

# THE INFLUENCE OF THE EUROPEAN H2020 PROGRAMME ON THE DEVELOPMENT OF REGIONS: THE MULTIPLIER IMPACT OF EU FUNDING IN THE REGIONS UNDER HORIZON 2020 IN NUT III – ALGARVE – PORTUGAL

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**Abstract:** The partnership agreement established between the European Union and the member countries for the application of the European Structural and Investment Funds (ESIF), in the period between 2014 and 2020, is reaching its final phase.

This study analyzes the multiplier impact on regional investment, of European funds made available for the Algarve - NUTS III region, under the H2020 program, until March 2020 and aims to answer the following questions:

- a) What is the amount invested in the regional economy for each euro of support allocated by the EU through the H2020 program.
- b) What is the percentage distribution of community support versus investment per area of intervention?

956 projects were supported which represented a total investment of 467,671,827.76 euros, having been supported with community funds in the amount of 249,966,698.38 euros, which represents a support of 53.4%, that is, for each euro support from the European Union, 1.87 euros were invested in the Algarve region. It can be concluded that, in the framework of Horizon 2020, and according to the data available until March 31, 2020, 956 projects were support.

Considering that the initial objectives of the European Union foresaw support of 318,676,488.00 euros providing a global investment in the region of 437,289,055.00, that is, each euro of support should generate a regional investment of 1.37€, we can conclude that the Algarve Region has already exceeded the estimated investment value for the region by 30 million euros. We still need to apply more than 68 million EU grants.

**Keywords:** Decentralisation; Investments; NUTS III; Public Value Capture; Property Value; Europe.

## 1. Introduction

On 12 June 1985, Portugal signed the Treaty of Accession to the European Economic Community (EEC). Prime Minister Mário Soares led the party that formalised, at the Jerónimos Monastery, the country's entry into the European project.

Portugal was going through a serious financial crisis, accentuated by the recession of the world economy. After the revolution of 25 April 1974 and the loss of the colonial market, Portugal maintained a great external dependency. It was in this context that the country approached the European market, making the application for EEC membership in 1977. Only in the next decade did this application come to fruition (1986), simultaneously with Spain, in what was the third enlargement of the European Community<sup>1</sup>.

The European Economic Community is part of the process of forming what today is the European Union, which was originally intended to foster economic progress, freedom and a lasting peace between Europe's neighbouring states. It started in 1950 with the European Coal and Steel Community (ECSC) by six founding countries: Germany, Belgium, Italy, France, Luxembourg and the Netherlands, which took the first steps towards the union of many of the European countries (Urwin, 1995).

The changes brought about by Portugal's full accession to the EEC in 1986, in a context of eliminating tariff, technical and fiscal barriers required by the completion of the European internal market in the horizon of 1993, constituted a fundamental milestone. It precisely situated the different experiences, policies and actions to promote development, whether at the sectorial, regional or national level (Mateus, 1995).

This evolution represented the culmination of a long process of European integration and was part of a broader movement of economic, social and political restructuring.

In fact, Portugal's full accession to the European Communities triggered a significant process of modernisation of structures and economic behaviour in parallel with the global liberalisation of markets. Public intervention started to be clearly polarised by the promotion of important infrastructure investments, namely, road, rail and port, telecommunications, energy, scientific and technological, education and professional training, among others, which were boosted by access to structural funds of community origin, aimed towards the regional development of the country (Portugal, 2002).

## 2. The Portuguese economy after joining the European Union: transformations and challenges.

### 2.1 The 2007-2013 Union Financing Framework

The National Strategic Reference Framework (QREN/NSRF) was the local framework for the implementation of the Community's policy for economic and social cohesion in Portugal in the period between 2007-2013.

The QREN took on the qualification of Portuguese men and women as a great strategic goal, valuing knowledge, science, technology and innovation, as well as promoting high and sustained levels of economic and socio-cultural development and territorial qualification, within a framework of valuing equal opportunities and, also, increasing the efficiency and quality of public institutions (QREN, 2007).

The pursuit of this great strategic plan was anchored on three major Thematic Operational Agendas (QREN, 2007):

- Operational Agenda for Human Potential;

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<sup>1</sup> See: Tratados (2008), *Versões Consolidadas do Tratado da União Europeia e do Tratado sobre o Funcionamento da União Europeia*, Jornal Oficial da União Europeia, series C, no. 26 115, 9 Retrieved from: <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:C:2008:115:SOM:PT:HTML>. Last accessed in 31.07.2020.

- Operational Agenda for Competitiveness Factors;
- Operational Agenda for Territorial Enhancement.

The execution of the NSRF (QREN) was made possible by the mobilisation of approximately 21.5 thousand M€, the use of which respected three main guidelines:

- Reinforcement of appropriations for the Qualification of Human Resources;
- Reinforcement of the financing directed to the Promotion of the Sustained Growth of the Portuguese Economy;
- Reinforcement of the financial relevance of the Continent's Regional Operational Programmes.

Depending on the Cohesion Policy Objectives:

- Convergence objective;
- Regional Competitiveness and Employment Objective;
- Objective of European Territorial Cooperation.

The operationalisation of these three Thematic Agendas was divided by the following QREN Operational Programmes (QREN, 2007):

- Thematic Operational Programmes;
- Regional Operational Programmes for the Continent;
- Operational Programmes of the Autonomous Regions;
- Operational Territorial Cooperation Programmes;
- Operational Technical Assistance Programmes.

The governance of the NSRF (QREN) was based on the following organic structure(QREN, 2007):

- A political steering body - the QREN Ministerial Coordination Commission;
- A technical body responsible for the respective coordination and strategic monitoring - the QREN Technical Coordination Commission.

Two technical bodies for the coordination and financial monitoring of the Cohesion Fund and the Structural Funds (ESF and ERDF) - IFDR and IGFSE, which, with the General Inspection of Finance, also exercised control and audit responsibilities (QREN, 2007).

## **2.2 The 2014-2020 Union Financing Framework**

The Partnership Agreement that Portugal proposed to the European Commission, called Portugal 2020, adopts the programming principles of the Europe 2020 Strategy H2020 (Commission, 2013) and enshrines the economic, social, environmental and territorial development policy to stimulate growth and job creation (in the coming years) in Portugal (FEDER, 2014).

The correction of budgetary and external imbalances in the Portuguese economy (the Economic and Financial Adjustment Plan adopted by Portugal in 2011) had negative social consequences and asymmetric impacts on the development of the various regions. Thus, public policies, namely those co-financed by community funds, should promote growth and employment, aiming at reducing poverty and correcting the remaining external imbalance (Portugal, 2011).

The programming and implementation of Portugal 2020 was organised into four thematic domains - competitiveness and internationalisation, social inclusion and employment, human capital, sustainability and efficiency in the use of resources - also considering the transversal domains related to the reform of Public Administration and the territorialisation of interventions. The identification of the main constraints and potentialities of these areas

allowed for the intervention priorities of the Union funds for the period 2014-2020 to be defined (Portugal, 2011).

The existing constraints in the field of competitiveness and internationalisation are due to the fact that productive specialisation is based on activities with low added value, low technological intensity and knowledge, the weak skills and strategies of companies inherent to the weaknesses in the qualification of employers and employees and their reduced propensity for more sophisticated business strategies; the difficult contextual conditions of the business activity, namely the financing conditions of the companies and the increased costs and transport times, taking into account the geographical position of Portugal in Europe, and the distance from the main export destinations, are other constraints felt.

Thus, the following public policy instruments are foreseen: direct incentives for business investment, especially in R&D, qualification of SME's focused on internationalisation strategies; indirect support for business investment to train companies to pursue more advanced business strategies; support for qualified and creative entrepreneurship and enhancement of more dynamic business opportunities and in innovation domains; support for the production and dissemination of scientific and technological knowledge, promoting international connections of the national and regional R&D systems, as well as the transfer of knowledge and technology between companies, R&D centres and higher education institutions; support for business training to train companies' human resources for innovation and internationalisation processes; investments in transport infrastructures, focused on reducing transport time and costs for companies, especially in the context of international connectivity; and support for administrative modernisation and training for Public Administration, aiming at reducing public costs (IAPMEI, 2015).

As for the social inclusion and employment domain, there is a high level of unemployment, due to the recent economic crisis. This is aggravated by the fact that long-term unemployment affects more than half of the unemployed, and the number of young people who are unemployed or studying or in training has increased significantly.

Another constraint is the strong segmentation of the labour market between a more qualified segment with a tendency for greater conditions of employability and quality of employment, and a less qualified segment or with qualifications that are not suited to the needs of the productive fabric, with the prospect of unemployment risks, structural change or access to precarious jobs. In this domain, and with these associated factors, a high level of poverty and social exclusion persists in Portugal. Thus, with a view to promoting employment and social inclusion, community support for the following policy instruments is undertaken: qualification of assets, for the development of certified skills for the labour market; transition between situations of inactivity or unemployment and employment, as well as net job creation and maintenance in the labour market; consolidation and requalification of the network of collective equipment and services; specific interventions in favour of target territories or groups where situations or risks of poverty are cumulative with those of social exclusion; promotion of gender equality, non-discrimination and accessibility, interventions that complement those mentioned above; combating failure and early school dropouts. These public policy instruments will be properly coordinated with the numerous instruments that, by their nature, will not benefit from the Union's funding.

The so-called Human Capital domain shows: a lag compared to the more developed countries in the average level of qualifications of the adult and young population (associated with the late schooling of the Portuguese population, the reduced participation of the adult population in certified education and training activities and the early school dropout of young people); the lack, despite the improvement, of a quality and efficient education and training system; and the mismatch between the qualifications produced and those sought by the labour market. It is therefore important to provide for direct interventions to reduce school dropout and promote educational success; promote professional training offers for young people; guarantee school social action (in basic, secondary and higher education); and provide higher level training.

The main constraints that Portugal still faces in the field of sustainability and efficiency in the use of natural resources are summarised in the high energy intensity of the Portuguese economy, in the inefficient use and management of resources, in the vulnerabilities in the face of various natural and technological risks and in the weaknesses in the protection of environmental values. The approach to respond to these constraints is structured in three vectors that will be the basis for the mobilisation of community funds for the next cycle: the transition to a low carbon economy, mainly associated with the promotion of energy efficiency and the production and distribution of renewable energy; risk prevention and adaptation to climate change; protection of the environment and promotion of resource efficiency, structured around the intervention areas: waste management; water management (urban water cycle and water resources management); management, conservation and enhancement of biodiversity; recovery of environmental liabilities; qualification of the urban environment, mainly as a result of the urban regeneration and revitalisation process (Português, 2014).

The Partnership Agreement was subject to an *ex-ante* evaluation that consisted of an interactive process of reflection that led to the consideration of the incorporation of the recommendations that occurred in the successive versions. One of the main conclusions was that the diagnosis that supports the Partnership Agreement and its recommendations and the identification of the thematic areas to be considered, are convergent and consistent with the objectives and goals of the Europe 2020 Strategy and with the National Reform Programme. As the intervention logic of the funds is organised around the above-mentioned thematic areas and with two dimensions of a transversal nature, thematic objectives selected from those provided for in the EEUU regulations, the investment priorities mobilised for the intended purposes, as well as the specific objectives and main expected results for each of them (Santana, Ferreira and Seller, 2018).

To complete the description of the programming logic, the operational delimitation (intervention of each Fund and Financing Operational Programme) and the territorial scale of intervention (articulation of national and regional scope) are presented (Português, 2014).

The Partnership Agreement applied the principle of partnership, embodied in the work of the Government, Public Administration, various entities of civil society and the public in general. It is important to highlight the involvement of institutional, economic and social partners in the preparatory work for the 2014-2020 cycle, in particular the Assembly of the Republic, the Economic and Social Council, the Permanent Commission for Social Coordination (which involves unions and business organisations) and the National Association of Portuguese Municipalities. Initiatives for the dissemination and consultation of civil society were also promoted. The principle of equality between men and women, non-discrimination and accessibility, and the principle of sustainable development were also guaranteed. The governance model of the Partnership Agreement and Operational Programmes 2014-2020 and its institutional architecture, aimed at four objectives: the simplification of the governance model, favouring, on the one hand, the segregation of responsibilities and institutional support for the exercise of political and technical orientation functions, and, on the other hand, valuing the involvement of partners; the orientation towards results, implemented through the valorisation of the results in the financing decisions and its evaluation and consequences resulting in the payments of the final balance of the projects; the establishment of common rules for financing, which not only ensure conditions of equity and transparency, but also competition between beneficiaries; and simplifying beneficiaries' access to financing and reducing their administrative costs. This programming exercise presents the assessment of compliance with the *ex-ante* conditionalities applicable at a national level. For cases in which, according to the aforementioned assessment, the conditionalities are not met, action plans have been established in accordance with Article 19 of Regulation (EU) 1303/2013. The principle of additionality was also verified (Português, 2014).

In order to ensure the performance analysis of all instruments, applying the mechanism provided for in the regulatory funds framework, called the Performance Framework, initiatives

were developed to ensure consistency in the selection of indicators for programming (Commission, 2016).

Finally, the territorial development strategies adopted that will contribute to the territorial strengthening of the Europe 2020 Strategy are clear, ensuring that the specificities and the different degrees of development of the sub-regions are taken into account, guaranteeing the involvement of sub-regional entities and regional and local authorities in planning and implementing their programmes and projects (Português, 2014).

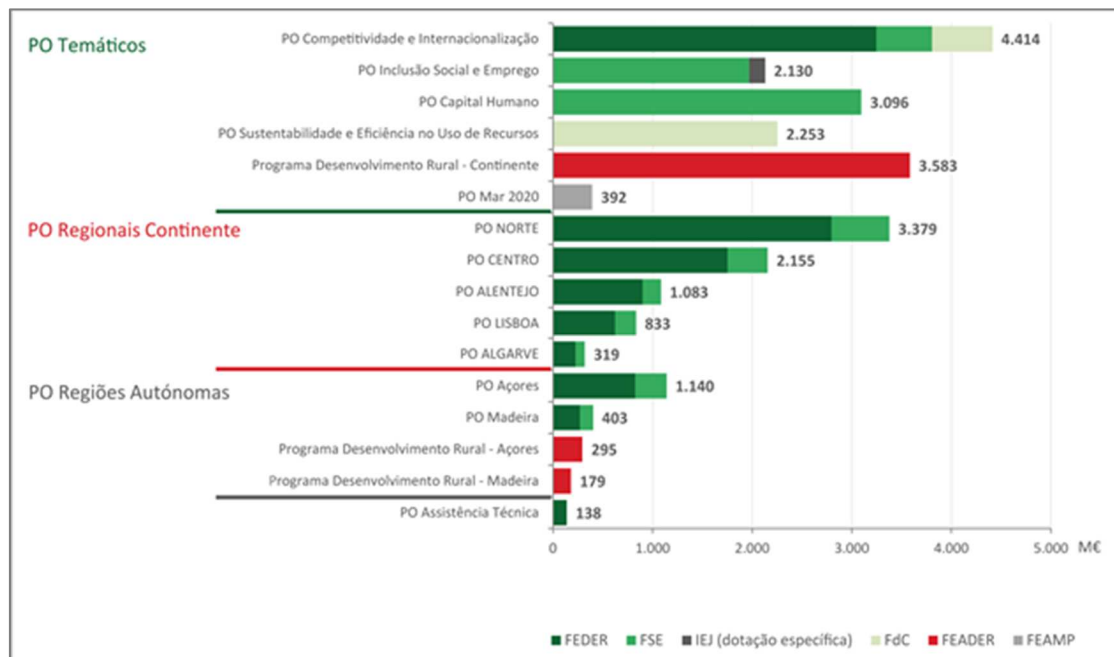
Portugal 2020 is the Partnership Agreement adopted between Portugal and the European Commission, which brings together the activities of the 5 European Structural and Investment Funds - ERDF, Cohesion Fund, ESF, FEADER and FEAMP. It incorporates the programming principles that conserve the economic, social and territorial development policies in Portugal between 2014 and 2020 (Português, 2014). These programming principles were aligned with Smart, Sustainable and Inclusive Growth, continuing Europe's 2020 Strategy (Barroso, 2010). It was forecasted that Portugal should receive around 25 billion euros by 2020; to this end, it defined the Thematic Objectives to stimulate growth and job creation, the interventions necessary to achieve them and the achievements and results expected from this financing: stimulating the production of tradable goods and services; increase in exports; transfer of results from the scientific system to the productive fabric; compliance with compulsory education up to 18 years; reducing the levels of early school dropouts; integration of people at risk of poverty and combating social exclusion; promoting sustainable development from the perspective of resource efficiency; strengthening territorial cohesion, particularly in cities and in low-density areas; rationalisation, modernisation and training of Public Administration were the main objectives of the policies to be pursued in Portugal up until 2020.

The programming and implementation of Portugal 2020 was organised into four thematic domains: - Competitiveness and Internationalisation; - Social Inclusion and Employment; - Human capital; - Sustainability and Efficiency in the Use of Resources. It also considered the transversal domains related to the reform of Public Administration and the territorialisation of interventions (Medeiros, 2020).

In terms of eligibility for European Investment Funds (ERDF, FC, ESF, FEADER and FEAMP), the 7 regions of Portugal were divided into (EEUU, 2014):

- Less developed regions (GDP per capita <75% EU average): North, Centre, Alentejo and Autonomous Region of the Azores (RAA)  
Funds co-financing rate: 85%
- Regions in transition (GDP per capita between 75% and 90%): Algarve  
Funds co-financing rate: 80%
- Most developed regions (GDP per capita > 90%): Lisbon and Madeira Autonomous Region (RAM)  
Funds co-financing rate: 50% (Lisbon) and 85% (RAM)

Portugal should receive 25 billion euros by 2020, for all the funds, which will be allocated under each of the 16 Operational Programmes, thematic and regional, as we can see in the following figure (Po. 2020 & E. Commission, 2020):



**Figure 1 - Operational, thematic and regional programmes**

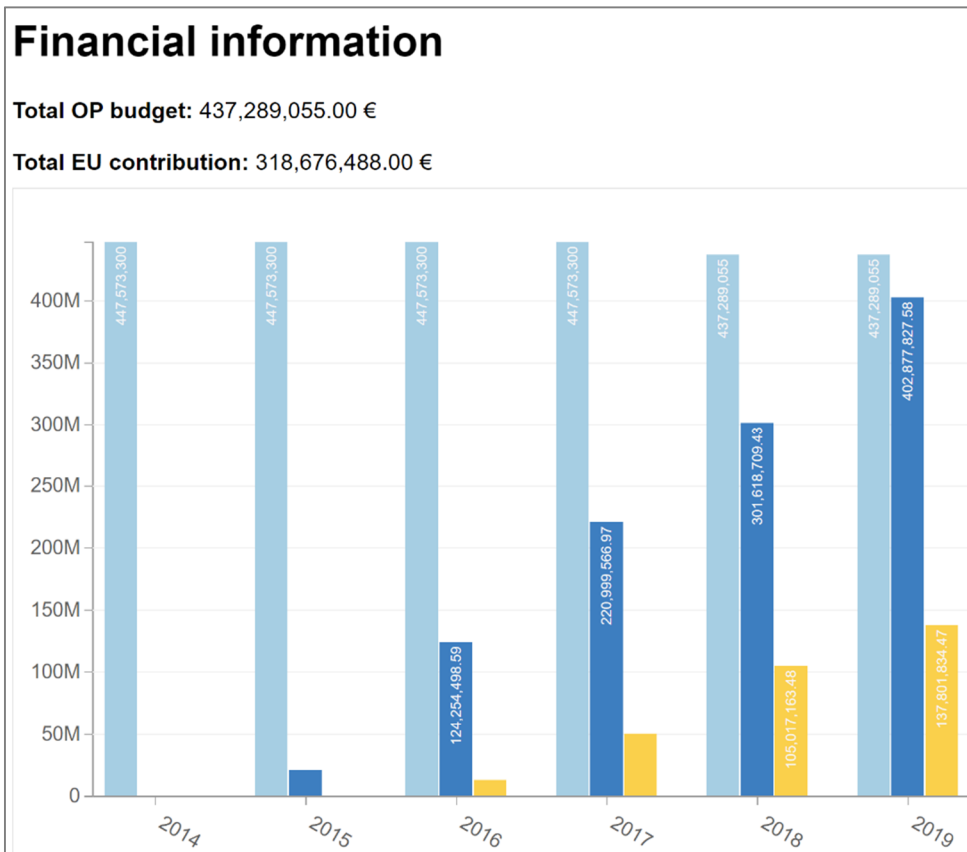
Source: European Union (POCH)(Po. 2020 & E. Commission, 2020)

### 3. The Algarve Region

The Algarve is a sub-region and historical province (or natural region) of Portugal, and is the most southern of all regions in the country. Its capital is the city of Faro. It coincides perfectly with the District of Faro, having an area of 5,412 km<sup>2</sup> and a permanent population of 451,005 inhabitants (as of 2011 Census), 0.06% of the population of Europe and 6.27% of the population of Portugal. It is the most important tourist region in Portugal and one of the most important in Europe. Its Mediterranean climate, characterised by mild and short winters and long, hot and dry summers, the warm and calm waters that bathe its south coast, its natural landscapes, the historical and ethnographic heritage and the renowned and healthy gastronomy, are attributes that attract millions of national and international tourists every year and make the Algarve the most visited region and one of the most developed in the country. In 2020, the Algarve is the second region of Portugal with the highest purchasing power, only behind the Metropolitan Area of Lisbon, with a GDP per capita of 83% of the European Union average. Due to the above-mentioned factors, the Algarve has become one of the Portuguese regions with the highest number of foreign residents, mainly from other European countries. In 2018, 69,000 of the inhabitants were not Portuguese (E. Commission, 2020; Portugal, 2018; ATA, 2016; INE, 2019).

### 4. Algarve's Regional Operational Programme 2014-2020

With an allocation of funds exceeding 318 million euros from the European Regional Development Fund (ERDF - 224,321,248.00 €) and the European Social Fund (ESF - 94,355,240.00 €) for the period 2014-2020, the Algarve programme aims to promote the competitiveness of the regional economic development, sustainable development and internal cohesion in the region, as well as the region's capacity to contribute to the achievement of the main national and European development objectives (CCDR Algarve, 2020). The European Union's objectives (Commission, 2014a) would be to provide a global investment in the region of €437,289,055.00 over the years, as shown in Figure 2 below; in other words, each euro of support should generate a regional investment of € 1.37:



**Figure 2 - Estimated investment over the period**

Source: European Union (2020)

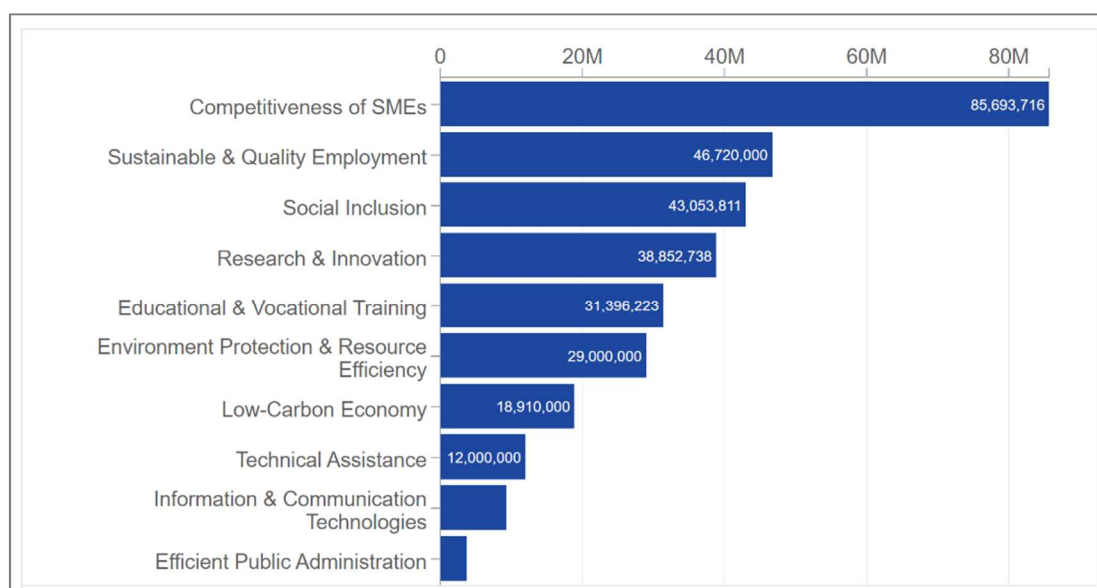
The Programme focuses on eight main priorities and one technical assistance (Commission, 2014b):

- 1- Promote regional research and innovation - ERDF - 12.19% of total EU resources to improve research and development (R&D) infrastructures, promote centres of competence and develop synergies between companies and research centres.
- 2- Support internationalisation, competitiveness of companies and qualified entrepreneurship - ERDF - 26.89% of the total EU resources to improve the competitiveness of SMEs through the promotion of entrepreneurship, business incubators and internationalisation.
- 3- Promote sustainability and resource efficiency - ERDF - 6.3% of EU resources to develop sustainable resources and energy efficiency (companies, public infrastructure, social housing) and promote strategies based on a low level of carbon emissions, namely in urban areas, including multimodal mobility.
- 4- Strengthening territorial competitiveness - ERDF - 7.8% of EU resources, to improve the actions concerning the conservation, protection and promotion of natural and cultural heritage, to improve in a sustainable and integrated way the urban environment through the revitalisation of cities, to requalify former industrial facilities, reduce air pollution and promote noise reduction measures;
- 5- Investing in employment - ESF and ERDF, 10.78% and 3.8%, respectively, of EU resources to create employment, improve access to employment for job seekers and inactive people, develop local initiatives and support labour mobility;
- 6- Ensuring social and territorial cohesion - ESF and ERDF, 9.9% and 3.9%, respectively, of EU resources to promote social inclusion, invest in health infrastructure, fight poverty and discrimination, support disadvantaged communities in rural and urban areas, improve the integrated approach to social intervention with local community-oriented strategies;

7- Improve skills - ESF and ERDF, 6.6% and 3.3%, respectively, of EU resources to invest in education, training, vocational training and lifelong learning, develop and modernise school infrastructure, reduce and prevent early school dropouts, increase the quality of education and improve the adaptation of the provision of educational and training to the needs of the labour market;

8- Modernise and empower the Administration - ESF and ERDF, 3.1% and 2.5%, respectively, of EU resources for the OP to improve access to information and communication technologies, invest in institutional capacity and efficiency administrations and public services;

9- Technical Assistance - ERDF, 3.1% of EU funds.



**Figure 3 - Thematic priorities**

Source: European Union(Commission, 2014b)

## 5. Results

At the date of the last update, 31/03/2020, a total of 956 projects were approved, generating a total investment of 467 million euros, which had a support from the Community of 250 million euros (53%), as can be seen in table 1 (CRESC Algarve, 2020):

**Table 1- Approved projects – Algarve 2020**

Dimension	Nr. of Projects	Investment amount	%	Community's Contribution	%	Per each € of incentive, it's invested
IDT & Innovation	115	45 104 829,95 €	9,6%	25 978 407,22 €	10,4%	1,74 €
Increase SME's Competitiveness	377	220 101 410,35 €	47,1%	86 156 847,33 €	34,5%	2,55 €
Support transformation for low carbon economy	14	4 323 600,78 €	0,9%	2 802 205,91 €	1,1%	1,54 €
Protect the environment and promote resource efficiency	77	53 593 264,61 €	11,5%	28 829 591,80 €	11,5%	1,86 €
Promote employment and support mobility	119	46 099 129,71 €	9,9%	35 325 941,05 €	14,1%	1,30 €
Promote social inclusion and fight poverty	148	38 682 712,71 €	8,3%	27 995 628,00 €	11,2%	1,38 €
Invest in education, capabilities and lifelong training	63	34 343 424,16 €	7,3%	22 338 471,02 €	8,9%	1,54 €
Promotion of IT in public services and administration	31	13 701 298,11 €	2,9%	10 961 038,48 €	4,4%	1,25 €
Technical assistance	12	11 722 157,38 €	2,5%	9 578 567,57 €	3,8%	1,22 €
<b>TOTAL</b>	<b>956</b>	<b>467 671 827,76 €</b>	<b>100,0%</b>	<b>249 966 698,38 €</b>	<b>100,0%</b>	<b>1,87 €</b>

Source: CRESC Algarve 2020 (CRESC Algarve, 2020)

According to the data published by CRESC Algarve (2020), the investment in R&D and innovation supported 115 projects with a value of 25,978,407 euros, which generated an investment of 45,104,829 euros.

In the area of business competitiveness, the 377 business projects (47.1% of the total) represented an investment of approximately 220 million euros with a European contribution of 86 million euros.

91 projects in the area of the environment were supported for a total value of 31.6 million euros, which generated a regional investment of 57.9 million euros.

In the area of employment and mobility, 119 projects were supported in the amount of 35.3 million euros, generating a regional investment of 46 million euros.

For social inclusion and the fight against poverty, 148 projects were supported for a total of 28 million euros, generating a regional investment of 38.7 million euros.

In the education and enhancement of skills and lifelong learning, 63 projects were supported for a total of 22.4 million euros, generating a regional investment of 34.3 million euros.

To promote information technologies in public services, 31 projects were supported, coming to a total of 11 million euros, which generated a regional investment of 13.7 million euros.

Finally, 12 projects in the area of technical assistance were supported for a total of 9.6 million euros, which generated a regional investment of 11.7 million euros.

The results indicate that each euro of support granted by the European Union through the H2020 Programme has the following impacts on investment in the Algarve Region: reinforcement of R&D and innovation OT1 = 1.74 euros; improvement of the competitiveness of SMEs OT3 = 2.55; support for the transition to a low-carbon economy OT4 = 1.54 euros; protection of the environment and promotion of resource efficiency OT6 = 1.86 euros; promotion of employment and support for labour mobility OT8 = 1.30 euros; promotion of social inclusion and the fight against poverty OT9 = 1.38 euros; education, skills and lifelong learning OT10 = 1.54 euros; promotion of health technologies in administration and public services axis 8 = 1.25; technical assistance, axis 9 = 1.22.

956 projects were supported, representing a total investment of 467,671,827.76 euros, having been supported with community funds in the amount of 249,966,698.38 euros, which represents a support of 53.4%. That is to say, for each euro of support from the European Union, 1.87 euros were invested in the Algarve region.

Regarding the percentage distribution (base 100) of support granted *versus* investment made by each of the areas, we arrive at the following indicators: reinforcement of R&D and innovation, 10.4% support / 9.6% investment; improvement of the competitiveness of SMEs, 34.5% support / 47.1% investment; transition to a low-carbon economy, 1.1% support / 0.9% investment; environment and promotion of resource efficiency, 11.5% support / 11.5% investment; promotion of employment and labour mobility, 14.1% support / 9.9% investment; promotion of social inclusion and the fight against poverty, 11.2% support / 8.4% investment; education, skills and lifelong learning, 8.9% support / 7.3% investment; promotion of information technologies in administration and public services, 4.4% support / 2.9% investment; technical assistance, 3.8% support / 2.5% investment (CRESC Algarve, 2020).

As of July, 2020 CRESC Algarve reports more than one thousand approved projects for the region<sup>2</sup>.

## 6. Conclusion

We can conclude that in the framework of Horizon 2020, and according to the data available up until 31 March 2020, 956 projects were approved, which represented a total investment of 467,671,827.76 euros, having been supported with EEUU funds in the amount of € 249,966,698.38, which represents a support of 53.4%, that is, for each euro of support from the European Union, € 1.87 was invested in the Algarve Region.

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<sup>2</sup> Retrieved from: <https://www.portugal2020.pt/content/cresc-algarve-2020-com-mais-de-mil-projetos-aprovados>. Last accessed in 30.09.2020.

If we take into account that the initial objectives of the European Union estimated 318,676,488.00 euros, providing a global investment in the region of 437,289,055.00, that is to say, each euro of support should generate a regional investment of 1.37 euros, we can conclude that the Algarve Region, (lacking more than 68 million EU grants) has already exceeded the estimated investment value for the region by 30 million euros.

Therefore, for each euro of EU support whose initial multiplier expectation was 1.37 euros, the region has so far achieved a higher impact: 1.87 euros for each euro of EU support.

### **Future studies**

In future studies we will carry out tests on the impact of EEUU funds in the remaining 6 Portuguese regions (North (Jesus-Silva and Ribeiro, 2019), Centre, Lisbon, Alentejo, Azores and Madeira), making comparisons between them. Simultaneously, tests will be carried out on the impact of these investments on regional and national GDP.

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