUTS3 regions, which represent together less than 17% of the regional population.
- **Territory of projects:** The reinforcement of the support for the structuring of projects to particular territories within the framework of the SPD to adapt actions and strategies to the context and specific issues of each area, and in particular of mountains areas or the urban-rural linkages (*e.g.: measures 1, 2 and 3 of the SPD*);
- **Measures of the SPD:** The measures are coherent with the main issues for mountainous areas (*eg attractiveness, environment, tourism, economy and craft sector, services for the person, use of the ICT*).
- **Multiregional conventions of the Massif:** A share of the budget of the regional SPD was dedicated to support projects in line with the conventions of the Massif and the selection of the projects in mountain territories;

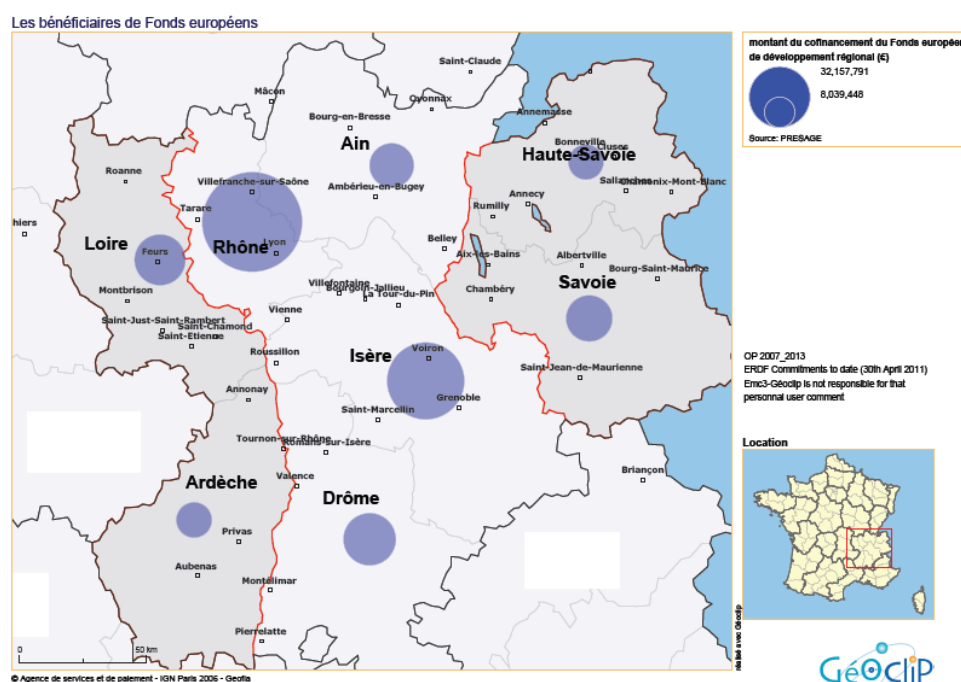
The local/bottom-up approach which characterised the 2000-2006 programming period did focus on territorial issues at the local level. However, the Community guidelines for the 2007-2013 programming period raised questions about the local approach adopted in France during the former period. Regional authorities had to re-examine their strategy of the use of EU funds following the abandonment of territorial zoning, the priority given to research and innovation and the introduction of the earmarking.

In practice, then, this has effectively reduced the share of ERDF budget allocated to the four NUTS3 regions which have a major part of their population living in mountainous areas, as illustrated by the following table. Indeed, the share of ERDF commitments for these four NUTS3 regions fell from 70% in 2000-2006 to 26% in the current programming period, whereas these territories represent 36% of the regional population. This has particular impacts in those NUTS3 regions belonging to Massif Central and mainly *Loire*.

| Region Code | Region Name | NUTS level | SGF (according the study definition at NUTS3) | Distribution of ERDF commitments | | Distribution of population in 2007 |
|---|--------------|------------|---|----------------------------------|---------------------------------------|------------------------------------|
| | | | | 2000-2006 (source SWECO) | 2007-2013(source Présage at present) | |
| FR71 | Rhone-Alps | 2 | | 100% | 100% | 100% |
| <i>Total of the 4 SGF NUTS3 regions</i> | | | | 70% | 26% | 36% |
| FR712 | Ardèche | 3 | Mountainous (Massif Central) | 13% | 5% | 5% |
| FR715 | Loire | 3 | Mountainous (Massif Central) | 43% | 9% | 12% |
| FR717 | Savoie | 3 | Mountainous (Alps) | 10% | 8% | 7% |
| FR718 | Haute-Savoie | 3 | Mountainous (Alps) | 5% | 4% | 12% |
| FR711 | Ain | 3 | | 4% | 7% | |
| FR713 | Drôme | 3 | | 13% | 10% | |
| FR714 | Isère | 3 | | 6% | 21% | |
| FR716 | Rhône | 3 | | 7% | 36% | |

Source: Eurostat 2011, SWECO, 2008 and author's own calculations

ERDF commitments at NUTS3 level (2007-2013 programming period)



Source: Présage (<http://cartobenef.asp-public.fr>), realisation: ADE.

As already mentioned the *Région Rhone-Alps* carried out an analysis and laid down its regional mountain strategy in 2006. However, the regional OP 2007-2013 does not present specific analysis of the mountain areas at all. A chapter is devoted to the territories, as well urban as rural, residential as tourist, but without specific mention about mountains.

Two arguments justified the abandonment of any explicit reference to mountains within the framework of the 2007-2013 regional OP. On the one hand, the shift from a territorial to a primarily thematic approach that was induced by the new EC guidelines. On the other hand, the specific actions for mountain areas are largely covered by other instruments in *Rhone-Alps*, such as the three multiregional OPs for Massif, the Interreg programmes with

the support of ERDF, or some of the domestic projects supported by national government and regional authorities through the CPER⁵⁹.

On the other hand, the measure relating to the prevention of natural risks is directly related to mountain territories. Beyond this measure, the sets of measures are likely to answer the main identified issues of the mountain territories (*cf section 2.1*), although not specifically.

Indeed, on the basis of the territorial disparities within the region, one of the transversal strategic priorities of the regional OP aims at ensuring sustainable development of all the territories based on their potential to reinforce their attractiveness. For the territories suffering from natural or demographic handicaps, the strategy mentions that the programme will be able to contribute to enhancing accessibility through ICT, to develop economic activity related to natural resources and to support sustainable tourism. The programme integrates a priority on accessibility and transport. However, this priority does not relate to the problems of remoteness, but aims primarily to unblock the major transport axes and the urban centres as well as to promote 'green' transport.

Nevertheless, in the 2007-2013 programming period, ERDF support focused for the first time on multiregional OPs based on massifs (*the Alps and Central Massif*) which target the specific issues of each of the two massifs:

- The multiregional OP for Massif Central (6 regions) which is structured around three priorities: 1) attracting and integrate new populations (*inhabitants and undertaken, 32% of the budget*), 2) wealth creation (*tourism and setting up network of excellence, 28%*), 3) the attractiveness and equitable accessibility of territories (*mobility, environment and ICT*).
- The multiregional OP Alps (2 regions) which is structured around the main priorities of: 1) tourism development (*increasing the competitiveness of the valley systems around mid-mountains, 69% of budget*), 2) Climate change (*renewable energies and energy efficiency in mountains, 29% of budget*)

However, it should be underlined that the two multiregional programmes have a very limited budget compared to the overall regional one. Indeed, the budget of the multiregional OP for Massif Central that has to be distributed between six regions represents only 12% of the ERDF budget of the regional OP for the Rhone-Alps.

5. Quantitative results of the ERDF/CF programme

At the closure of 2000-2006 programming period, the SPD Rhone-Alps supported 3975 projects worth a total amount of Euro356 million, which represents 106% of the initial budget. Regarding the initial financing plan, the implementation was particularly focused on particular measures relating to cultural and tourist attractiveness, the quality of environment in the field of water and the requalification the territories. The expenditure was lower than initially planned for priorities relating to bolster the dynamism of business.

⁵⁹ With in particular the 2 following structuring projects out of 13 : N°9 invest in the mountain natural ressources, N°8 créer une espace de restitution de la grotte de Chauvet in Ardèche,

The monitoring of the performance was based on 14 indicators (*outputs and results*) relating to four measures of the programme which represented 65% of ERDF contribution for the period.

| Measure | Type | Indicator | Target value | Achieved value | Achievement rate |
|---|----------|--|------------------|----------------|------------------|
| Priority 1 : Provide support for local development and innovation (7% of EU contribution) | | | | | |
| 2. Support to innovation and links between city and countryside | Output | Number of projects with the city-countryside relation as theme | 50 | 13 | 26% |
| | Output | Studies and diagnostics undertaken | 200 | 26 | 13% |
| | Results | Number of created enterprise | 220 | 16 | 7% |
| Priority 2 : Improve attractiveness of the territory (70% of EU contribution) | | | | | |
| 4. Requalification, attractiveness and valorisation of the territories | Output | Number of projects | 395 | 273 | 69% |
| | Results | Concerned areas (in million ha) | 1.39 | 2.43 | 175% |
| | Key ind. | Net migration into eligible employment zones (1999-2006, compared) | 1990-99 = -9.887 | + | - |
| 6. To develop and strenght the cultural and tourist attractiveness of territories | Output | Studies and diagnostics undertaken | 140 | 172 | 123% |
| | Output | Number of created equipments | 60 | 1646 | 2 750% |
| | Output | Number of artistic projects | 40 | 100 | 250% |
| | Results | Number of concerned territories | 20 | 449 | 225% |
| Priority 3 : Provide support for local development and innovation (21% of EU contribution) | | | | | |
| 9c Bolster the dynamism of tourist and cultural actors | Output | Number of collective actions | 30 | 47 | 157% |
| | Output | Number of firms concerned | 1000 | 984 | 98% |
| | Output | Studies and diagnostics undertaken | 50 | 133 | 266% |
| | Results | Number of projects achieved | 50 | 432 | 864% |
| | Results | Number of jobs created | 50 | 1809 | 3 618% |

Source: ADE, 2008

The analysis of this table shows that objectives were achieved for 10 out of the 14 indicators selected (71%). It also shows the limits of this exercise. First, the significant gaps between some target and achieved values underline the difficulties to set targets and/or the way to collect data. Second, the indicators are not necessarily tailored to the issues specific to mountainous areas.

Nevertheless, two points from the programme evaluations may be underlined:

- The mid-term evaluation (2003) stressed that the objectives had been defined in a sufficiently large way to meet the needs of the eligible zones;
- Considering the contribution of the programme to the development of the rural and mountain territories, the final evaluation (2005) stressed that some actions were focused on particular territorial needs and did provide useful support although, in isolation, the projects could not overturn all territorial handicaps;

For the period 2007-2013, as March 2010 which means after one year and an half of programming, more than 40% of ERDF funds were committed. The measures which had the higher commitment rates related to the development of the services to the person and the information society which already exceeded 65%.

6. ERDF Governance and complementarities with other sources of funding

Over the period 2000-2006 the SPD was built on a large regional dialogue (*at NUTS2 level with 60 partners mobilized around six working groups*). The preparation of the SPD was characterised by permanent information exchanges between the regional level and the local partnership animated by the Prefects of the respective Departments. The written consultation generated about fifty responses including the mountainous territories.

On the level of the implementation, the Prefect (*representing the State in region*) remains the person legally responsible for management and the implementation of the program. The decisions of financing are made by the Regional Committee of Programming which includes the representatives of the State and the local communities at the level of the region (NUTS2) as well as the department (NUTS3). The Regional Steering Committee is the body responsible for dialogue which includes in particular a representative of each massif (*commissaires de massifs*).

Considering the size of the NUTS2 region (*six million inhabitants and eight million NUTS3 regions*) and the importance of local partner's co-financings, this implementation framework was adapted by the setting-up of a *Comité Départemental d'Instruction (Departmental Committee of Examination)* of the projects. In addition to the representative of the State and local communities on the level NUTS3, it gathers the representatives of territories and association (*Pays, Natural Regional Parcks, etc*). This Committee delivers an opinion on the submitted projects, defines their order according to priorities and checks the commitments of the funding partners. For most of the projects, the entrance point is thus the NUTS3 level which carries out a first sorting and a check of adequacy at the local level with local partners.

To carry out the regional OP 2007-2013, the dialogue was based primarily on the previous Objective 2 Steering Committee extended with the representatives of agglomeration territories (*metropolis*) and the participants to the national strategic plan of rural development (EARDF). The dialogue was organised around eight working groups, of which one related to the territories. It thus gathers the State and the representatives of the local NUTS3 councillors, but with no representatives of mountain territories.

In terms of implementation, the new programming period is characterised by a strengthening of: 1) the procedures of call for projects with view to reinforce the selectivity and the leverage effect of ERDF, 2) local, decentralised assessment of the projects within territorial measures at the NUTS3 levels.

According to the OP mid-term evaluation, these made it possible to ensure a good level of mobilisation of the local actors and to strengthen the transversal nature of the intervention strategies across the region. Their combination is a response to the insufficiencies of the 2000-2006 local approach by ensuring at the same time a local anchoring and an overall coherence of ERDF strategy.

The SPD 2000-2006 was an integrated program ERDF-ESF in which the regionalised part of EAGFF program was integrated. The regional steering group was thus common,

ensuring the consistency of the various European funds. In 2007-2013, the Regional Committee of Programming is common to the different programmes or regional parts of programmes ERDF, ESF and EAFRD ensuring coherence at the regional level (NUTS2). The respective roles and objectives of these funding streams are different; in France the EAFRD focuses mainly on providing support to farmers to encourage them to develop other, non-farming activities, such as tourism. The ESF focuses on training and skills developing to better fit the needs of local labour markets. The key question is how the respective funds complement each other at the local level to encourage and improve regional economic development.

7. Conclusion

Mountain policy in France dates from the beginning of the 1970s so France is a very good case study in this regard. Within this framework, the Rhône-Alps region is a particularly interesting example since it is a large region located at the centre of three Massifs with very different characteristics, history and challenges. The *Massif Central* has issues such as out-migration, deindustrialisation and job losses in agriculture and the craft sector to deal with whilst *the Alps* constitute an exceptional and very attractive massif of average and high mountains with many assets which place this part of the region above the regional average.

The first conclusion is that, even within the same NUTS2 region or within the same massif, the mountain is not a homogeneous territory with common or single characteristics. It covers a great diversity of territories with varied potentials and challenges. The economic policy responses therefore need to be territorial embedded in order to be successful and take into account such diversities.

Second, the different ERDF programmes seem clearly to follow a development logic based on characteristics and assets rather than on the compensation of handicaps. In this regard, the approach adopted during the 2000-2006 was a local bottom-up approach through the structuring of projects for territories. This approach constituted for the Rhône-Alps region an important response to the heterogeneity of its territory and the adaptation of regional policies to the local territorial challenges. This bottom-up approach, associated with the Objective 2 zoning and the definition of specific strategic orientations for each massif through Multiregional Convention of Massif allowed the specificities of the mountains to be borne in mind.

For the 2000-2006 period, ERDF support mainly contributed to strengthening the capacity of programming at the local level and the attractiveness of the territories, including mountain areas. In particular, it focused on the conditions of attractiveness of eligible areas in order to maintain and to attract new inhabitants, to reinforce the tourist sector, create new employment, by supporting cultural and natural assets. This strategy was effective to reverse the demographic decline observed during the 1990s in the eligible areas. However, this bottom-up approach also appeared insufficient to ensure an overall coherence in the programme as a whole as well.

The 2007-2013 approach, however, marks a significant change of logic and a step further in taking into account the mountain specificities in ERDF support. On the one hand, the

specific needs for the mountain areas are taken into account within the framework of a new regional strategy for mountain areas and various programmes such as the new multiregional programmes for massifs, Interreg or the CPER. On the other hand, the regional OP adopts a larger view of needs for the whole regional territory, rather than targetting specific territorial zones. This means that ERDF support has tended to move toward the urban areas compared to the previous programming period. Nevertheless, the regional OP does focus on balanced economic development and diversification, the development of tourist activities, the prevention of the natural risks, infrastructure and use of the ICT; all of which are relevant for the mountain areas.