

Delivering on Article 174 TFEU: Common priorities for Europe's mountain areas in the future MFF

Joint contribution of the European Alliance for Mountains

Why Europe's mountains must matter in the next EU budget

Mountains need the EU budget — and Europe's future budget needs its mountains. Covering around 30% of the EU territory and home to around 13% of its population, European mountain areas are central to Europe's strategic priorities. They play a key role in food security, notably through livestock and grassland systems; in climate adaptation, as water towers, carbon sinks and biodiversity reservoirs; and in energy and territorial resilience, through renewable energy production, land management and natural risk prevention. These functions benefit Europe well beyond mountain territories themselves.

At the same time, mountain areas face permanent natural and demographic constraints linked to altitude, slope, climate and remoteness, resulting in higher costs of economic activity, infrastructure and service provision. These structural conditions cannot be adequately addressed through uniform policy approaches or by treating mountains simply as part of broader rural categories. Mountain areas function at a specific territorial scale, often extending across regional or national borders, requiring coordinated, place-based approaches that do not fit standard administrative or sectoral frameworks.

The upcoming Multiannual Financial Framework therefore represents both a decisive opportunity and a strategic test. To deliver on Europe's objectives for cohesion, resilience and sustainability, mountain areas must be strategically and specifically addressed, in line with their unique contribution to Europe's future.

Making Article 174 TFEU operational

Article 174 of the Treaty on the Functioning of the European Union requires the Union to pay special attention to territories facing permanent natural or demographic constraints, explicitly including mountain areas, islands, cross-border regions and sparsely populated areas. Despite the clarity of this obligation, successive EU-level assessments have shown that Article 174 remains unevenly reflected in policy delivery. Territorial specificities are not consistently embedded in policy design, are insufficiently visible in budgetary allocations, and are poorly captured in reporting on outcomes for the territories concerned.

The next Multiannual Financial Framework is therefore a critical moment to move from principle to practice, as it will shape EU policy priorities and delivery mechanisms for the coming years. Addressing territorial specificities only at the implementation stage is insufficient once the overarching budgetary framework has been set. Operationalising Article 174 means ensuring that it is clearly and systematically reflected in the design, implementation and assessment of EU policies and spending.

Shared priorities for an EU budget that works for mountains

1. Preserving place-based governance and avoiding recentralisation

Delivering on Article 174 TFEU requires policy frameworks that can effectively respond to territories facing permanent constraints. In this respect, the proposed **National and Regional Partnership Plans (NRPPs)**, as currently designed, are **not fit for purpose** for rural territories that depend on place-based approaches.

To ensure that the NRPPs effectively deliver on territorial cohesion and Article 174 TFEU, their governance architecture must preserve genuine place-based policymaking. In practice, this requires at least:

- a legally robust '**multilevel governance assessment**', requiring Member States to designate subnational authorities as managing authorities where national constitutions allow, to guarantee a **meaningful role** for regional and local authorities in the design, implementation, monitoring and evaluation of NRPPs.
- a binding '**subsidiarity clause**' to prevent a repetition of the Recovery and Resilience Facility's shortcomings. The clause must ensure, that when plans are approved at EU level, regional competences are respected. Any plans that disregard this principle or that impose excessive centralisation, should be rejected.
- the **systematic integration of territorial differentiation** in priority-setting, allocation and assessment, so that national strategies are adapted to the specific needs of territories recognised under Article 174 TFEU, rather than addressed on a voluntary or purely narrative basis;
- the **explicit ability to coordinate and implement interventions beyond administrative borders**, including between bordering regions in different Member States, reflecting the functional scale of territories such as mountain areas.

Together, these elements are essential to prevent NRPPs from becoming primarily an administrative coordination tool, and to ensure they function as an effective framework for delivering EU policies in structurally constrained territories.

Proposed changes in the MFF legislative package

In the NRPP/Single Fund Regulation – [COM\(2025\) 565](#) (NRPPs):

- **New article Title III, Chapter 1, article 20b (Multilevel governance assessment)** → Builds on the 'regional check' concept proposed by the European Commission President to define clear Member State requirements on involving regions in the NRPPs. Introduces key aspects of the European Code of Conduct on partnership.
- **New article Title III, Chapter 1, article 20c (Subsidiarity clause)** → Substantiates the concept of 'regional checks' proposed by the European Commission President. Details the legal basis which would lead to the NRP plans being rejected on the grounds of subsidiarity. Clarifies the responsibilities distributed between national and sub-national authorities.
- **Article 6 (Partnership and multi-level governance)** → Strengthen partnership provisions to ensure that regional and local authorities and socio-economic partners are fully involved not only in the preparation, but also in the implementation, monitoring and evaluation of NRPPs, in line with the subsidiarity and multi-level governance principles.

- **Article 22 (Requirements for the NRP Plan)** → clarify that NRPPs may include coordinated measures and territorial strategies implemented beyond administrative borders, including across regions in different Member States, where this reflects the functional scale of the territories concerned, notably in mountain areas and other territories facing permanent constraints.
- **Articles 55–56 (Monitoring committees)** → Ensure that monitoring committees include the competent regional and local authorities for chapters covering territorially targeted measures, and that they are empowered to assess whether place-based objectives are effectively delivered and to recommend corrective action where necessary.

2. Operationalising Article 174 TFEU in the Single Fund

The Commission’s July 2025 MFF package creates a highly flexible “Single Fund” implemented through **National and Regional Partnership Plans (NRPPs)**, but it does not include a binding requirement ensuring that spending effectively reaches rural territories and the structurally constrained areas recognised under **Article 174 TFEU**. This is a material risk: once plans are approved, addressing territorial gaps later through implementation adjustments is limited. The Commission itself implicitly acknowledged this weakness in late 2025 by proposing a **minimum “rural target”** in the NRPP budget article, tracked via the Performance Regulation’s territorial coding — even though the proposal raised questions of measurability.

To make the Single Fund credible for cohesion and the “right to stay” ambition, and in recognition of the need for a better strategic approach to mountains at EU level, the Alliance calls for an ex-ante and ex-post safeguard package:

- a binding EU-level requirement that at least **30% of NRPP expenditure** (excluding CAP income support) contributes to **rural territories**;
- within this rural contribution, Member States with mountain areas shall set an ex ante **national target for mountain areas**, proportionate to their geographical reality and agreed in full partnership with regional and local authorities; Based on mountain demographic weight and territorial coverage, the Alliance considers that an EU-wide contribution **around 10% of NRPP expenditure** (excluding CAP) reaching mountain areas would be a reasonable benchmark to monitor once mountain coding is in place.
- **ex-post territorial tagging and reporting** capable of capturing **overlapping constraints** (e.g. mountain islands, sparsely populated cross-border mountain areas);
- and **territorial impact assessments** so the Commission and the European Parliament can verify delivery, not just intentions.

Proposed changes in the MFF legislative package

In the NRPP/Single Fund Regulation – [COM\(2025\) 565](#) (NRPPs):

- **Article 22 (Requirements for the NRP Plan)** → Explicitly recognise mountain areas among the territorial contexts eligible for integrated territorial approaches, alongside urban, rural and other functional territories; Explicitly include mountain areas among the territorial typologies to be addressed (alongside islands, border regions, sparsely populated areas); Require Member States, where relevant, to define ex-ante national spending targets for mountain areas (and other relevant Article 174 territories, such as islands), proportionate

to national geographical realities, based on recognised national or EU definitions, and developed in full partnership with regional and local authorities; and require Plans to explain how overlapping constraints (e.g. mountain islands, sparsely populated cross-border mountain areas) are addressed, including through the planned use of multiple territorial dimension codes.

- **Article 75 (Integrated territorial and urban development)** → Explicitly recognise mountain areas among the territorial contexts eligible for integrated territorial approaches, alongside urban, rural and other functional territories.

In the Performance Regulation – [COM\(2025\) 545 \(budget tracking & performance framework\)](#):

- **Chapter 2 (Horizontal principles)** → Insert a new article establishing a binding EU-level requirement that at least 30% of NRPP expenditure across relevant policy areas contributes to rural territories, calculated and verified through the territorial coding system;
- **Article 14(4) (territorial tagging)** → Strengthen the existing obligation so that the systematic use of multiple territorial dimension codes is supported and applied wherever relevant, allowing accurate tracking of overlapping territorial constraints.
- **Annex II (territorial dimension codes)** → Introduce “mountain areas” as a distinct territorial dimension code, alongside rural areas, islands and sparsely populated areas, enabling consistent tagging, aggregation and reporting of expenditure benefiting mountain territories across all NRPPs.
- **Articles 10 (Commission evaluations) and 11 (Member State evaluations)** → Require that interim and ex-post evaluations include a territorial impact assessment covering the territories recognised under Article 174 TFEU, based on the territorial coding framework, enabling effective Commission scrutiny and informed oversight by the European Parliament.

3. Making the CAP work for mountain areas

Mountain agriculture operates under permanent natural constraints linked to altitude, slope, climate and remoteness, resulting in higher production costs and structurally lower incomes. Mountain areas account for around **18% of EU farms**, largely **small and mixed holdings**, and play a central role in **extensive livestock and grassland-based systems**. Commission analyses show that farm incomes in Areas with Natural Constraints are on average **more than 20% below the EU average**, reflecting structural handicaps rather than lower efficiency. At the same time, agriculture remains the backbone of many mountain territories, underpinning land management, biodiversity conservation and natural risk prevention.

While the Common Agricultural Policy recognises Areas with Natural Constraints (ANC), recent implementation choices under successive CAP reforms have weakened the policy. Increased reliance on flat-rate income support and wide discretion left to Member States have reduced the guaranteed role of ANC payments and led to uneven compensation across the Union. Key actors and systems for mountain areas — notably **small and mixed farms, extensive livestock systems, and young and new farmers** — are not sufficiently prioritised, despite their essential economic, environmental and territorial functions.

To ensure that the CAP continues to deliver healthy and nutritious food, territorial resilience and environmental public goods in mountain areas, the Alliance calls for a strengthened and clearly territorialised post-2027 CAP framework, based on the following priorities:

- **Preserve the functional integrity of the CAP within the NRPP architecture, with its two pillars**, ensuring that income support and market measures, on the one hand, and rural development and territorial measures, on the other, remain clearly identifiable, adequately funded and protected from dilution within broader national programming frameworks.
- **Maintain and reinforce compensation for Areas with Natural Constraints**, through the mandatory use of ANC payments in Member States with significant mountain or other constrained areas.
- **Dedicate a binding minimum share of at least 15% of CAP funding to ANC areas**, across CAP instruments, as structural compensation rather than optional redistribution.
- **Improve income targeting** to better support small, mixed and active farms and contribute to addressing land abandonment and maintaining territorial diversity.
- **Enable targeted top-ups for mountain farmers**, including installation, investment and modernisation support, to reflect higher entry and operating costs and support generational renewal.
- **Strengthen and simplify eco-schemes through clearer EU-level guidance**, so that they provide meaningful income incentives and better recognise farming systems with proven environmental and territorial benefits — in particular extensive livestock and grassland-based systems — using a coherent yet flexible performance-based approach.
- **Maintain and better target coupled income support where justified**, particularly for livestock and grazing systems that are economically fragile but essential for grassland management, ecosystem services and risk prevention in mountain areas.

These measures must remain coherent with broader territorial investments under the Single Fund, recognising that agricultural viability alone cannot sustain mountain territories without adequate services, infrastructure and economic diversification.

Proposed changes in the MFF legislative package

In the NRPP/Single Fund Regulation – [COM\(2025\) 565](#) (NRPPs):

- **Article 22 (Requirements for the NRP Plan)** → Ensure that CAP interventions included in NRPPs remain clearly identifiable and separately reported by type of intervention, preserving the functional distinction between income support, market measures and territorial/environmental interventions within the CAP framework.

In Title V – Common Agricultural Policy ([COM\(2025\) 565](#)) (in alignment with the transfer of the relevant articles by the co-legislators):

- **Article 35(1)(d) (Payment for natural and other area specific constraints)** → Require mandatory activation of ANC payments in Member States with significant mountain or other constrained areas, with clearly defined territorial scope.
- **Article 35 (Types of intervention)** → Introduce a **binding minimum share of at least 15% of CAP expenditure** dedicated to compensation for Areas with Natural Constraints, as structural support reflecting permanent handicaps rather than optional redistribution.
- **Article 35(1)(b) and Article 35(5) (Coupled income support)** → Clarify and strengthen the use of coupled income support for economically fragile livestock and extensive grazing systems in mountain and other naturally constrained areas, recognising their role in grassland management, ecosystem services and risk prevention.

- **Article 35(1)(i) and (j) together with Article 35(4) (Investments and setting-up support)** → Enable territorial top-ups or higher support intensity for mountain areas, notably for young and new farmers, to reflect higher entry, investment and operating costs.
- **Article 35(1)(f) and Article 36(1)(d)–(e) (Agri-environmental and climate actions)** → Strengthen EU-level requirements so that environmental interventions: better recognise farming systems with demonstrated environmental and territorial benefits, in particular extensive livestock and grassland-based systems; provide meaningful income incentives beyond reimbursement of individual practices; assess environmental performance at farming-system level, ensuring coherence across soil, water, biodiversity and climate objectives.

4. Supporting climate and biodiversity action in mountain areas

Mountain areas are among Europe’s most exposed territories to the compounding risks of climate change and biodiversity loss. Euromontana has consistently underlined that these impacts are disproportionately acute in mountain ecosystems, with major implications for water regulation, soils, habitats, civil protection and the wider resilience of downstream regions. Yet, the current MFF proposal risks weakening the visibility of environment and biodiversity action at territorial level: funding can be “green” on paper without ensuring that it reaches high-value ecosystems and delivers coherent results across climate, biodiversity, water and soil objectives.

To make the future MFF credible for climate resilience and biodiversity, the Alliance calls for a simple safeguard package that (i) protects dedicated EU-level instruments with proven added value, and (ii) makes biodiversity spending measurable, trackable and territorially visible under NRPP delivery.

- Protect a **dedicated LIFE Programme** within the EU Facility/Union actions architecture, recognising its role in supporting innovative, high EU added-value projects and its relevance for mountain ecosystems and adaptation.
- **Create a robust biodiversity spending objective** (separate from the climate/environment headline target) with a clear tracking methodology, ensuring that biodiversity action is not diluted within broader “green” expenditure.
- **Ensure territorial visibility of biodiversity and climate-resilience** spending, including for mountain areas and other Article 174 territories, using the territorial coding framework so that delivery can be verified.

Proposed changes in the MFF legislative package

In the NRPP/Single Fund Regulation – [COM\(2025\) 565](#) (NRPPs):

- **Article 26 (EU Facility)** → ensure that a dedicated LIFE Programme is preserved as a clearly identifiable Union action within the EU Facility, building on the proposal’s own recognition that NRP Plans should support innovative projects “building on the experience of the LIFE programme”

In the Performance Regulation – [COM\(2025\) 545](#) (budget tracking & performance framework):

- **Article 4 (Climate and environment)** → complement the existing climate/environment spending target with an explicit biodiversity spending objective and associated tracking

rules (methodology + reporting) so biodiversity expenditure can be identified, aggregated and scrutinised across programmes.

- **Article 14(4) + Annex II (territorial dimension codes)** → ensure biodiversity-related expenditure can be reported territorially, including for mountain areas once “mountain areas” are introduced as a territorial code (as proposed in Section 2), enabling consistent aggregation and reporting at territorial level
- **Articles 10 and 11 (evaluations)** → ensure evaluations include evidence on biodiversity and climate-resilience delivery by territorial typology where feasible, reinforcing Commission scrutiny and parliamentary oversight

A shared political commitment

This position reflects a common political understanding among members of the Alliance for European Mountains. It is intended as a living contribution to ongoing and upcoming legislative and budgetary debates, including negotiations on sectoral files and performance frameworks.

The Alliance will continue to work across institutions and political groups to translate these shared priorities into concrete outcomes. Members will build on this common basis through continued dialogue and coordinated action across institutions and promote a coherent and ambitious approach to Europe’s mountain areas throughout the EU decision-making process.

Together, we can ensure that Europe’s mountains are not only recognised, but fully empowered to contribute to a resilient, sustainable and prosperous European future.



The European Alliance for Mountains is supported by **Euromontana**, the European Association of Mountain Areas, acting as its secretariat.

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