



COMMITTEE ON REGIONAL DEVELOPMENT DELEGATION TO AZORES

23 - 25 May 2017

SUMMARY REPORT



European Parliament
2014-2019





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Summary

Subject	Delegation visit to Azores (Portugal)
Objectives	<p>Main objective:</p> <p>Azores is the Portuguese autonomous region laying almost 1360 kilometres from the continental Portugal. Outermost regions have to deal with a number of challenges related to their geographical characteristics (remoteness, insularity, small size, difficult topography and climate) and typical economic dependence on a few products (often agricultural products or natural resources) which constrain their future development. To compensate for these difficulties, during the 2014-2020 generation of cohesion policy, outermost regions have access to an additional allocation of EUR 1,387 billion.</p> <p>The delegation of the Committee on Regional Development was in Azores from 23 to 25 May 2017 to examine the implementation of cohesion policy in an outermost region, meeting with managing authorities and beneficiaries. The delegation had the opportunity to meet local authorities as well as high-level national decision-makers including the President of the Azores Regional Government and the President of the Association of Municipalities of the Azores.</p>
Places	<p>23-25 May 2017</p> <p>Azores: São Miguel & Terceira islands</p>
Participants	The delegation consisted of 12 Members and substitute Members of the Committee on Regional Development (delegation members and accompanying members) (see annex).

The list of participants and the programme are attached in the annex.



Tuesday 23 May 2017

The first part of the day consisted of:

1. Audience with the President of the Azores Regional Government



Main topics discussed:

- Achievements of the Cohesion Policy in Azores
- EU Funds in Azores, main objectives for the current programming period
- Future of the Cohesion Policy in the Outermost Regions

Key person met:

- **Mr Vasco Alves Cordeiro, President of the Azores Regional Government**

Meeting with the President gave an opportunity to the Members to learn more about challenges of Azores and expectations of the regional and local authorities. Mr Cordeiro took the opportunity to relay his concern regarding issues of pertinence to the Azores. He emphasised the importance of maintaining a cohesion policy based on the solidarity principles, especially for the most deprived regions. He also highlighted the potential risk that goes along with a multiplication of financial instruments, expressing a belief that - at least in the case of less developed regions - subventions should be maintained post-2020.



2. Project visit to Pico Vermelho Geothermal station



Main topics discussed:

- The use of an endogenous, geothermal source of energy in the Azores islands
- Enhancing of the energy self-sufficiency of a remote and isolated region

Key people met:

- **Mr Carlos Alberto Bicudo da Ponte**, EDA Renováveis, Executive Member of the Board
- **Mr Duarte Ponte**, EDA Renováveis, Chairman Board of Directors
- **Mrs Andreia Melo Carreiro**, Regional Director for Energy

This is one of the flagship projects in Azores for two main reasons. Firstly due to the ecological dimension; secondly because of the use of the main natural energy resource of the archipelago.

The Azores have a particular strength in this regard due to their natural abundance of geothermal energy sources and the large amount of potential that their maritime economy provides. This sector is particularly dynamic because new installations are planned in order to strengthen efficiency of the system.

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



3. Project visit of Furnas Research and Monitoring Centre (CMIF) & Environmental Rehabilitation of the Furnas Lagoon Basin



Main topics discussed:

- Environmental and tourism related challenges in the Outermost Regions
- Role of the Furnas Research Center on the crossroad of science, tourism and environment protection

Key person met:

- **Mr Hernâni Jorge**, Regional Director for the Environment

As with many Outermost Regions, Azores makes huge efforts for protection of the environment. This project is not only about the protection of the area but also about education of the public/visitors. Both goals seem to be reached.

The remodelling of the Furnas and Sete Cidades river basins 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



4. Project visit: “NONAGON” - Technology park of São Miguel



Main topics discussed:

- Technology park as a support for innovation in the Azores Region
- Articulation between public and private sectors as new development model

Key people met:

- **Mrs Teresa Ferreira**, NONAGON Managing Director
- **Mr Bruno Pacheco**, Regional Director for Science and Technology

The NONAGON, as with many other technological parks, provides a space for smart and future oriented companies. It's an ongoing project still in development. In addition to the visible added value of such an infrastructure this project also contributes to the creation of a dynamic around it.

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 fabric business, 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 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



5. Visit of the University of the Azores



Main topics discussed:

- Support from the EU Funds for high education in Azores
- Specificity of the University of the Azores - Institute of Volcanology and Risk evaluation
- Projects supported by the Cooperation programme INTERREG V-A 2014-2020

Key people met:

- **Mr João Luís Roque Baptista Gaspar**, Rector of the University of the Azores
- **Mrs Gabriela Queiroz**, Pro-rector for Science and Technology
- **Mr Bruno Pacheco**, Regional Director for Science and Technology

The visit of the University showed the importance of the local knowledge and expertise. Delegation met the Rector and visited the department of seismology. This was a highly interesting visit because of the importance to the geologic research in this volcanic region. The seismology laboratory monitors the situation at the crossroads between 3 plates (African, European and North American) and contributes to the early warning for inhabitants. This was also a perfect showcase on the added value of this University in the cooperation with other European regions and research centres. Knowledge building and sharing is a key point of the success of this laboratory. Another expertise built on the geographical position of Azores.



Wednesday, 24 May 2017

1. Project visit: Paim's Nursery School - Private Institution of Social Solidarity (IPSS)



Main topics discussed:

- EU support for social projects in outermost regions,
- Impact of Paim's Nursery School in the area - addressing demographic challenges in Azores

Key people met:

- **Mrs Marta Bulhões**, Regional Director for Social Security
- **Mr Antero Viveiros**, President of São Miguel Patronage's directorate
- **Ms Ana Feijó**, architect

The visit to the nursery showed how such an infrastructure can help citizens in their everyday work. Such a project contributes to the social cohesion of Ponta Delgada. Members were interested in the structure and financial viability of this project on the everyday base.

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



- After the visit of the Nursery school a transfer to Terceira island was organized. -

2. Project visit: Quinta dos Açores company - **cancelled**

Due to the significant flight delay from Ponta Delgada airport this visit had to be cancelled.

The company Quinta dos Açores is an SME dedicated to the food production and service industry. 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

3. Project visit: Public Library and Regional Archive of Angra do Heroísmo



Main topics discussed:

- Cultural infrastructure in the Outermost Regions - challenges and added value for the Cohesion Policy
- EU Funds social impact in the cultural sector

Key people met:

- **Mrs Cláudia Cardoso**, Regional Director for Angra do Heroísmo Public Library and Regional Archives
- **Mr Nuno Lopes**, Regional Director for Culture

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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.

This project is a showcase for use of the EU funds for cultural infrastructure. Although only at the beginning of the project, management and regional authorities already have a lot of ideas to maximise the space and make it more appealing for users. The library is also used for small exhibitions relating to the local cultural heritage. A main concern for MEPs was the use of this venue all year long and capacity to be used not only by a local population but also by tourists. This could help in making such an important and modern installation better integrated not only for the local users but for spreading Azores' cultural heritage to the increasing number of tourists.

Total cost: EUR 8.904.321,18

ERDF support: EUR 7.568.673,00

4. Project visit: Production of biomass pellets in the Autonomous Region of the Azores



Main topics discussed:

- Specificity of the Outermost Regions regarding sources of energy
- Support from FEDER to the energy efficiency and renewable energy sources in Outermost Regions
- Experience of Natural reason company in the Terceira project

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Key people met:

- **Mr Mário Alves**, Natural Reason Manager
- **Mr Ricardo Medeiros**, Regional Director for Support to the Investment and Competitiveness

Pellets factory is working on the basis of local wood and is well integrated in the local economy. Beside the factory MEPs visited also the major client using pellets, a dairy manufacture (one of the key economic sector in Azores). Thanks to this cooperation the chain from manufacturer to the final consumer is very short.

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

5. Project visit: Praia da Vitória's port - Portos dos Açores



Main topics discussed:

- LNG (liquid natural gas) bunkering project for Port of Praia da Vitória

Key person met:

- **Mr João Manuel Enes Garcia de Vargas**, Member of the Board of Directors of the Ports of the Azores



- **Mr Fernando Nascimento**, Chairman of the Board of Directors of the Ports of the Azores,
- **Mr Pedro Silva**, Member of the Board of Directors of the Ports of the Azores,
- **Mr Luís Melo**, Regional Director for Transport

The last project visit took the REGI delegation to the ocean port of Praia da Vitória which 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.

A large number of topics were addressed during this meeting because of the key geographical position of Azores. Even though, in terms of the traffic Azores are still behind Madeira. During this meeting also, specific geographical position of the Outermost Regions was pointed not only as a handicap but also as an advantage.

Total approved: 32.750.522,00

Cohesion Fund support: EUR 27.182.933,00



Thursday, 25 May 2017

1. Breakfast meeting with the President of the Association of Municipalities of the Azores



Main topics discussed:

- Access to the EU Funds for local authorities - challenges and added value
- Experience of the municipalities and expectations for the future

Key person met:

- **Dr Roberto Monteiro**, President of the Association of Municipalities of the Azores and Mayor of Praia da Vitória

The last meeting of the delegation was very lively. Dr Monteiro presented his opinions and expectations regarding Cohesion Policy from beneficiaries' point of view, occasionally divergent from the delegation position. Members of the delegation clarified some points, shared some ideas and suggested a more proactive behaviour on the side of municipalities.



2. PRESS CONFERENCE



Around 8 journalists attended the press conference. They represented media outlets of the Azores (e.g. TV channel and publishing companies).

The main message given by the media was in line with the main conclusions of the visit; the European Fund for Strategic Investments (EFSI) might be complementary to the aid provided both by EU Structural Funds and Cohesion policy to promote the economic development of the outermost regions, however EFSI should neither replace nor distort regional policy. The recent interpretation of Article 349 TFEU by the ECJ allows for its innovative and positive application. The geographical features of the outermost region Azores should be an asset instead of a hindrance.

The Chair of the delegation, Younous Omarjee, and Portuguese MEPs Liliana Rodrigues, Sofia Ribeiro and Ricardo Serrão Santos were the main actors in the news pieces.

You can find links to articles on page 18.



Concluding remarks

Over two and half days, through eleven meetings and exchanges with local actors, the delegation visited a range of completed and ongoing projects.

Meeting with the President of Azores Government and President of the Association of municipalities were the only two political meetings. For the rest of the time the delegation visited eight projects (one was cancelled because of the late transfer from São Miguel to Terceira Island).

There was a huge interest amongst the Members as for projects which are using Azores' strengths because of their particular geographical position. The geothermic plant or seismic research centre were the most emblematic in that respect. This expertise should be shared with other EU territories. Such cooperation is already well established in the monitoring of the seismic activities in the region.

Throughout the visit MEPs have seen importance of the European Funds for Outermost Regions. Regional authorities expressed worries that financial instruments could take over subventions in the cohesion policy. They have underlined that latter are very important at least for less developed regions. Overall, the visit by the delegation enabled the Committee to gain an overview of projects on the ground and to discuss with beneficiaries. EU funds contributed to a number of successful projects in Azores. At the same time MEPs expressed a wish to also see problematic ones in order to have a full picture of the situation on the ground.



Media Coverage

Links to the Articles:

1. Journal “O Breves”

<https://obreves.pt/2017/05/23/vasco-cordeiro-recebeu-deputados-europeus-da-comissao-desenvolvimento-regional/>

2. Journal “Açoriano Oriental”

<http://www.acorianooriental.pt/noticia/vasco-cordeiro-destaca-boa-utilizacao-dos-fundos-comunitarios-no-arquipelago>

3. Journal “Diário de Notícias - Madeira”

<http://www.dnoticias.pt/madeira/liliana-rodrigues-desloca-se-ate-os-acores-pela-comissao-de-desenvolvimento-regional-do-parlamento-europeu-MF1430619>

4. Journal “Diário de Notícias - Lusa”

<http://www.dn.pt/lusa/interior/vasco-cordeiro-destaca-boa-utilizacao-dos-fundos-comunitarios-no-arquipelago-8499925.html>

<http://www.dn.pt/lusa/interior/geografia-e-o-principal-trunfo-dos-acores---eurodeputado-8506681.html>

5. Journal “Diário Insular”

<http://www.diarioinsular.pt/version/1.1/r16/?rid=67730&cmd=agenda&year=2017&month=5&day=26>

Lead with picture in the front page and full-page article inside, however only available for subscribers.

TV

RTP - Açores

https://www.rtp.pt/acores/local/eurodeputados-querem-reforçar-apoios-comunitarios-para-os-acores-video_54076



ANNEXES

LIST OF PARTICIPANTS

MEMBERS	Lang. Spoken	Political Group	Tel. Fax BXL/STR	Office BXL/STR
Mr Younous OMARJEE (Chair of the Delegation)	FR	GUE/NGL	45643/49643 75643/79643	WIB 07M033 LOW T05020
Mrs Ivana MALETI	HR, EN	EPP	45734/49734 75734/79734	ASP 14E165 LOW T09033
Mr Daniel BUDA	RO	EPP	45110/49110 75110/79110	ASP 07F254 LOW T11023
Mr Stanislav POL ÁK	CS, EN	EPP	45485/49485 75485/79485	ASP 06F254 LOW T09058
Mrs Constanze KREHL	DE, EN	S&D	45134/49134 75134/79134	ASP 12G258 LOW T07013
Mr Tonino PICULA	HR, EN	S&D	45948/49948 75948/79948	ASP 09G265 LOW T07058
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TOTAL NUMBER	10			
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Mr Ricardo SERRÃO SANTOS (participating on 23/5)	PT, EN, FR	S&D	45655/49655 75655/79655	ASP 14G342 LOW T08037
TOTAL NUMBER	3			
TOTAL NUMBER MEPs	13			

¹ Accompanying Members in accordance with Article 4(1)(a) of the Bureau decision Travel by Committee delegations outside the three places of work of the EP from 2 October 2000: "Members elected in the Member State to which the delegation travels,"



DG IPOL - Directorate B - Directorate for Structural and Cohesion Policies - REGI secretariat	Lang. spoken	Tel. BXL/STR	Office BXL/STR
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Mr Tudor-Bogdan ROGIN (ALDE)	RO, FR, EN	32747/72816	PHS 55C099 WIC M04019
Mr Georgios KARATSIOUBANIS (GUE/NGL)	EL, EN	32595/74398	PHS 05C007 SDM G04022
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Mrs Ana Maria ANTUNES VIEIRA <i>Public relation officer, EP information office in Portugal</i>	PT, EN	54912	LIS BUR.INF.
Mr José DIABINHO <i>Technician for 'Valise'</i>	PT, FR	44241	ASP 02E202
TOTAL NUMBER	2		
INTERPRETERS (EN/FR/PT/PL/RO)	Main lang.	Linguistic profile	
Team Leader Mr Euclides LAZZAROTTO	PT	DE EN ES FR GL IT NL PL / [IT]	
Mr Sergio Filipe NOGUEIRA	PT	DE EN ES FR NL / [EN]	
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Ms Carol SYKES	EN	ES FR PT
Mrs Hélène BREANT	FR	DE EN PT
Mrs Dominique DE GEOFFROY	FR	DE EN ES IT PT
Mr Marek Robert ALBIN	PL	EN ES FR IT PT / FR
Mrs Karolina BEREZOWSKA	PL	EL EN FR / EN
Mrs Beata BRIAND	PL	EN ES FR IT PT / FR
Ms Ana Laura TIFRAC STOIAN	RO	DE EN FR / FR
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<i>TOTAL NUMBER</i>	12	
<i>TOTAL PARTICIPANTS NUMBER</i>	34	



PROGRAMME

TUESDAY - 23 May 2017 - SÃO MIGUEL

9:00-9:45	Audition with the President of the Azores Regional Government
9:45-10:15	Press point
10:45-11:45	Project visit of Geothermal station of Pico Vermelho - EDA RENOVÁVEIS
12:15-13:45	Lunch
14:00-15:00	Project visit of Furnas Research and Monitoring Centre (CMIF) & Environmental Rehabilitation of the Furnas Lagoon Basin
15:30-16:30	Project visit: "NONAGON" - Technology park of São Miguel
17:00-18:00	Visit of the University of the Azores
20:00	Dinner hosted by the President of the Azores Regional Government, Restaurant Anfiteatro, Ponta Delgada

WEDNESDAY - 24 May 2017 - SÃO MIGUEL/TERCEIRA

9:00-10:00	Project visit: Paim's Nursery School - Private Institution of Social Solidarity (IPSS)
11:50-12:30	Flight - Ponta Delgada to Terceira - delayed (13:50-14:30)
13:00-14:00	Lunch - Quinta dos Açores - cancelled
14:00-14:45	Project visit: Quinta dos Açores company - cancelled
15:00-16:00	Project visit: Public Library and Regional Archive of Angra do Heroísmo
16:30-17:30	Project visit: Production of biomass pellets in the Autonomous Region of the Azores (NaturalReason)
18:00-19:00	Project visit: Praia da Vitória's port - Portos dos Açores
19:30	Check-in hotel: Hotel Angra Marina

THURSDAY - 25 May 2017 - TERCEIRA

9:00-10:00	(Breakfast) meeting with the President of the Association of Municipalities of the Azores
10:00-11:00	Press Conference