**18th Conference of Presidents of the Outermost Regions**

**13-15 September 2012**

**Horta, Faial Island, Autonomous Region of the Azores**

***Address by Mr. George Georghiou, Permanent Secretary of the Planning Bureau, on behalf of the Cyprus Presidency of the Council of the EU***

President,

Presidents of the outermost regions

Distinguished Guests,

Ladies and Gentlemen,

Allow me first to express my appreciation for the invitation. I feel very pleased to be here with you today and especially honoured to be representing the Presidency of the Council of the EU. Being at the helm of the Council for the very first time since our accession to the EU constitutes a unique opportunity and a great challenge for a country like Cyprus, one of the youngest and smallest Member States of the Union.

Following this introduction, please allow me to say that, as a citizen of a small island, I am in a very good position to realize the difficulties and the problems of the residents of the Outermost Regions, to share their concerns and recognize the challenges that the policy makers have to face and properly address in these special areas of the Union. These concerns become even stronger today bearing in mind the economic problems caused by the global financial and economic crisis which call for urgent action. Now, more than ever, it is necessary to build on the potential and bring out the competitive advantage of each region of the Union and address the constraints that it faces.

Following the enhanced role of territorial cohesion in the Treaty, it is of paramount importance to incorporate the territorial dimension in as many EU strategies and policies as possible, with the view to safeguard, to the extent possible, that all EU citizens will have equal opportunities to sustainable development and be part of the European Integration.

The European Commission’s Communication of last June, is a step towards this direction, outlining the areas in which the specific case of the outermost regions should be taken into consideration and the measures to be carried out in order to achieve this, in a spirit of partnership and commitment. Agriculture and rural development, fisheries, maritime activities, tourism, promotion of entrepreneurship, Research and Innovation, transport and energy policies are some of the areas in which the respective development policies need to reflect the special needs and potentials of the outermost regions. And, of course, Cohesion Policy, which can contribute in delivering the goals and objectives of the EU2020 Strategy, as identified in the Commission’s Communication, by focusing EU funding on the creation of jobs and growth.

The Commission’s regulatory proposal for Cohesion Policy in the post 2013 period underlines that the Outermost regions should benefit from specific measures and additional funding to offset the handicaps resulting from their special characteristics and constraints, such as, their remoteness, insularity, small size and other factors referred to in Article 349 of the Treaty. In this context, the Commission proposes a number of provisions specifically designed for the outermost regions. More specifically, the Commission’s proposal provides for an additional special allocation of Cohesion Policy funds to these regions, better co-financing rates (85%) irrespective of the GDP level, as well as provisions for reinforcing and encouraging territorial cooperation involving outermost regions, in view of taking advantage of their specific and geostrategic situation for the benefit of the EU as a whole.

These proposals have been the subject of discussions both in the Council and at the European Parliament, whilst being at the same time an integral part of the negotiations of the Multiannual Financial Framework and the respective sectoral legislative packages. Reference to Cohesion Policy in particular, a significant part of the regulations has already been preliminary agreed in the Council, under the Danish Presidency, while the Cyprus Presidency aims to finalize the entire legislative package in the Council by the end of 2012, excluding the financial issues which are subject to the MFF negotiations. In parallel, the Presidency will initiate informal trialogues with the EP based on an intensive 3 month programme in order to advance the dossier to the possible extent.

The case of the outermost regions is already being further recognized in the compromised texts agreed in the Council. For example, more flexibility is being proposed with regards to the thematic concentration of resources in these regions as well as with regards to ERDF support in productive investments in enterprises, irrespective of their size.

The negotiations for the MFF are one of the top priorities of the Cyprus Presidency and our goal is its conclusion by the end of 2012, as mandated by European Council in June.

During the Informal Meeting of Ministers and State Secretaries for European Affairs in Nicosia, that took place in August 30, all participants expressed their commitment to reach agreement by end of 2012. The timely conclusion of the MFF is indispensable for the predictability of investment for Europe and also EU’s capacity to act. The MFF is EU’s main tool to foster growth and enhance competitiveness, employment and achieve the goals of Europe 2020 Strategy.

An Extraordinary European Council Summit will be held in November (22-23 November), focusing solely on the MFF. The aim of the Cyprus Presidency is to take the MFF to Heads of States and Governments for discussion the November European Council at the right level of maturity for an agreement to be reached.

Therefore, we concentrate our efforts in finding convergence among Member States views and to take advantage of the new momentum created after the discussion at the Informal Ministerial Meeting in Nicosia. The Presidency is currently working on revising the Negotiating Box and will soon present the outcome, reflecting the views expressed at the bilateral meetings with Member States, held in July and at the Informal Ministerial meeting. The content of the Negotiating Box will reflect constant osmosis between work done at various institutional levels and fora, in order to facilitate an agreement at European Council level before the end of year.

The discussions are still on-going and there is still work to be done in all aspects. As I already mentioned, the Cyprus Presidency is aware of the concerns of the outermost regions and I would personally like to assure you that our Presidency will make every effort in order to ensure that the spirit of Article 349 of the Treaty isfully respected with a view to assisting the outermost regions to fully participate in the Union’s policies in the next programming period.

Thank you very much for your attention.