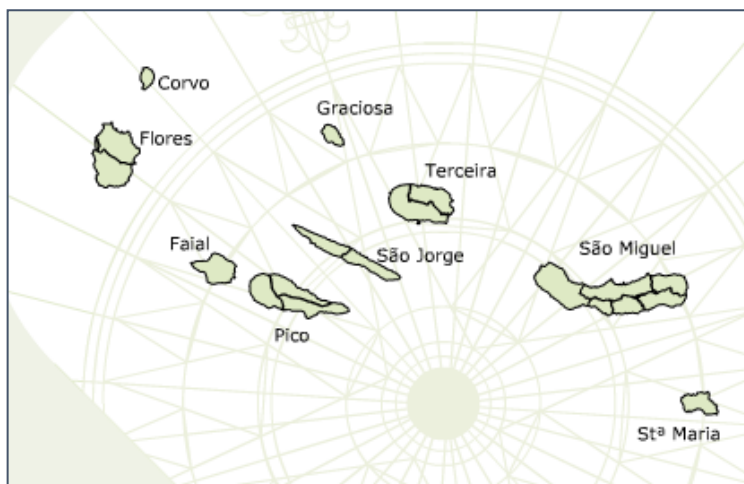


## Research for REGI Committee: The economic, social and territorial situation of the Azores (Portugal)

This briefing was prepared to provide information for the visit to the Azores (Portugal) of 22 to 26 May 2017 of a delegation of the European Parliament's Committee on Regional Development, the islands visited being São Miguel and Terceira.

### 1. Introduction

The Azores archipelago is an autonomous region of Portugal located in the North Atlantic, 1 500 km from the European mainland (distance from Lisbon). The archipelago is of volcanic origin and comprises 9 islands and several islets which belong to **three groups**: 1) the **Western Group** (with two islands: Flores and Corvo); 2) the **Central Group** (with five islands: Faial, Pico, São Jorge, Graciosa and Terceira); and 3) the **Eastern Group** (with two islands: **São Miguel** and Santa Maria, and the Formigas islets). The geographical position of Azores and its volcanic origin gave rise to a wide variety of ecosystems and landscapes. Some of the Azores' natural resources have been classified by UNESCO as biosphere reserves (i.e. Corvo, Flores and Graciosa). The Azores has a maritime climate, with on average a temperature of 20.5° C in summer and 16° C in winter. The marine surface area of the Azores is 954 496 km<sup>2</sup>, making it one of the largest exclusive economic zones (EEZs) in the European Union.<sup>1</sup>



Source: Freguesias.pt

**São Miguel** is the largest island in the Azores archipelago, with an area of 759 41 km<sup>2</sup>. It is 65 km long and 16 km broad at its widest point, the island is composed of two volcanic massifs separated by a low central ridge. The highest point is Pico da Vara in the eastern massif, which rises to 1080 m. The large craters of Sete Cidades, Fogo and Furnas contain wonderful lakes of crystal-clear water.<sup>2</sup> This island is also the seat of the regional government and is made up of 6 municipalities (see map above).

**Terceira** is an island with an elliptical form, with a surface of 381 96 km<sup>2</sup>. It is 29 km long and 17.5 km broad at its widest point. A plain, with the soft prominence of the Serra do Cume, dominates the most westerly point of the island. The central zone is distinguished by the crater of Guilherme Moniz caldera and by numerous craters with small lakes. On the eastern side rises a volcanic cone with a huge caldera, Serra de Santa Bárbara, with a maximum altitude of 1023 m.<sup>3</sup> Terceira is made up of 2 municipalities (see map).

<sup>1</sup> European Commission, [The Outermost Regions: European Lands in the World](#), 2017

<sup>2</sup> [Azorean Government](#) (consulted 9 March 2017)

<sup>3</sup> *ibid.*

The archipelago of the Azores has a **population** of 245 766 inhabitants (Regional Statistics Office, 2015 data), unevenly distributed across the islands. Some 56 % of the population live on São Miguel, 23 % on Terceira, and 21 % on the other 7 islands.

**Table 1: Key data**

Flag	
Main cities	Ponta Delgada (São Miguel, seat of the Regional Government) and Horta (Faial, seat of the Legislative Assembly)
Surface area	2 322 km <sup>2</sup>
Population	245 766 inhabitants (Regional Statistics Office, 2015)
Population density	105.3 per km <sup>2</sup> (2015, based on data from the Regional Statistics Office )
GDP per capita	EUR 15 383 (2015, Regional Statistics Office)
GDP per inhabitant in PPS (EUR-28 = 100; Portugal = 76.8))	Azores - 69.2 (2014, Statistics Portugal)
GDP at current market prices	EUR 3 731 million - Eurostat, 2014)
Unemployment Rate	11.1 % (same as for Portugal as a whole - , Statistics Portugal, 2016)
Employment rate	59.7 % (Statistics Portugal, 2015)
Early leavers from education and training	26.9% (Statistics Portugal, 2016)
Graduates per 1000 inhabitants	20.2 (2011/2012, Statistics Portugal) - total for Portugal 77,4

**Sources:** Regional Statistics Office, Statistics Portugal, Eurostat, Azores Regional Government

**Political and administrative system of the Azores:** since 1976 the Azores has enjoyed the status of autonomous region with its own political and administrative regime, having self-governing institutions, i.e. the Regional Government and the Legislative Assembly<sup>4</sup>. The Regional Government is the executive body of the Region and the superior body of the regional administration. It is also politically accountable to the Legislative Assembly. The Legislative Assembly is composed of 57 members, elected by direct universal suffrage every 4 years and, apart from its legislative powers, has the power to monitor the activity of the Regional Government. There are also 19 municipalities (*concelhos*).

As an autonomous region, the Azores has its own tax-raising powers and has the power to adopt the regional economic and social development plan and the regional budget and to participate in negotiations for international treaties and agreements that concern the region. It can also legislate in matters of agricultural policy, fisheries, sea and marine resources, trade, industry, energy, tourism, infrastructures, environment and regional planning.<sup>5</sup>

<sup>4</sup> Portuguese Constitution, [Political and administrative system of Azores](#), Title VII, Autonomous Regions

<sup>5</sup> [Political and Administrative Statute of the Autonomous Region of the Azores](#), Law 2/2009, 12 January 2009

**Table 2: Political summary**

<b>Representative of the Portuguese Head of State</b>	Pedro Manuel dos Reis Alves Catarino	
<b>President of the Legislative Assembly</b>	Ana Luísa Pereira Luís	
<b>Composition of the Legislative Assembly - Political groups</b>	Socialist Party (PS)	30 Members
	Social Democratic Party (PSD)	19 Members
	Democratic and Social Centre – People's Party (CDS-PP)	4 Members
	Left Bloc (BE)	2 Members
	Communist Party (PCP)	1 Member
	People's Monarchist Party (PPM)	1 Member
<b>President of Regional Government</b>	Vasco Alves Cordeiro (appointed by the Representative of the Portuguese Head of State)	
	Within the Regional Government, the Regional Directorate for Planning and Structural Funds is the managing authority for the Regional Operational Programme Azores (Director: Rui Manuel Gaiola Von Amann).	
<b>Elections to the Legislative Assembly</b>	Next: 2020 Most recent: 2016	

Sources: Regional Government and Legislative Assembly, March 2017

**Economy and labour market:** The region's economy is mostly based on **services**, with an important role in terms of employment played by the public administration, followed by the wholesale and retail trade, transport, accommodation and food-related service activities (see table below). The sectors of **agriculture** (with a strong focus on dairy farming) and **fisheries** are also very relevant for the economy of the Azores. As regards agriculture and primary activities, their regional Gross Added Value (GAV) has been marked by a progressive reduction: these activities represented 8.5 % of regional GAV in 2009 (a percentage which is still high when compared to that for Portugal as a whole - i.e. 2.3 % of national GAV). There is a high dependence on family labour (about 80 %). Agricultural producers in general do not have a high educational level, and transport costs make agricultural products less competitive in terms of exports. In recent years, despite the importance of dairy farming, other products have gained importance in the production structure of the archipelago. These include cereals, horticultural products, fruit, flowers and ornamental plants, wine and industrial crops.

**Industry** is mainly of the agri-food type (cheese, milk, butter, wine and forestry processing) and plays a less important role in the economy of the archipelago. Thanks to the Azores' natural landscapes, ecosystems and biodiversity, **tourism** has been progressively gaining weight in the region: this applies to both the tourism sector itself and to a wide range of activities related to it. Finally, recent years have been characterised by a diversification effort in a number of economic sectors, with special attention being paid to new technologies in order to promote more competitive advantages for the region by modernising and restructuring certain of its production structures.<sup>6</sup>

<sup>6</sup> Autonomous Region of the Azores, [Assumptions and context for the Action Plan 2014-2020](#), 2013

**Table 3: Employment in the Azores (persons aged between 15 and 64), by economic activity (in thousands), 2015**

Employment by economic activity	2015
Agriculture, forestry and fisheries	10.3
Industry (except construction)	9.5
Construction	6.6
Wholesale and retail trade, transport, accommodation and food-related service activities	25.7
Information and communication	No data
Financial and insurance activities	No data
Real estate activities	No data
Professional, scientific and technical activities; administrative and support service activities	4.9
Public administration, defence, education, health and social work	34.2
Arts, entertainment and recreation; other service activities; activities of domestic and extraterritorial organisations and bodies	9.8
<b>Total</b>	<b>103.5</b>

Source: Eurostat, 2015

According to the Regional Government, in 2016 the Azores registered, for the third consecutive year, a strong level of economic growth: GDP grew by 2 %, compared to the national average of 1.4 %. Nevertheless, despite this recent growth, structural economic and social weaknesses still pose challenges to the region developing its full potential (see for example the distribution of regional GDP by island in 2014, which is characterised by inequality, with regional GDP being mostly concentrated in São Miguel and Terceira).

**Table 4: Distribution of regional GDP by island - 2014**

Santa Maria	São Miguel	Terceira	Graciosa	São Jorge	Pico	Faial	Flores	Corvo	TOTAL
2.8%	<b>58.2%</b>	<b>21.5%</b>	1.5%	3.3%	5.0%	6.2%	1.3%	0.2%	100.0%

Source: Regional Statistics Office: GDP by Island

## 2. Previous programming periods: summary

The Azores has received EU funding since 1986, in which year when Portugal joined the EU. Before that date, the Azores received EU support from the pre-accession instrument. In addition, the archipelago is recognised by Article 349 of the Treaty on the Functioning of the European Union (TFEU) as an outermost region (OR), by reason of its 'remoteness, insularity, small size, difficult topography and climate [and] economic dependence on a few products'<sup>7</sup>. Therefore, the Azores benefits from specific measures, such as suspension of Common Customs Tariff duties on imports of certain industrial products, reduced rates of excise duty on locally produced and consumed liqueurs and eaux-de-vie, etc. Supplementary measures are also foreseen, such as additional ERDF allocations and agricultural measures (POSEI programmes) since 1991, funded from the European Agricultural Guarantee Fund (EAGF) and intended to help maintain regional milk production and the meat sector<sup>8</sup>.

<sup>7</sup> Article 349 TFEU)

<sup>8</sup> European Commission, [Report on the implementation of the scheme of specific measures for agriculture in favour of the outermost regions of the Union \(POSEI\)](#), COM(2016)0797, 2016, and [Mémorandum conjoint des régions ultrapériphériques](#), Fourth Forum of the Outermost Regions, 30-31 March 2017

**Table 5: Azores - EU funding since 1985 (ERDF, ESF, CF), in EUR**

	ERDF	ESF	Cohesion Fund
1985/86-88	19.756.072.54	1.616.094.00	0.00
1989-93	289.406.947.05	371.481.20	0.00
1994-99	547.936.750.65	61.647.416.57	0.00
2000-06	723.403.447.55	126.683.090.78	49.748.975.86
2007-08	166.823.638.57	15.844.169.92	23.595.884.93

Source: Court of Auditors. Opinions on the accounts of the Autonomous Region of the Azores, 1987 to 2008<sup>9</sup>

Until the early 1990s the per capita GDP of the Azores was 42 % of the EU average. However, this situation started to change from the end of the 1990s, thanks in part to the contribution of the Community funds<sup>10</sup>. Since 2008, due to the financial and economic crisis, and approximately until 2013, there was an economic slowdown in the Azores, accompanied by layoffs in 2010 and 2011 and by high unemployment rates (some 17 % in 2013 as compared to 4.3 % in 2007). In the previous programming periods, investment cofinanced by the EU was dedicated to basic infrastructure and social and economic structures.

In the 2007-2013 programming period, for example, the Azores fell under the 'Convergence Objective' and managed one regional operational programme with ERDF contributions of EUR 966 million (the total amount under the programme was EUR 1.2 billion). The main priorities during the previous programming period for ERDF funding were to ensure efficiency of economic production, create jobs, contribute to cohesion and balance in the region, and provide access for the population to higher levels of qualification, wellbeing and quality of life. The region was also benefiting from funding from the ESF (EUR 190 million)<sup>11</sup> and the CF (the latter targeting, for example, improvement of the regional infrastructure networks, e.g. ports and airports). Besides, in 2007-2013 and for the second time, the Azores participated in the Transnational Cooperation Programme 'Madeira-Açores-Canarias' with investment through the ERDF amounting to around EUR 55 million.

**Table 6: Azores: ERDF - 2007-2013 allocations by Priority Axes**

Priority Axis	EU Investment	National Public Contribution	Total Public Contribution
Encourage the creation of wealth and jobs in the Azores	344 444 353	60 784 298	405 228 651
Strengthen the society of the Azores and improve integration	233 781 483	41 255 556	275 037 039
Improve regional infrastructure networks linked to accessibility	170 989 709	30 174 655	201 164 364
Upgrade and enhance the environmental system	147 532 671	26 035 177	173 567 848
Compensation for the additional costs linked to the remoteness of the Azores ('OR' allocation)	65 600 833	65 600 833	131 201 666
Technical assistance	4 000 000	705 882	4 705 882
Total	966 349 049	224 556 401	1 190 905 450

Source: European Commission, DG REGIO, Operational Programme 'Azores', 2007-2013

<sup>9</sup> Ana Cristina Bettencourt Medeiros, 'Contributo para o estudo do impacto dos Fundos Comunitários na Economia e no Emprego da Região Autónoma dos Açores', University of the Azores, 2010

<sup>10</sup> European Commission, [Autonomous Region of the Azores: Action Plan 2014 – 2020](#), COM(2012)0287, 2013

<sup>11</sup> European Commission, DG REGIO, [Operational Programme 'Azores'](#), 2007-2013

According to the Regional Annual Report<sup>12</sup> on the 2007-2013 ERDF regional OP, in 2014 there was an execution rate of 96.1% (the final year for execution of the OP was 2015). Similarly to previous years, 51.2 % of ERDF investment was concentrated in **São Miguel** and **Terceira** (where the majority of the population live). The investment targeted operations linked to four main economic activities, i.e. construction, public administration, transport and social infrastructures. The same report highlights some of the key results as at the end of 2014 for the region, for example:

- approximately 305 companies had benefited from direct business support, 91 of them being start-ups;
- 511 jobs were created;
- 14 843 students had benefited from a series of educational measures;
- there was an increase in household internet connections (connection rate of 70 % in 2014, as compared to 37 % in 2006);
- there was an increase of 73 % in the number of visitors to cultural infrastructures (compared to the reference value of 2007);
- more 100 727 inhabitants had running water;
- around 2 460 people benefited directly from social assistance projects;
- 595 km of road had been either constructed or renewed with ERDF support.

All in all, EU cohesion policy has been of major importance for the Azores. In macroeconomic terms, it has had a positive impact on regional GDP (with a 3.4 % increase over the last 30 years), boosting investment and employment. Furthermore, it has been considered that the significant improvements in local living conditions and job opportunities resulting from EU funding have made it possible for the Azores to retain its local population, avoiding the 'outmigration' phenomenon and consolidating a convergence trend.<sup>13</sup>

### 3. EU cohesion policy 2014-2020

#### 3.1 Objectives and funds: Portuguese context

Over the 2014-2020 programming period, Portugal has an allocation from the ESI Funds of EUR 25.79 billion<sup>14</sup> in order to support the socio-economic development of the country. Concrete actions have been established through **National Operational Programmes** and **Regional Operational Programmes**, as follows:

**6 National Operational Programmes:** 1- ERDF/ESF/CF - Competitiveness and Internationalisation; 1 ESF - Human Capital; 1 - EMFF - Maritime and Fisheries; 1 ESF/YEI - Social Inclusion and Employment; 1 CF - Sustainability and Resource Use Efficiency; 1 ERDF - Technical Assistance;

**10 Regional Operational Programmes:** 7 Multi-fund Programmes ERDF and ESF and 3 Mono-fund Programmes (Rural Development).

Besides the above-mentioned operational programmes, Portugal also participates in 9 **European Territorial Cooperation Programmes** (i.e. 1 cross-border cooperation programme (Spain - Portugal), 4 Transnational Cooperation Programmes and 4 Interregional Cooperation Programmes).

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<sup>12</sup> Autonomous Region of the Azores, [2014 - Relatório Anual de Execução](#) (2014 - Annual Execution Report), 2015

<sup>13</sup> Duarte Rodrigues, [The EU Funds in Portuguese Outermost Regions - Relevance, results and challenges](#), Portuguese Agency for Development and Cohesion, EC, Fourth Forum of the Outermost Regions, 30-31 March 2017

<sup>14</sup> EC, [European Structural and Investment Funds - Portugal: Country Factsheet](#), 2016

## 3.2 Objectives and Funds - The Azores

**The Azores** is one of the 4 Portuguese regions (NUTS 2 level) belonging to the category of less developed regions (i.e. GDP per head < 75 % of EU-27 average), and the 2014-2020 programming period is considered a turning point for the archipelago. Although the current programming period has started with uncertain economic prospects for the region, it is expected that ongoing investment will tackle some of the **main weaknesses** of the Azores, which are linked to the **small size and fragmentation of the local labour market**, to the fact that **regional economic activities are concentrated in limited sectors** and mainly concentrated on the larger islands, to an **excessive dependence on the external market**, and to **insufficient investment in innovation sectors**.

In the current programming period, the **Azores is managing 2 Regional Operational Programmes**: 1 Multi-fund (ERDF/ESF) and 1 Mono-Fund (Rural Development). Furthermore, the region also participates directly in the European Territorial Cooperation (ETC) Programme 'Interreg V-A-Madeira-Açores-Canarias (MAC)'. This ETC programme aims to protect the environment, boost tourism and economic growth, and link research and development. Its total budget amounts to EUR 130 million (EUR 110.6 million allocated from the ERDF).<sup>15</sup>

Regarding the **Multi-Fund Regional Operational Programme (ERDF/ESF)**, the EU contributions amount **EUR 1.1 billion**, including the OR special allocation of approximately EUR 57 million (total programme budget = EUR 1.3 billion with a cofinancing rate of 85 %). In line with the Europe 2020 strategy priorities, the programme aims at<sup>16</sup>:

- fostering Research and Development (R&D) knowledge transfer to SMEs;
- promoting the competitiveness of the businesses of the region;
- promoting sustainable transport chiefly by developing and improving low-carbon transport systems;
- investing in education, training and vocational training for skills and lifelong learning;
- supporting the development of renewable energy sources and improving energy efficiency in enterprises and buildings; and
- promoting sustainable and quality employment and supporting labour mobility.

This OP concentrates **84 % of the available resources** on the **Thematic Objectives (TOs) 3, 7, 8, 9 and 10**. **TO 3** (i.e. enhancing the competitiveness of SMEs) concentrates 24 % of the ERDF resources and is in line with the RIS3 for the Azores, which was defined mainly around the agri-food industry, tourism and the exploitation of marine resources, having four main aspects: 1) to focus investment on a limited number of priorities on the basis of the region's own strengths and international specialisation; 2) to upgrade and improve policy instruments, creating synergies and improving effectiveness; 3) to mobilise stakeholders through an entrepreneurial process of discovery; and 4) to improve internal and external connections, positioning the Azores in European and global value chains.<sup>17</sup>

**TO 7** (i.e. promoting sustainable transport and removing bottlenecks in key network infrastructures) concentrates 9 % of the ERDF resources; **TO 8** (i.e. promoting sustainable and quality employment and supporting labour mobility) represents 9 % of the ESF resources; **TO 9** (i.e. promoting social inclusion, combating poverty and any discrimination) represents 15 % of ERDF and ESF resources; and **TO 10** (i.e. investing in education, training and vocational training for skills and lifelong learning) concentrates 20 % of the ERDF and ESF resources (in equal shares)<sup>18</sup>. In addition, the specific support provided from the ERDF

<sup>15</sup> European Commission, [Spain-Portugal: EU invests almost €111 million to promote cooperation across the 3 archipelagos of Madeira, Canary Islands and Azores](#), June 2015

<sup>16</sup> European Commission, DG REGIO, [Regional OP Azores \(Autonomous Region\)](#), accessed 27 March 2017, and Portugal 2020, [Brochura - Programa Operacional dos Açores 2014-2020 financiado pelos fundos estruturais FEDER e FSE](#), 2014

<sup>17</sup> Government of the Azores, [RIS3 for Azores](#), 2012

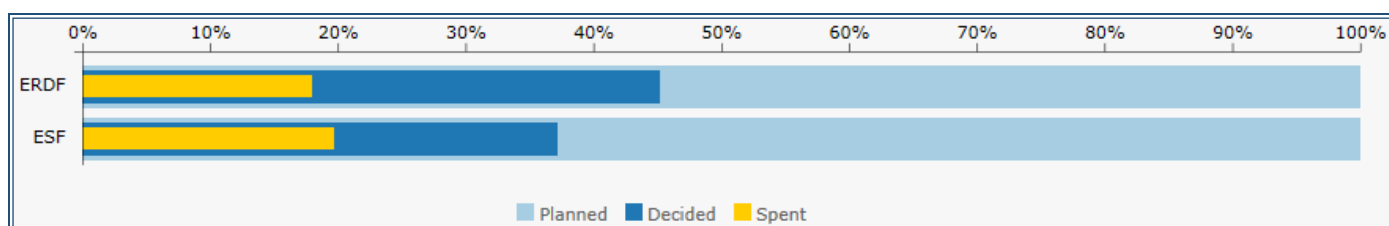
<sup>18</sup> Portugal 2020, [Programa Operacional dos Açores 2014-2020 financiado pelos fundos estruturais FEDER e FSE](#), 2014

in view of the Azores' status as outermost region will be applied by financing public passenger transport services between the islands, in order to boost the regional market by enhancing economies of scale and strengthening job creation.

Some of the expected impacts by the end of the current programming period are the creation of 325 new SMEs and investment in 720 existing ones; yearly reduction of greenhouse gas emissions by 47 435 CO2 equivalent tonnes; and the creation of 2845 jobs<sup>19</sup>.

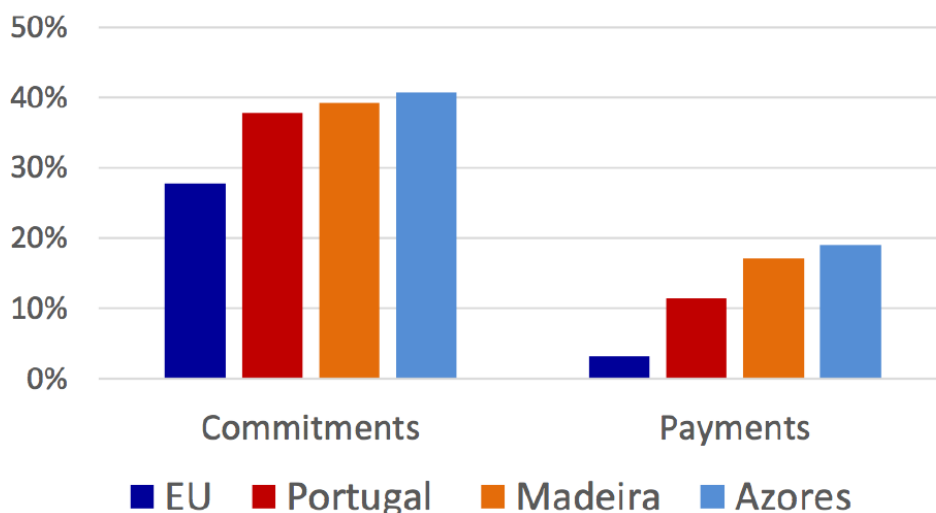
So far, and according to the financial data available up to December 2016, 17.9 % of the ERDF resources (i.e. around EUR 183 million) and 19.6 % of the ESF resources (i.e. around EUR 72 million) have been spent (see the figure below). According to the Portuguese Agency for Development and Cohesion, the level of the implementation of the ESI Funds in the Azores in the current programming period is high when compared to the national average (see figures below)<sup>20</sup>.

**Figure 1: Regional Operational Programme 'Regional Azores 2014-2020' - implementation by Fund (total cost - % of planned)**



Source: ESI Funds Open Data Portal, December 2016 financial data

**Figure 2: Portugal - Implementation of Structural Funds, 2014-2020 (data up to December 2016)**



Source: Duarte Rodrigues, Fourth Forum of the Outermost Regions, European Commission, 30-31 March 2017

<sup>19</sup> European Commission, DG REGIO, [Regional OP Azores \(Autonomous Region\)](#), accessed 27 March 2017

<sup>20</sup> Duarte Rodrigues, [The EU Funds in Portuguese Outermost Regions - Relevance, results and challenges](#), Portuguese Agency for Development and Cohesion, Fourth Forum of the Outermost Regions, European Commission, 30-31 March 2017



#### 4. Main challenges and opportunities for the future

Similarly to other small economies and other ORs, the Azorean economy is more vulnerable in terms of response to crises. In addition, there are still development challenges due to the archipelago's geographical position, which entails extra costs for goods and services (transport, logistics, energy), as well as constraints on economic and social integration with other national and EU territories. There is also a lack of critical mass for certain economic, financial or scientific projects. Furthermore, it is difficult to balance the traditional production processes, local living conditions and protection of the environment and ecosystems with the need to boost the local economy in order to compete in a globalised world.

Nevertheless, the region also offers many opportunities due to its geostrategic position and its biodiversity (it is an Atlantic link to other continents). The tourism potential anchored in valuable natural and cultural heritage is also of great importance for the regional economy. The Azores is also exposed to climate change-related phenomena. However, this too can represent an opportunity to develop pilot projects for mitigation and adaption measures, and some such projects are already under way, such as geothermic energy production in the Azores.

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# Annex I - Detailed Maps of São Miguel and Terceira

Figure A1: São Miguel



Source: Via Michelin

Figure A2: Terceira



Source: Via Michelin

## Annex II - Projects to be visited by the EP Delegation

### São Miguel island

- **University of the Azores - Interreg V-A - Madeira-Açores-Canarias (MAC) - 2014-2020 Programming Period**
  - > **REBECA Project**

**Summary:** This project aims to create a network of collections of microalgae and cyanobacteria in the archipelagos of Macaronesia (the Azores, Madeira and the Canaries) that will complement and expand the different collections that coexist in a fragmented way in this region. The network will serve as a basis to foster collaborations and synergies that allow different coordinated actions for the conservation of biodiversity. In addition, it will be a pilot project for the development and implementation of an industry associated with the blue economy. This project can directly benefit public administrations, research institutes and the industrial sector (cosmetics, bioplastics, etc), and can generate direct and indirect jobs throughout Macaronesia.

**Total cost:** EUR 255.410,99  
**ERDF support:** EUR 217.099,34
  - > **MACBIOBLUE Project**

**Summary :** This project will help companies to develop and implement technologies, products and processes in the field of blue biotechnology (algae), which has great potential for the region, including the priority areas of the regional RIS3. The potential of native species of microalgae and macroalgae will be evaluated, in terms of both industrial use and application in projects.

**Total cost:** EUR 92.123,86  
**ERDF support:** EUR 78.305,28
  - > **VOLRISKMAC Project**

**Summary:** This project aims to strengthen volcanic surveillance programmes in Macaronesia. The integration of its results will make it possible to determine with greater guarantee the state of the volcanic systems under study, an essential action for the detection of future earthquake/volcanic crises. Given the complexity of the volcanic phenomena, emphasis will be placed on the use of ICTs.

**Total cost:** EUR 430.472,31  
**ERDF support:** EUR 365.901,46
- **NONAGON Science and Technology Park (2014-2020 programming period)**

**Summary:** The NONAGON Science and Technology Park aims to create conditions to attract companies from outside the region that can bring added value to the regional business fabric, with incubation co-work spaces dedicated to large technological and innovation/demonstration events, as well as an auditorium with capacity for 260 seats. This project is part of an initiative of the Regional Government of the Azores in partnership with the Municipal Council of Lagoa, with the aim of promoting the articulation between the public, private and university sectors, leading to the creation of a new development model.

**Total cost:** EUR 8.980.481,30  
**ERDF support:** EUR 7.633.409,11
- **Paim Nursery - (2014-2020 Programming period)**

**Summary:** The construction of a nursery in the municipality of Ponta Delgada, with capacity for 84 children, is a priority investment considering its economic, demographic and social characteristics, and considering that Ponta Delgada is the most populous municipality and one of the youngest in the Azores. The new nursery is part of the Regional Government's programme for social facilities, which aims to create social support structures to adjust to the needs of families, reconciling family life and work.

**Total approved:** EUR 1.297.915,80  
**ERDF support:** EUR 1.103.228,43

- **Furnas Lake (2007-2013 programming period)**

**Summary:** The remodelling of the river basins of Furnas and Sete Cidades has a twofold aim: to solve the eutrophication of the lagoons and to value and preserve the associated spaces, through the creation of pedestrian paths, urban furniture and buildings, with a didactic-pedagogical emphasis.

**Total cost:** EUR 4.157.743,40

**Cohesion Fund:** EUR 4.157.743,40

- **Construction of a new geothermal plant (Pico Vermelho, Ribeira Grande) (2000-2006 programming period) :**

**Summary:** Construction of a new geothermal plant in the Ribeira Grande geothermal field, involving the construction, supply and assembly of a turbo generator group with a power of 10 MW and respective auxiliary systems.

**Public financing:** EUR 20.511.382,91

**ERDF support:** EUR 10.255.691,47

## Terceira island

- **Quinta dos Açores Project (2014-2020 programming period)**

**Summary:** The company Quinta dos Açores is an SME dedicated to the food industry and also to the exploitation of a restaurant area. The project aims at renovating, enlarging and modernising the existing infrastructures in order to offer services to more customers.

**Total approved:** EUR 199.616,19

**ERDF support:** EUR 93.819,61

- **Production of biomass pellets (2007-2013 programming period)**

**Summary:** This project aims to transform local raw materials, to provide products for industrial activities, and to be a central resource for the regional economy; additionally it is also focusing on exports (internationalisation). It is an industrial activity whose business plan is succeeding in breaking out of local market constraints, introducing elements of clustering in an important area for the region.

**Total cost:** EUR 1.692.606,26

**ERDF support:** EUR 1.438.715,32

- **Public Library and Regional Archive of Angra do Heroísmo (2007-2013 programming period)**

The construction of the new Public Library and Regional Archive of Angra do Heroísmo aims to promote a taste for reading and to attract new audiences (both children and adults), creating comfortable spaces to support students and researchers. It will also preserve the regional archive collections. It was inaugurated in 2016.

**Total cost:** EUR 8.904.321,18

**ERDF support:** EUR 7.568.673,00

- **Port of Vitória Beach (Praia da Vitória) (2000-2006 programming period)**

**Summary:** The ocean port of Praia da Vitória has the capacity to receive large vessels and serves as a platform for supplying the seven islands of the central and western groups of the Azores. This infrastructure was heavily damaged in 2001. The remodelling of the port has consolidated the existing infrastructure and its reorganisation and modernisation, making it possible to accommodate, in different areas, cargo ships and inter-island passenger ships.

**Total approved:** 32.750.522,00

**Cohesion Fund support:** EUR 27.182.933,00