



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Assembleia da República for its Opinion on the Communication "The outermost regions of the European Union: towards a partnership for smart, sustainable and inclusive growth" {COM(2012) 287 final}, and apologises for the delay in replying.

The Commission takes careful note of the concerns expressed in this Opinion and would like to reply by clarifying the following.

With regard to the need for increasing the EU allocations for the outermost regions for the next programming period 2014-2020, the Commission, in the context of the negotiations on the Multi-annual Financial Framework 2014-2020, will try to find equitable outcomes for all regions, including for the outermost regions. As regards cohesion policy in particular, which is the principal EU instrument to deliver Europe 2020, the latest developments in the negotiations show that the outermost regions' specific situation is being taken into account.

As for the future scope of assistance of the cohesion policy funds within the "investment and growth and jobs" goal, it will be mainly determined for all EU regions, including the outermost regions, by the category under which each of them will fall according to their GDP per capita in relation to the EU average. However, given the specific problems restraining the development of the outermost regions, the Commission has proposed to continue with specific measures, such as a co-financing rate of 85% regardless of their GDP and a specific allocation – on top of their ERDF and ESF allocations, given to all EU regions – to offset the additional costs of their handicaps and to diversify and modernise their economies. As regards the territorial cooperation goal, the Commission proposes to strengthen the support for joint projects between the outermost regions and neighbouring countries through a guaranteed increase in their cooperation allocation and through an increased percentage of ERDF support that can be used for project implementation in third countries.

In other areas, such as agriculture, taxation, customs, trade, fisheries or telecommunications, the Commission has also proposed a set of specific measures to tackle the outermost regions' specific difficulties.

In particular, as regards transport and the improvement of the accessibility of the outermost regions to the single market, it should be noted that these regions are part of the TEN-T Comprehensive Network, to the support of which cohesion policy funds may contribute.

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President of the  
Assembleia da República  
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*During the negotiations on the partnership contracts and programmes, the Commission will examine with the outermost regions and their Member States how to best use the cohesion policy funds, including the specific allocation, to improve the accessibility of these regions to the single market, and in particular as regards transport.*

*Crucial horizontal priorities for the future Connecting Europe Facility will be the support of Motorways of the Sea, connecting "Core Ports" with ports of the Comprehensive Network and third countries, as well as the deployment of the Single European Sky (and notably SESAR), to enhance efficiency and safety of air connections. In this context, the Azores and Madeira will be involved in the deployment of these tools of the Common Transport Policy. The Commission takes note that the government plans to conclude the sale of state-owned airport operator ANA-Aerportos de Portugal SA agreed at end-2011 and that it will relaunch the privatisation of TAP.*

*With respect to the concerns raised on the end of the milk quota system and its possible impact on the economy of the Azores, it is recalled that, in the framework of the Health Check of the Common Agricultural Policy, the Council decided to phase it out progressively.*

*The Commission understands the situation of the Azores and of its milk sector which is one of the pillars of the regional economy. Nonetheless, the POSEI<sup>1</sup> scheme already offers broad possibilities for the coupled support of milk production which go well beyond the support that milk producers receive on the EU continent. This scheme, together with restructuring measures that can be financed under the Rural Development Programmes, will allow mitigating the effects of decreasing milk prices. On the other hand, the Commission appreciates the efforts that the Government of the Azores is putting in place towards the development of alternative agricultural activities aimed at ensuring a certain diversification.*

*The Opinion of the Assembleia da República feeds into the work of the Commission, the European Parliament and the Council in implementing the EU priorities for the outermost regions as set out in the Commission Communication of June so as to allow these regions, in particular the Azores and Madeira, to modernise their traditional sectors and diversify into well-chosen new areas of activity by capitalising on the unique assets they possess and their added value for the EU. This will be key for their future prosperity as they will become more self-reliant, economically more robust and better able to create sustainable jobs.*

*The Commission hopes that these clarifications address the issues and concerns raised by the Assembleia da República and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*

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<sup>1</sup> Programme d'Options Spécifiques à l'Éloignement et l'Insularité