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How European Union funds impacts the regions - the multiplier effect of Azores2020 programme between 2014-2020

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ABSTRACT: For decades, the European Union has been systematically creating mechanisms to strengthen its economic power and to give to the Member States tools and funding that allow them to develop, modernize and grow, not only in terms of economy but also socially. The programme, addressed as MFF, defined the European Union's development priorities for the period of 2014-2020. A total amount of €960 billion was to be distributed between Member States in order to enable them to achieve common goals during that period. Portugal, like the other Member States, signed a Partnership Agreement, where amounts and objectives were predetermined. The total amount estimated to be distributed in Portugal was €25 billion. This amount was then distributed between the 7 Portuguese economic regions. The programme became to be addressed as PT2020. With the MFF reaching its ending, we understood that it was important to study its impact in the Country. We have been developing a longitudinal study by region. In this paper we present the results of the Azores region as of 31st of March 2020. At the end of the study, we were able to conclude that this funding system had a positive impact in the region, where €1 of funding generated €1,34 of investment, thus contributing directly to value creation and value capture.

Keywords –Azores, European Union, MFF, P2020, Value Capture.

I. INTRODUCTION

Europe Union ranks in the 3rd position of the world's biggest economies. In order to engage Member States in the socio-economic development the European Union a portfolio of programmes that include the allocation of enormous amounts of money. Multiannual Financial Framework, the programme to be implemented by Member States between 2014 and 2020, estimated a total amount of €960 billion funding, with a quota of €80 billion for Research and Innovation¹.

At the beginning of 2020 we decided that it would be academic and public interest to study the impact of the MFF new funding programme in the Portuguese economy and if it really contributed to create and capture value.

So, this paper is a chapter of our longitudinal study on the multiplier effect of European Union funding in the Portuguese 7 economic regions. The paper presents the results of the quantitative study of the impact of H2020 funding in the outermost European region of Azores. Data was retrieved from the European Commission and from the Azores Management Authority for this programme (it is "*Direção Regional do Planeamento e Fundos Estruturais*").

This study starts with a brief outlook of the Multiannual Financial Framework and PT2020, objectives, priorities, as well as key figures. Then, in section 3 there is a description of the Azores Region. Section 4 gives

¹ Horizon 2020 is the biggest EU Research and Innovation programme ever with nearly €80 billion of funding available over 7 years (2014 to 2020) – in addition to the private investment that this money will attract. It promises more breakthroughs, discoveries and world-firsts by taking great ideas from the lab to the market.

Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness. By coupling research and innovation, Horizon 2020 is helping to achieve this with its emphasis on excellent science, industrial leadership and tackling societal challenges. The goal is to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation. These measures will aim at breaking down barriers to create a genuine single market for knowledge, research and innovation. Retrieved from: <https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020>. Last accessed 25.01.2021.

an overview of the Operational Program for the Autonomous Region of the Azores 2014-2020 (or Azores 2020). Section 5 presents results and analysis and section 6 the conclusions and future studies.

We believe that this study it's an important contribution to understand the impact of this European Union funding framework and how it was able to generate more investment and if it was in fact an opportunity to value creation and public value capture. In our opinion the success of the regional projects will contribute the success of the country and of the European Union, particularly in terms of economic development and competitiveness.

II. MULTIANNUAL FINANCIAL FRAMEWORK AND P2020

The Multiannual Financial Framework(MFF) 2014-2020 strategy, according to the European Commission (2013), was to stabilise the financial and economic system while taking measures to create economic opportunities. The new framework was anchored in the following policies: Education, Youth, Sport, Connecting Europe, Cohesion, Competitive Business, SMEs and HORIZON 2020 (the special programme for Research and Development).

The total amount of the MFF, was to be distributed between 5 key thematic areas: 1. Smart & inclusive growth (€451 billion), 2. Sustainable growth, natural resources (€373 billion), 3. Security and citizenship (€16 billion), 4. Global Europe (€58 billion) and 5. Administration (€61.6 billion), totalizing €960 billion[1] plus €27 million as Compensation for the first year of the Republic of Croatia in the MFF, to guarantee that the country would not contribute more than it would receive [2]. The MFF 2014-2020 would also comprehend €908 billion for special instruments, such as the Emergency Aid Reserve, Eu Solidarity Fund, etc.[2].

Negotiated amidst the global economic crisis, the new EU budget for the period 2014-2020 was "for the first time in history, bereduced in size, following the trend in national finances and at a time of deep economic crisis in Europe"(Kölling, Mario, Serrano-Leal, 2014, p.22). According to Kölling and Serrano-Leal (2014), the European Union would have to thrive with a stern budget for that period. The authors defend that this budget was disappointing because it was expected that Europe would be able to go ahead with a more ambitious recovery plan to strengthen Europe's economic leading role. They also emphasize that this budget is more a like a replica of the previous one[3].

On the positive aspects of the MMF 2014-2020 some meaningful measures have been agreed, such as: spending for agriculture has been cut to 39% from 42% of total expenditure, while the growth-related heading 1a has risen from 9% to 13% of the total budget[2, 3]. Another important aspect is that the framework ambitions was designed in alignment with the European Union 2020 Strategy. In spite of the financial restrictions the MFF included new important mechanisms such as alternative financial instruments and a greater role for the European Investment Bank, as well as macroeconomic conditionality, the frontloading of payments in strategically important policy fields and an increased flexibility to use unspent resources in other headings[2-6]. Overall, the budget was planned to keep contributing to the development of the key policies described in paragraph 1. Globally, this programme follows a long-term trend of moving away from the more traditional spending areas towards a focus on horizontal issues linked to competitiveness and innovation. The increasing percentage of resources earmarked for specific policy objectives also fosters the paradigm shift from a redistributive towards a more results-orientated budget" (Kölling, Mario, Serrano-Leal, 2014, p. 22).

To implement the programs defined in the MFF and to have access to the corresponding funding, each Member State signed a Partnership Agreement. This partnership Agreement, among several important aspects, defined the strategy under which the country would work to promote and implement its local program between 2014-2020. So, PT2020 programming should establish the economic, social and territorial development policies for that period [7-10]. The programming principles should be in line with Intelligent, Sustainable and Inclusive Growth, of the Europe 2020 Strategy [4, 11, 12].

For Portugal, the MFF estimated an amount of €25 billion to be spent throughout the duration of the programme.

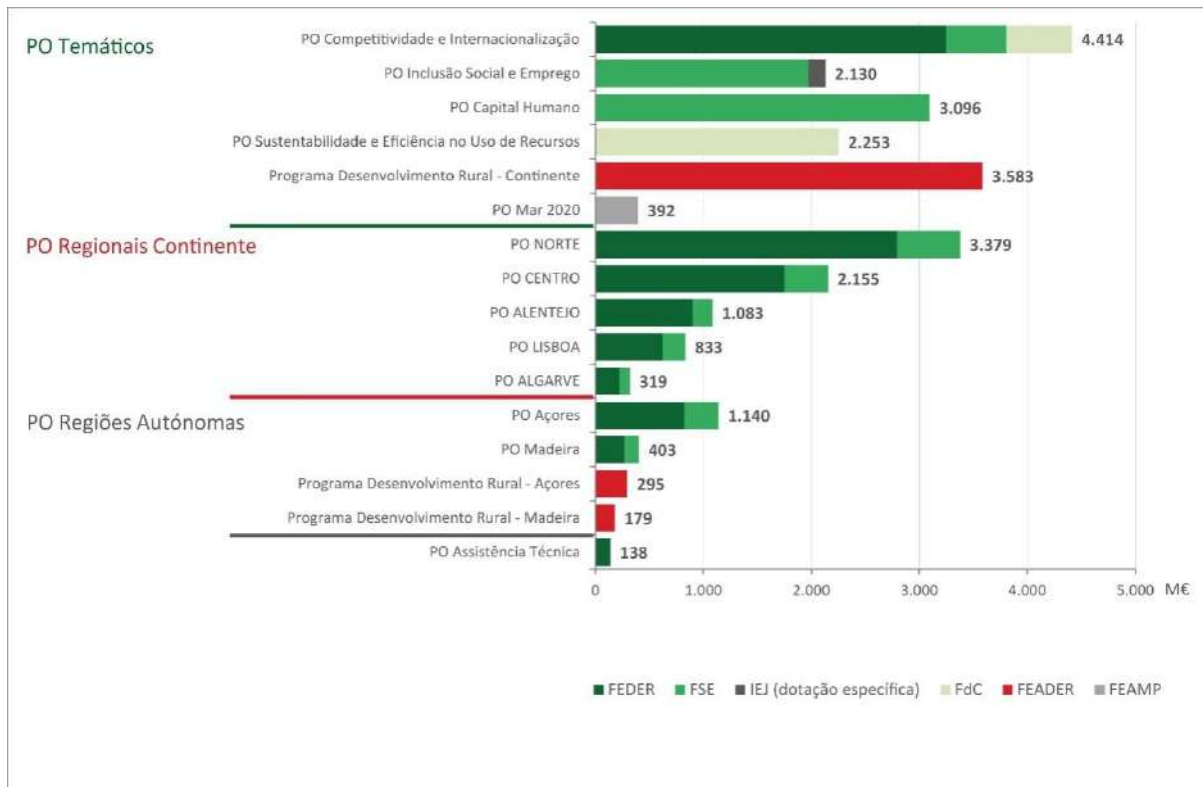
In order to translate the EU Strategy and work according to the parameters of the Partnership Agreement, the Portuguese government defined several Thematic Objectives in order to be able stimulate growth and job creation, the necessary interventions to achieve them and the achievements and expected results:

- Stimulation of the production of tradable goods and services;
- Increase in exports; transfer of results from the scientific system to the productive fabric;
- Accomplishment of the compulsory education until the 18 years;
- Reduction of early school leaving levels;
- Integration of people at risk of poverty and combating social exclusion;
- Promotion of sustainable development from a perspective of efficiency in the use of resources;

- Strengthening territorial cohesion, particularly in cities and low-density areas; rationalizing, modernizing and empowering the public administration[7, 8, 13].

In terms of eligibility for the European Investment Funds the, Portugal's seven economic regions were divided into: i) Less developed regions (GDP *per capita* < 75% EU average): North, Centro, Alentejo and Autonomous Region of the Azores (AAR) – Co-financing rate of the Funds: 85% ii) Regions in transition (GDP *per capita* between 75% and 90%): Algarve – Co-financing rate of the Funds: 80%; iii) Most developed regions (GDP *per capita* > 90%): Lisbon and Madeira Autonomous Region (MAR) – Co-financing rate of the Funds: 50% (Lisbon) and 85% (MAR).

The amount for the Portuguese funding programme was to be distributed among the 16 Operational, Thematic and Regional Programs, as described in “Graph.1”:



Graphic 1 – Funding design

Sources: POSEUR [14] and Portugal 2020²
(Graphic available in Portuguese language only)

This funding system brought together 5 different European sources of funding as also indicated in the graphic above.

PT 2020 design and implementation comprehended 3 main Operational Programmes (OP): Thematic, Regional and autonomous regions. It was divided by core themes and by region. The key OP themes were: 1. Competitiveness and Internationalization; 2. Social Inclusion and Employment; 3. Human Capital; 4. Sustainability and Efficiency in the Use of Resources. It also considers the transversal areas related to the reform of the Public Administration and the territorialization of the interventions [13, 15, 16].

Along the implementation of the MFF 2014-2020, the programme was revised twice: in 2015 and 2017. In 2020, due to the Covid'19 pandemic outbreak a new revision and an extension of the programme was negotiated by the Member States³.

²Retrieved from: <https://www.portugal2020.pt/content/o-que-e-o-portugal-2020>; Last accessed: 28.01.2021.

³“The MFF regulation has been revised twice before, in 2015 and in 2017. In 2015, it was amended due to the late adoption of EU programmes managed together by the European Commission and the member states. €21.1 billion of unused commitments from 2014 were transferred to subsequent years. In 2017, a series of changes were introduced as part of the compulsory mid-term review of the MFF. One aim was to strengthen the capacity of the EU budget to react to unforeseen events. Another was to further orient the budget towards growth and jobs, and address the migration crisis without modifying MFF ceilings. COVID-19 coronavirus outbreak. In May 2020, the European Commission presented its recovery plan for Europe to respond to the COVID-19 crisis. It includes a proposal to revise the 2014-2020 budget. To mobilize

III. THE AUTONOMOUS REGION OF THE AZORES

In this section we transcript a brief description of the Azores Archipelago presented by the European Union about this Europe's Outermost Regions, the Azorean Investment Authority (Invest Azores) and the Outermost Region (OR) Presidents Conference. So, according to these sources, the Azores, officially the Autonomous Region of the Azores, is a transcontinental archipelago and an autonomous territory of the Portuguese Republic, located in the Northeast Atlantic. The Azores is an Autonomous Region since 1976, statute which is enshrined in the Constitution of the Portuguese Republic. The Political and Administrative Statute of the Azores has been approved by the Law 39/80 of August 22. The Regional Government and the Legislative Assembly are self-governing bodies of the Autonomous Region of the Azores. The Assembly is elected by direct universal suffrage and has a wide variety of political and legislative competences. The Autonomous Region of the Azores is administratively divided into 19 municipalities and 150 parishes. The Azores are part of the European Union, with the status of outermost region⁴ of the territory of the Union, as established in Articles 349 and 355 of the "Treaty on the Functioning of the European Union" [17].

The Azores is an archipelago which, although situated precisely on the "Atlantic Middrop", due to its proximity to the European continent and its political integration into the Portuguese Republic and the European Union, is generally encompassed in Europe. The archipelago is located in the northeast of the Atlantic Ocean between 36° and 43° latitude North and 25° and 31° longitude West. The nearest territories are the Iberian Peninsula, about 2000 km to the east, Madeira 1200 km to the southwest, Nova Scotia 2300 km to the northwest and Bermuda 3500 km to the southwest. It is part of the Macaronesia biogeographical region. The Azores archipelago comprehends nine main islands divided into three distinct groups: 1. Western Group: Corvo, Flores; 2. Central Group: Faial, Graciosa, Pico, São Jorge, Terceira; 3. Eastern Group: Santa Maria and São Miguel (see "Fig.1"). The Oriental Group also includes a group of rocks and oceanic reefs, located northeast of Santa Maria, called Formigas Islets, or simply Formigas, which together with the reef of Dollabarat, constitutes the Natural Reserve of the Formigas Islet, one of the most important sites for the conservation of the marine biosphere in the northeast Atlantic.



Figure 1 - Autonomous Region of the Azores

Source: Mapas de Portugal⁵

investment and frontload financial support in the crucial first months of recovery, the revision increases the expenditure ceilings of the 2014-2020 multiannual framework". Retrieved from: <https://www.consilium.europa.eu/pt/policies/the-eu-budget/long-term-eu-budget-2014-2020/>. Last accessed 31.01.2021.

⁴ Azores, The Canaries, Guadeloupe, French Guiana, Madeira, Mayotte, Martinique, Reunion island and Saint-Martin: eight insular regions and one isolated region in the north-west of the South American continent, located thousands of kilometers away from continental Europe. Some are bathed by the Caribbean Sea, others by the Atlantic and Indian Oceans. Portuguese, French and Spanish are the three official languages and nationalities of a group of regions fully integrating the European Union and forming a particular and well-defined group within it: the outermost regions of the European Union (ORs). Geographically remote and isolated from the European market, but fully European through the membership of their respective States, ORs are in a natural context marked by insularity, volcanism, a tropical climate, a proximity to less developed third countries and historical and cultural ties with other countries with whom they have special relations. Retrieved from: <https://cp-rup.com/en/las-rup-en-la-ue/>. Last accessed 31.01.2021.

⁵ Retrieved from: <http://www.vacances-location.net/>. Last accessed 02.02.2020.

The demographic evolution of the last decades has been characterized by the moderate growth of the resident population, from 237.795 in 1991 to 241.763 inhabitants in 2001 and to 246.772 inhabitants in the 2011 Census⁶.

The Azorean economy is deeply linked to the agricultural sector and has, as main elements, the production of milk (more than 30% of the milk production in Portugal), the slaughtering and exportation of beef, the production of wines and the biologic agriculture. The production of cheese also deserves to be highlighted – in some islands of the Azores, it is still produced in an artisanal way. About 50% of the total Portuguese production of cheese is produced in the Azores. The São Jorge cheese, for example, has the denomination of PDO, Protected Designation of Origin, because of its quality and the geographical environment in which it is produced.

The vast majority of the Azorean land is covered by pastures, forests and areas for agricultural use, especially agricultural explorations. The public policies of agriculture are focused on the modernization of the activity and its infrastructures, in a way as to improve the access to agricultural explorations, to the electric network and to the water supply. One of the biggest challenges posed to the Azorean people is related to the enhancement of the scenic and environmental potential of the Azorean agriculture.

The fisheries and the blue economy are also of extreme relevance for the Azorean economy, considering that the Exclusive Economic Zone (EEZ) of the Azores represents approximately 954 496 km², amounting to 55% of the Portuguese EEZ and 18% of the European sea. The activities linked to the sea, such as aquiculture, marine scientific investigation, the conservation of the environment and marine resources, the maritime and whale watching tourism demonstrate the Azores' potential in the endogenous development through Blue and Green Economies. The canning industry, especially tuna's, has a relevant position within the archipelago's exports, having the Spanish and Italian markets as its main destination markets. Tuna fishing in the Azores is also distinguished by Greenpeace as "Dolphin Safe" and "Friend of the Sea".

Tourism is one of the sectors of the regional economy which has had a more pronounced growth. The preservation of the sustainability of Azores as a destination and the guarantee of a proper balance between the touristic activity, the associated infrastructures and the protection of the landscape, of the ecosystems and of their biodiversity are unique traits of the Region. This strategy has been gaining notoriety at a European and international level. Amongst many other distinctions and awards, the Azores was declared as a "Quality Coast Destination N1", achieving the Gold award, which recognizes the most sustainable European coastal destination; and elected by the European Best as one of the best destinations in Europe within the whale watching activity. The link between tourism and the activities connected to the sea, to the environment and to the agriculture is visible, highlighting whale watching, sports and underwater fishing, sailing, yachting, cruise ship tourism, among others, which are also a factor of diversification and conversion of assets and traditional techniques.

The Azores has been strengthening its participation in European projects that aim for the innovation based on knowledge, at the level of consortiums or partnerships, attracting direct Community financing, namely within the Horizon 2020 or Interreg (Europe and the Atlantic Area, for example) programs, as a way of contributing to the development and consolidation of the scientific capacitation in the Region, to the reinforcement of the economic axis based on ID&I (Investigation, Development & Innovation) and to the projection of the Azores in the European Research Area.

Confirming its importance and centrality, the Azores is going to welcome the Atlantic Observatory, an infrastructure for investigation, monitoring, protection and sustainable exploration of the deep-sea resources. The AIR Center (Atlantic International Research Center) is an international scientific organization based in the Azores, with focus on the Atlantic and which aims for the scientific and technological development in the areas of space, ocean, atmosphere, climate and energy. In the space component, one of the Air Center's project is the creation of a spaceport for the launching of small satellites in the Azores, more specifically in the Santa Maria island. The Azores are also an example when it comes to sustainability due to its decarbonization policy, since 41% of its energy comes from renewable and endogenous sources, in particular from geothermic sources, which already account for 67% of the renewable energies.

IV. OPERATIONAL PROGRAM OF THE AUTONOMOUS REGION OF THE AZORES 2014-2020

The Operational Programme for the Azores (Azores 2020) is a funding program combining European Union's ERDF and ESF funds, for the period from 2014 to 2020. Azores 2020, was designed by the Regional Government of the Azores, and it synthesizes a range of consultations and contributions from a wide variety of

⁶ Retrieved from: <http://poacores2020.azores.gov.pt/>. Last accessed 02.02.2020.

regional agents, that presented their proposals on regional development policy for the near future, in compliance with the main guidelines European Strategy 2020 and the National Partnership Agreement[18].

The strategic vision associated with this Operational Program is based on the Azores' ambition to become a relevant European region, based on 4 main strategic guidelines:

1. An open and innovative Region in the use of endogenous, material and immaterial resources, with a level of economic production that allows it to rise to a higher level in the European regional context, in which the economy is based on an economic export, dynamic, integrated and diversified basis, overcoming the constraints of the limited internal market;
2. A relevant territory in the flows of people and goods, in the context of the logistics and maritime transportation systems between Europe and the American continents, complemented by the full use of data transmission networks and infrastructures, minimizing the outermost condition and the dispersion of the regional territory;
3. An inclusive and balanced society, generating opportunities for participation, lifelong learning, access to employment and total fulfillment, for children and young people, as well as to the elderly and families in general;
4. A landscape with an environment and a distinctive experience, supported by qualified urban spaces, in a differentiated and internationally recognized natural and cultural heritage, with effective responses in protecting biodiversity, ecosystems and adapting to climate change[18].

The Azores2020 OP concentrates the majority of the co-financing interventions of the structural funds in the archipelago; the range of thematic objectives and selected investment priorities is wide and diversified, covering the various aspects of public policies aimed at smart economic growth, fostering employment, social inclusion and environmental sustainability, allowing local agents to access to financial resources that would enable them to develop their projects in different areas and sectors of the economy and society. It is worth mentioning the specific support of the ERDF Structural Fund for the region, due to its condition of Outermost Region, as recognized in Article 349 of the Treaty on the Functioning of the European Union[17], and which should be applied to finance the responsibilities with passenger transport system between the islands of the Azores[18].

Thus, the OP defined 12 priorities, including one concerning the special allocation of funds for the outermost region: 1. research, technological development and innovation; 2. Improvement in the access, use and quality of ICT; 3. Competitiveness of businesses in the region; 4. An economy based on a low level of carbon emissions; 5. Climate change, prevention and risk management; 6. Environment and efficiency in the use of natural resources; 7. Sustainable transport and main network infrastructures; 8. Employment and labour mobility; 9. Social inclusion and the fight against poverty; 10. Education and lifelong learning; 11. Institutional capacity and efficient public administrations; 12. Specific additional allocation for the outermost region[9, 15, 18].

Azores 2020 had an estimation of €1.137 billion, out of which the European Regional Development Fund should account for €793.724.866 and the European Social Fund for €343.756.016 between 2014-2020 period. The objective of the European Union was generating an overall investment in the region of €1,395.928.853; so, €1 of EU funding should generate a regional investment of €1.23.

The expected impacts of this funding framework were: i) Creation of 325 new SMEs; ii) Investment in 720 existing SMEs; iii) Reduction of annual greenhouse gas emissions equivalent to 47 435 tons of CO₂; iv) Creation of 2.845 jobs.

According to the Government of the Azores, the Covid-19 pandemic required rapid intervention to alleviate the effects of the health crisis and to allow for the maintenance and relaunch acceptable levels of functioning of the economy and society in general, thus a revision or extension of the MFF was of the utmost importance for the region[19].

V. RESULTS AND ANALYSIS

The study aimed to find answers to the following questions: a) What was the amount invested in the regional economy for each euro of support allocated by the European Union through MFF program? b) What's the percentage distribution of European Union funding versus investment for each of the intervention areas? c) What's the execution rate less than a year to go before the conclusion of the program?

After collecting the information available distributed by the European Commission, the Portuguese Government and the government of the Autonomous Region of the Azores - Portugal, as well as the Azores2020 management authorities, the analysis was structured according to the axes of intervention, thematic objectives and investment priorities. Then data was organized by the following topics: human capital, business competitiveness, social inclusion and employment, sustainability and efficiency, technical assistance and

compensation for outermost areas. Quantitative analysis allowed to arrive to the figures summarized in “Table 1” as well as to find data to answer to the questions in paragraph 1:

Table 1- Approved projects until 31st March, 2020

| Theme | Nr. of Projects | Investment amount | % | EU Contribution | % | Investment per 1 € of incentive |
|---------------------------------|-----------------|------------------------|---------------|------------------------|-------------|---------------------------------|
| Human Capital | 239 | 249 227 141 € | 17,7% | 211 843 070 € | 20,1% | 1,18 € |
| Business Competitiveness | 1 282 | 585 854 490 € | 41,7% | 357 707 262 € | 34,0% | 1,64 € |
| Social inclusion and employment | 106 | 282 843 532 € | 20,1% | 240 417 002 € | 22,8% | 1,18 € |
| Sustainability and efficiency | 217 | 212 629 675 € | 15,1% | 178 953 397 € | 17,0% | 1,19 € |
| Technical assistance | 9 | 8 094 415 € | 0,6% | 6 880 252 € | 0,7% | 1,18 € |
| Outermost regions compensation | 3 | 67 647 059 € | 4,8% | 57 500 000 € | 5,5% | 1,18 € |
| TOTAIS | 1 856 | 1 406 296 312 € | 100,0% | 1 053 300 983 € | 100% | 1,34 € |

Source – POAçores2020⁷

Until March 31st, 2020, a total of 1.856 projects were approved, generating a total investment of €1.406 million, representing 1.053 million euros (74.9%) of EU funding.

The Human Capital funded 239 projects, corresponding to €211.843.070 financing that generated an investment of €249.227.141. In the area of Business Competitiveness, which includes Research, Development and Innovation, the 1.282 Business Projects (41.7% of the total) represented an investment of approximately €585 million with a European contribution of €357 million. 106 projects were financed in the area of Social Inclusion and Employment, with a total amount of €240 million that generated a regional investment of €282 million. For Sustainability and Efficiency, 217 projects were supported, totaling €178 million, generating a regional investment of €212 million. For Technical Assistance, 9 projects were approved, in a total of €6 million, generating a regional investment of €8 million. Regarding Compensation for Outermost Areas, 3 projects were financed: a total of €57 million that generated a regional investment of €67 million.

In terms of multiplier effect of the Azores2020 funding framework, we were able to conclude the following (by topic):

- Human Capital = €1.18;
- Competitiveness of SMEs = €1.64;
- Social inclusion and employment = €1.18;
- Sustainability and resource efficiency = €1.19;
- Technical Assistance = €1.18 euros.
- Compensation for the outermost area = €1.18

Regarding the percentage distribution (base 100) of the funding *versus* the investment, we arrive at the following indicators (by topic):

- Human Capital: 17.7% support / 20.1% investment;
- SME Competitiveness: 41.7% support / 34% investment;
- Social inclusion and employment: 20.1% support / 22.8% investment;
- Sustainability and resource efficiency: 15.1% support / 17% investment;
- Technical assistance: 0.6% support / 0.7% investment;
- Outermost regions compensation: 4.8% support / 5.5% investment.

VI. CONCLUSIONS

The Multiannual Financial Framework (MFF) 2014-2020 strategy, a was to stabilise the financial and economic system[20]. The Operational Programme for the Azores (Azores 2020) combined European Union’s ERDF and ESF funds, for the period from 2014 to 2020. Azores 2020 was designed by the Regional Government of the Azores, and it synthesizes a range of consultations and contributions from a wide variety of regional agents, that presented their proposals on regional development policy for the near future, in compliance with the main guidelines European Strategy 2020 and the National Partnership Agreement (Governo dos Açores, 2020).

We understand that our study demonstrates that this financial framework has a positive impact in the region, by being able to attract further investment, especially among private players. According to the data

⁷<http://poacores2020.azores.gov.pt/>

available until March 31st, 2020, 1.856 projects were financed, representing a total investment of €1,406.296.311 euros, out of which €1,053,300,983 euros were funded by the European Union, corresponding to 74.9%. So we were able to demonstrate that per €1 of European Union funding, €1,34 was invested in the Autonomous Region of the Azores.

Considering that the European Union estimated €1,137.480.882 of funding for the Azores region, that would generate an overall investment in the region of €1,395.928.853 euros; In this initial scenario, €1 of financing should generate a regional investment of €1.23.

This, according to the data displayed in table 1, we concluded that the Autonomous Region of the Azores, could still apply to more €84 million of EU funding since the execution rate was 92.6%. On the other hand, the region has already exceeded the foreseen investment amount by more than €10 million. Above all, it is important to emphasize that the initial multiplier effect was €1.23 euros and that the region had (as of March 2020) reached €1.34.

In our opinion, this study enables us to conclude that there is a clear positive impact of the European Financial Framework in the region and it reinforces the European Strategy to create value and help Member States to contribute to public value capture.

This paper completed our longitudinal study on 7 Portuguese regions [North[21] Centro, Lisbon and Tagus Valley, Alentejo, Algarve[22], Azores and Madeira]. To finish our longitudinal study, we will also publish a summarized version of the papers and a comparative study between the 7 regions. This study will include some calculations about the impact of this funding framework on regional and national GDP.

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