

Strengthening Territorial Capacity in Europe's Remote Mountainous Regions

MARGISTAR priorities for integrated delivery and locally retained value

Policy brief for European Union institutions, Member States and regional managing authorities

September 2026

Publisher: MARGISTAR COST Action CA21125

Contributors: Mahsa Motlagh, Simo Sarkki, Maria Del Carmen Solano Baez



Synthesis

European remote mountainous regions face a complex set of interrelated challenges known as a "polytrap." This includes institutional rigidity, economic dependence on a narrow base, environmental pressures, and regional inequalities, all of which reinforce one another. Addressing these issues in isolation is unlikely to lead to sustainable change, as resolving one problem without considering the others may exacerbate the overall situation. This policy brief explores how these interconnected challenges interact and suggests viable solutions. It advocates for coordinated, context-sensitive actions for policymakers at local, regional, national, and European levels. Instead of proposing a single universal intervention, it outlines complementary measures to enhance institutional flexibility, diversify local economies, strengthen environmental resilience, and improve territorial connectivity. By viewing the polytrap as a systemic issue, decision-makers can promote more resilient and sustainable mountain territories.

How policy can address complex problems and help to escape polytraps in European mountainous regions?

European Commission and Parliament:
post-2027 Cohesion policy and CAP

- **Fund places, not only sectors.** Add a mountain-specific, place-based strand to Cohesion and CAP that finances local self-organisation directly e.g., rural hubs, co-management, livelihood diversification.

EU and national level policy actors:
Learning from continuous policy evaluations

- **Screen every rural policy for trap effects.** Before policy adoption ask: what are the anticipated negative impacts of this policy for mountainous regions and how these impacts could be mitigated.

EU, national and local levels together:
one coordinated agenda

- **Pilot and apply territorial compacts.** test voluntary, multi-year agreements across a diverse portfolio of mountain territories. Each compact would start with a locally developed polytrap diagnosis followed by tailored territorial solutions.

Regional policy makers:
When a new policy or project are implemented

- **Ensure policy fit by mountain proofing.** Relevant policies and major publicly supported investments should be assessed early for their cumulative effects on mountain regions and should identify who influences design, owns assets, carries risk and receives returns.

Introduction

It is widely accepted that one-size-fits-all solutions for regional rural development do not work. Instead, place-based approaches (Barca 2009) are needed that are based on balanced interplay between European, national, and local-level decision makers and actors (see Dax on endo- and neo-endogenous solutions). However, while there is plenty of knowledge on place-based solutions, there is a gap between this knowledge and the implementation of policies and solutions in practice. This MARGISTAR policy brief tackles this gap and makes four proposals on how to build territorial capacities for place-based solutions in European mountainous regions.

European mountainous regions and why they matter

Europe's mountain regions sustain freshwater systems, biodiversity, food and energy production, climate regulation and cultural landscapes. Many also face demographic contraction, declining access to services, narrow economic structures, climate exposure, and limited administrative capacity. Mountainous regions also offer a testbed for rural development and policies targeting European remote regions.

Challenges in European mountainous regions: MARGISTAR findings

MARGISTAR research focused on traps, which are undesirable, self-reinforcing and persisting situations, processes or states undermining the development potential of mountainous communities in regions across Europe. MARGISTAR findings validate the view of ongoing rural shrinkage in Europe (refs) and that it is a key challenge also in several mountainous regions across Europe. Rural shrinkage is not only a matter of demographic change, but out-migration leads to decline of services, reduced employment and education opportunities, aging of population, compromised livelihood diversity and viability, and economic decline. MARGISTAR experts considered depopulation and climate change as being likely the most pressing current and future challenges affecting mountainous futures. This downward spiral is difficult to reverse.

MARGISTAR findings on traps highlight the difficulty of finding holistic place-based solutions to the problem of shrinkage. MARGISTAR introduced a concept of polytraps which connect realms linked to different economic sectors, regional development, people and their opportunities, institutions and policy, and infrastructure. Polytraps represent conditions where multiple, interlinked social-ecological and economic traps coexist and interact, creating a compounded and self-reinforcing state of entrapment. Rigid, vertically connected institutions (from local to EU) breed mistrust. CAP and Cohesion instruments built around the primary sector miss mountain specifics and reward 'bouncing back' to a status quo that no longer works.

Box 1. *Key aspects of polytraps in European mountainous regions*

- Dependence on primary production in some areas and on tourism and new livelihoods in other areas creates tension between mountainous cultures and economic development.
- Institutional rigidity is apparent at multiple levels (e.g., local, national, EU authorities), and creates a divide and mistrust between inhabitants of mountainous areas and authorities.
- Solution attempts are often partial and, while improving some aspects, they also lead to new problems.
- Digitalization is seen as one of the key solutions to the development of remote mountainous regions, but connectivity without the capabilities to benefit from it represents also a trap.

How does existing policy fall short?

Cohesion, agricultural, social, climate, energy and digital policy instruments can all support mountainous regions, yet they operate through different rules, timetables and territorial units. Above all, they function with siloed logic where one policy targets one specific aspect of the complex problem, leading to a new set of problems.

Table 1. *EU-level policies, territorial challenges, and policy trade-offs in mountainous regions.*

Territorial Challenge	EU Policy Response	Intended Territorial Outcomes	Unintended Consequences & Policy Trade-offs
Bureaucratic & Regulatory Burden	EU Regulatory Simplification Agenda & fast-tracking permitting frameworks (e.g., Net-Zero Industry Act, RED III)	Accelerated deployment of strategic energy, critical raw materials, and defense infrastructure; enhanced regional competitiveness.	Heightened tension between industrial fast-tracking and environmental protection; intensified land-use conflicts with local communities.
Climate Change Vulnerability	European Green Deal & EU Strategy on Adaptation to Climate Change	Enhanced ecosystem resilience, carbon sequestration, and proactive risk management against natural hazards (e.g., avalanches, mudslides).	Socioeconomic transition costs and regional economic disruption in carbon-intensive or legacy energy-dependent mountain areas.
Digital & Geographical Isolation	EU Rural Pact, Long-Term Vision for Rural Areas (LTVRA), and the Smart Villages Initiative	Expanded remote economic opportunities, improved service access, and enhanced quality of life in isolated settlements.	Emergence of new socio-spatial inequalities driven by disparities in broadband rollout and digital literacy across age and income groups.
Ecosystem Degradation & Biodiversity Loss	EU Nature Restoration Law (Regulation (EU) 2024/1991) & EU Biodiversity Strategy for 2030	Reversal of biodiversity decline and long-term protection of ecosystem services (e.g., water regulation, soil retention, erosion prevention).	Risk of top-down "fortress conservation" that neglects local socio-cultural traditions and excludes mountain communities from land management.
Socioeconomic Constraints in Mountain Agriculture	Common Agricultural Policy (CAP) – Areas Facing Natural Constraints (ANC) support & Mountain Farming schemes	Prevention of land abandonment, preservation of high-nature-value farming, and support for rural food security and cultural landscapes.	Structural economic "lock-in" to the primary sector, potentially disincentivizing broader rural economic diversification and innovation.
Interregional Disparities & Peripheralization	EU Cohesion Policy (ERDF, Interreg) grounded in Article 174	Reduction of economic disparities, upgraded transport/social	Increased competition for limited Cohesion budgets and severe

	TFEU (territorial cohesion)	infrastructure, and enhanced territorial cohesion for remote areas.	administrative capacity bottlenecks for small mountain municipalities.
--	-----------------------------	---	--

At national and local levels, small administrations and community organizations may face administrative capacity constraints, including insufficient staffing and gaps in the knowledge needed to navigate regulatory and strategic frameworks, identify relevant funding instruments and work within their programming periods. These limitations can make partnership building, project preparation, cross-fund coordination and long-term maintenance difficult. Places facing the greatest need can therefore be the least able to assemble a competitive proposal and access available funding opportunities. Capacity support that begins only after a grant is awarded arrives too late for many of them.

Transition investments also distribute power and value. Energy, restoration, tourism and connectivity projects can strengthen territorial resilience, but the outcome depends on who shapes the project, owns the assets, bears the risk and receives the returns. Mountain communities may carry concentrated land-use, environmental or cultural costs while revenue, expertise and decision-making remain elsewhere. Consultation after the principal choices have been made does not correct that imbalance.

Four proposals for policy

1. Finance territorial capacity as a core investment

European, national and regional programs should transition towards a multiannual facilitation and coordination model aligned with funding and programming cycles, embedding technical expertise, partnership building, project preparation and maintenance as eligible core costs. Technical support should be readily accessible and responsive to call deadlines – deployed ahead of competitive calls, continue through implementation, and help institutions maintain results after project funding closes. Shared technical teams can serve groups of small municipalities where permanent specialist posts are not feasible. Simplified cost options and proportionate reporting must be adapted to diverse local capacities, ensuring implementation is manageable and directly reducing administrative exclusion.

2. Pilot mountain territorial compacts

Member States and regional managing authorities should test voluntary, multi-year agreements across a diverse portfolio of mountain territories. Each compact would start with a locally developed polytrap diagnosis and connect relevant European, national and

regional resources to a limited set of shared outcomes. To operationalize this, clear multilevel governance structures should be established from the outset to formally agree on responsibilities, decision rights and funding contributions. Interreg, LEADER and Community-Led Local Development offer practical foundations for experimentation. A compact would coordinate existing resources rather than create a new fund. Focusing each compact on place-specific outcomes ensures that implementation is realistically manageable across diverse local realities, directly addressing how polytraps differ by territory.

3. Apply mountain proofing and retain transition value locally

Relevant policies and major publicly supported investments should be assessed early for their cumulative effects on accessibility, hazards, land use, administrative burden, cultural practices and local economic value. Appraisal should identify who influences design, owns assets, carries risk and receives returns. Where proportionate and legally appropriate, project agreements should set out arrangements for local employment, procurement, revenue sharing, community benefit, stewardship funding or local equity. Mountain proofing should strengthen existing territorial impact assessment and rural proofing rather than create a parallel procedure. Participation should begin while alternatives remain open and allow local actors to influence substantive choices.

4. Add place-based support as part of major EU policies

Major EU policies should recognize and seek to mitigate the negative side-effects and new problems they create. A good example is the Just Transition Mechanism and Fund established as part of the European Green Deal to compensate for those regions and industries dependent on fossil fuels. Whether this mechanism was adequate or not is beyond the scope of this brief, but it highlights an active effort to map the trade-offs and negative impacts of a policy. As Table 1 shows, several major EU policies and initiatives are likely to lead to new problems while they may improve some aspects. We propose to include place-based support as part of major EU policies. Below, we provide two topical examples:

- Simplification agenda seeks to enhance competitiveness. Adding a requirement for Corporate Social Responsibility practices directed at the localities where strategic industrial, energy, infrastructure, and raw material-linked projects are implemented could ensure that some of the “big money” moves also to places which are simultaneously negatively impacted by the projects.
- The EU Nature Restoration Regulation seeks to enhance the status of ecosystems across Europe. Adding flexibility to recognize local nature-based livelihoods (e.g.,

sheep and reindeer herding, small-scale sustainable forestry) as part of biocultural diversity rather than considering them as villains destroying nature could enhance local acceptability of the EU NRR. Also, voluntary restoration work and localized ways for “doing in the nature” should be supported and enabled rather than restricted by the EU NRR.

Implementation and learning

The post-2027 EU policy and funding cycle provides an opportunity to test our proposal in practice before wider application. Decisions on energy, restoration, connectivity and services will shape land use, ownership and institutional capacity well into the 2030s. EU institutions can establish common pilot principles and support comparative learning. Member States and managing authorities can connect relevant instruments and remove procedural barriers, while territorial partnerships define priorities, responsibilities and benefit arrangements with residents and affected groups.

To move beyond mere fund absorption, local actors can benefit from defining their own place-based vision, driving a bottom-up alignment with funding instruments in line with the priorities of the new programming period. Accordingly, evaluation should assess whether the territory becomes genuinely better able to respond and adapt. A concise set of indicators can track:

- the availability, reliability and travel time of essential services;
- livelihood quality and diversity;
- the local share of employment, procurement, revenue, skills and ownership;
- ecosystem condition and preparedness for climate-related hazards; and
- participation in investment decisions and continuity of local delivery capacity.

Success means that people can build viable livelihoods, rely on essential services, care for ecosystems and influence decisions affecting their territory. Stronger territorial governance and institutional capacity would also enable mountain regions to contribute more fully to Europe’s resilience and enhance social cohesion objectives.

The MARGISTAR Contribution

MARGISTAR, COST Action CA21125, created a pan-European network, bringing researchers, practitioners, policymakers and mountain actors together to synthesize knowledge and co-create actionable pathways from marginalization toward green, digital and healthy futures. Its work anchors the analysis of periphery traps with comparative cases, local knowledge, future visions,

transformation pathways and exchange through the FAIRWAY platform. Notably, MARGISTAR's core contribution lies in providing insights into how durable capacity can be developed to coordinate across sectors and levels of government, learn from implementation and negotiate how the costs and benefits of change are distributed.

Evidence notes

The brief draws on MARGISTAR's comparative cases, stakeholder exchange, knowledge sharing through FAIRWAY, peer-reviewed polytraps research and the published MARGISTAR Issues Paper. The evidence is expert-led and comparative rather than statistically representative of every European mountain region. The three policy actions are proposals for development and testing, not evaluated interventions or formal MARGISTAR positions. Pilots should therefore be co-designed with residents, local authorities, land managers, businesses and service providers.

This document is based on work from
COST Action MARGISTAR, CA21125,
supported by COST (European Cooperation
in Science and Technology).

COST (European Cooperation in Science
and Technology) is a funding agency for
research and innovation networks. Actions
help connect research initiatives across
Europe and enable scientists to grow their
ideas by sharing them with their peers.
This boosts their research, career and
innovation.



Funded by
the European Union