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COUNTRY FICHE

PORTUGAL [PT]

The Portuguese government decided to invest a substantial share of its European Regional Development Fund (ERDF) and Cohesion Fund resources in Territorial Delivery Mechanisms during the 2014-20 period. Three types of these instruments were implemented, covering almost the entire territory of the country. A total of 105 Sustainable Urban Development strategies, implemented through the Priority Axes of an Operational Programme (SUD PrAx), were carried out in urban areas, funded by the ERDF. Additionally, 22 Integrated Territorial Investment strategies (Non-SUD ITI) focused on other urban and non-urban areas, integrating three funding streams: ERDF, European Social Fund (ESF), and European Agricultural Fund for Rural Development (EAFRD), with considerably larger budgets than the SUD PrAx strategies. Finally, no fewer than 209 Community-led Local Development (CLLD) initiatives implemented in both rural and urban settings completed this approach, with smaller-scale strategies combining the same three sources of funding.

POPULATION	STATE TYPE
10.31 million	Centralised

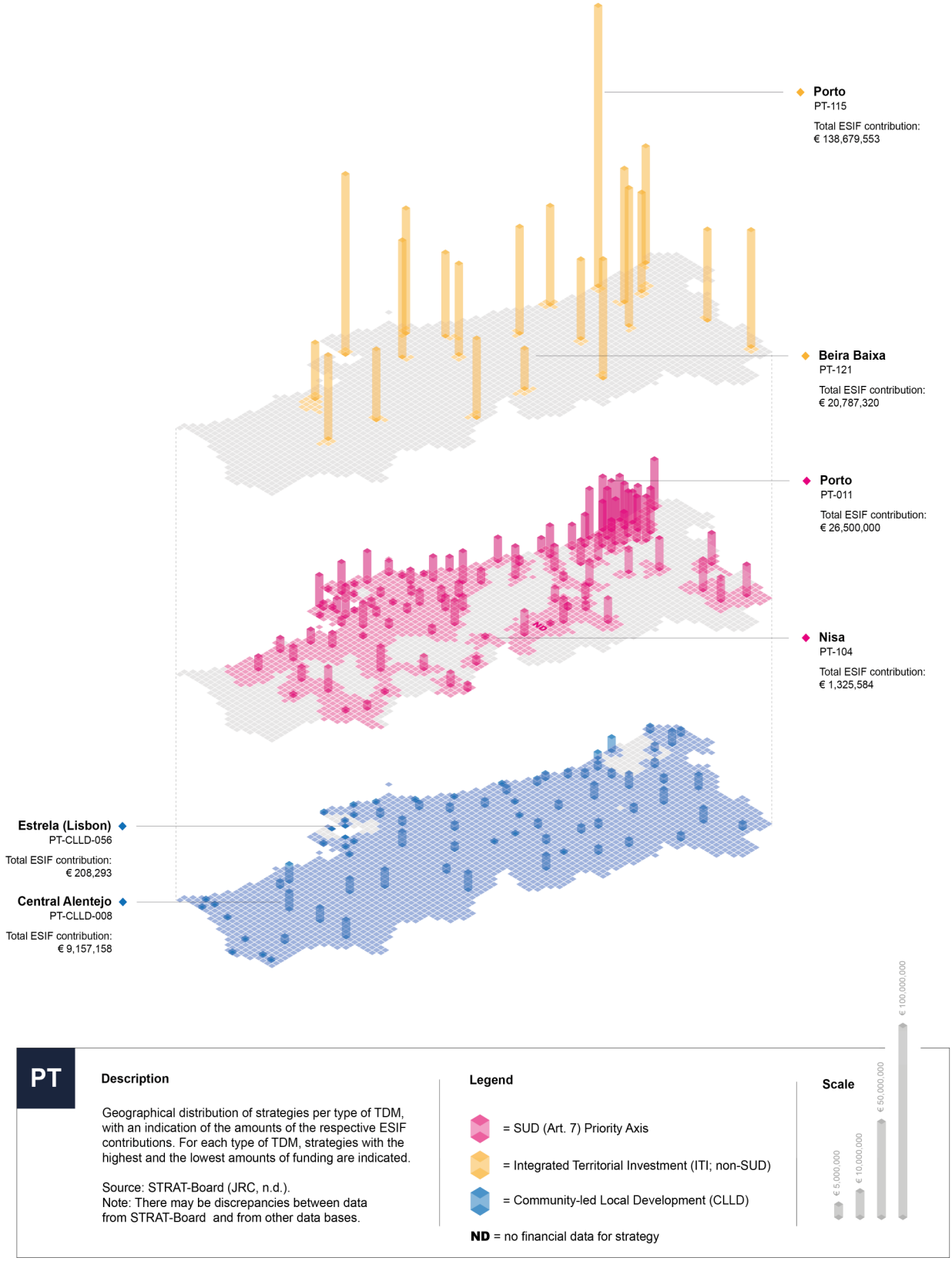
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 29,382,805,923
National Contribution (EUR)	€ 7,574,812,364
Total Contribution (EUR)	€ 36,957,618,287

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	-	-	-	-
SUD (Art. 7) Priority Axis	105	ERDF	4.9%	74%
Integrated Territorial Investment (ITI; SUD)	-	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	22	ERDF, ESF, EAFRD	6.2%	71%
Community-led Local Development (CLLD)	82	ERDF, ESF, EAFRD	0.4%	75%
TOTAL	**209**		**19.3%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanisms (TDMs)



GOVERNANCE CONTEXT

Portugal has a centralised administrative system, without a regional tier of elected government, apart from the two autonomous island regions, Azores and Madeira. The mainland features five Regional Coordination and Development Commissions (CCDR), functioning as deconcentrated entities of the central government and exercising devolved responsibilities in spatial planning, environmental matters, regional development, and local government

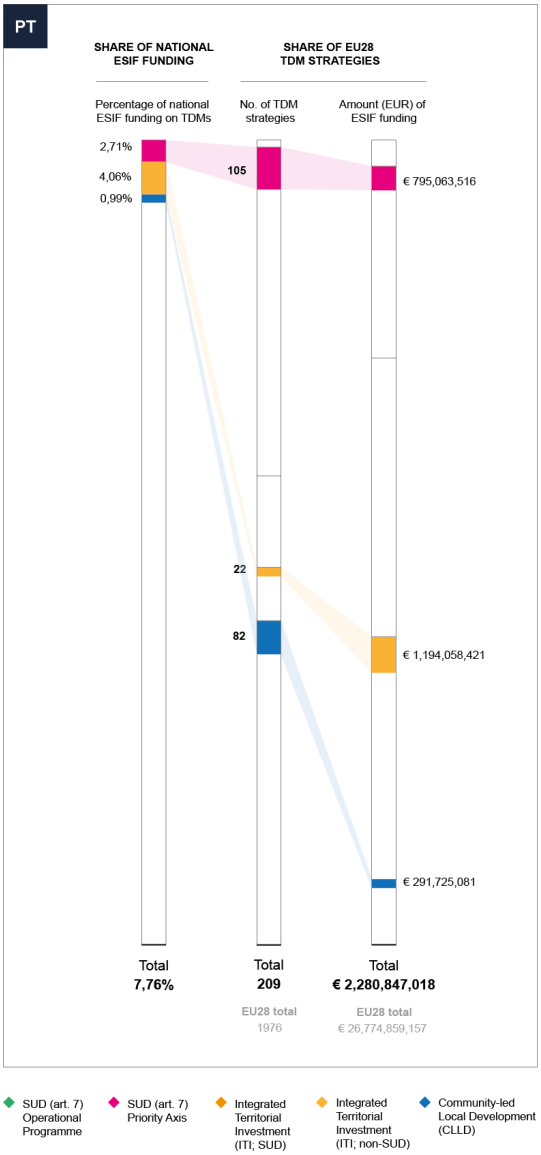
support. At the national level, the National Programme for Territorial Planning (PNPOT) serves as the overarching spatial development policy, outlining the country's spatial development model and national directives until 2025. The CCDRs act as regional planning authorities, tasked with coordination roles. In addition, the Directorate-General for Territorial Development produced the Sustainable Cities 2020 document (Cidades Sustentáveis 2020), which serves as a national strategic framework for sustainable urban development and a roadmap for urban development opportunities in the context of EU Cohesion Policy.

COHESION POLICY CONTEXT

In 2014-20, eleven operational programmes within EU Cohesion Policy were implemented in Portugal, including seven Regional Operational Programmes (ROPs). A significant portion of Cohesion Policy is channelled through regional multi-fund programmes, with central government playing a crucial role in coordination.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

A total of 105 Sustainable Urban Development (SUD) strategies were implemented in 'higher level' urban centres. These strategies were part of the Regional Operational Programmes (ROPs) in Norte, Centro, Lisbon, and Alentejo, and were executed via Strategic Plans of Urban Development (Planos Estratégicos de Desenvolvimento Urbano - PEDU), which linked several strategic plans focusing on urban regeneration, mobility, and support for deprived communities. SUD PrAx strategies were funded exclusively with ERDF. The goal of these strategies was to enhance the attractiveness and competitiveness of cities. SUD PrAx strategies focused primarily on improving conditions in deprived neighbourhoods by enhancing social infrastructure, urban regeneration, preserving and promoting natural and cultural heritage, promoting sustainable mobility, and supporting investments that cut across several thematic objectives.

The decentralisation of strategic planning and management duties as part of SUD PrAx necessitated thorough vertical coordination, fostering a culture of collaboration among government levels. The management of strategies was formally contracted with the Managing Authority (MA) of the funding ROP, but municipal authorities played varying roles in the development of the strategy, implementation of the action plan, preparation of the calls for projects, etc. In some cases, these tasks were delegated to the relevant Inter-Municipal Community or Metropolitan Area (NUTS 3 level), or to the respective ROP MA. The process of delegating the responsibility and reinforcing governance functions was slow due to a lack of experience and capacity among some local authorities and lengthy negotiations with the MAs. There were difficulties in coordinating a large network of SUD PrAx strategies without a functional hierarchy and integrating thematic actions within each strategy. Functional geographies were not sufficiently explored as part of these strategies, partly due to the impossibility of focusing them on Metropolitan Areas' territories. At the same time, a redistributive logic of division of funding across

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

territories led to the dispersal of resources and limited their potential impact due to the reduced financial scale of interventions, while also hindering a more place-tailored approach. That said, SUD PrAx strategies' implementation led to incremental improvements in local stakeholders' capacities and the development of relevant monitoring and evaluation tools.

Non-Sustainable Urban Development Integrated Territorial Investment

In Portugal, 22 territorial pacts (Pactos para o Desenvolvimento e Coesão Territorial) were implemented through non-SUD ITI strategies. Two of these strategies covered the metropolitan areas of Lisbon and Porto, operating at various territorial scales within the metropolitan areas, depending on the type of intervention (from districts to entire municipal areas, to the broader regional context of the respective NUTS 3 area). The majority of non-SUD ITIs, however, focused on NUTS 3 regions, comprising inter-municipal associations and targeting entire NUTS 3 territories. The thematic scope of these territorial ITIs was extensive, covering areas such as the low-carbon economy, risk prevention and management, environmental protection, climate change adaptation, territorial structuring of the urban system, modernisation of local public administration, and the promotion of employment and social inclusion.

The effectiveness of using multifund strategies in non-SUD ITIs fell short of expectations due to the lack of integrated rules, procedures, and a single point of contact for beneficiaries. The leverage effect would have been greater if the different funds had been better integrated. No new functional territorial approaches were promoted by these instruments. However, the formulation of non-SUD ITI strategies led to complementarities and synergies between territorial strategies, aligning regional and local strategies and plans more effectively, promoting the integration of sectoral priorities, and adding new themes for collaboration between municipalities. Moreover, the implementation of non-SUD ITI strategies, as illustrated by the case of Porto's ITI, helped to improve the capacity of local authorities collaborating within the pre-existing inter-municipal coordination bodies and stimulated the engagement of new local stakeholders in the shaping and implementation of the strategies. ITIs triggered a process of learning and empowerment of authorities at the local level and of the pre-existing inter-municipal coordination bodies, strengthening multi-level governance and decentralisation in Portugal.

Community-led Local Development (CLLD)

Overall, 82 Community-led Local Development (CLLD) strategies were implemented, covering a large territory. Funded by multiple ESIFs, they mostly targeted rural areas. The funds supporting rural and coastal CLLD strategies included EAFRD, EMFF, ERDF, and ESF, whereas urban CLLD strategies were funded by ERDF and ESF.

The thematic scope for CLLD in Portugal was broad, covering neighbourhood regeneration, social inclusion, support for youth, job creation and skills development, the circular economy, sustainable tourism, culture and heritage protection, gender equality, public spaces regeneration, or the integration of urban and rural areas. For urban CLLD, the main objective was to promote social inclusion in an integrated manner.

During the planning and strategy definition stage, efforts were made to integrate thematic, sectoral, and policy areas within each territory. However, during the operational stage, implementation was based on Fund allocations defined by the MAs and the needs of various Ministries. Some elements could not be integrated, particularly at the funds allocation stage.

The territorial scale for rural and coastal CLLD matched the intervention areas of EARDF/EMFF Local Action Groups (LAGs), while urban CLLD focused on deprived neighbourhoods. While there was broad territorial coverage, there was a lack of a place-tailored focus. Some urban CLLDs were very small and had limited capacity to resolve local problems.

In terms of governance, the process of establishing an implementation model was lengthy, taking over two years of discussions. Eventually, however, there was a significant delegation of responsibilities to the LAGs.

Strengthening metropolitan governance in Porto

The non-SUD ITI strategy implemented in Porto serves as an example of good practice due to its positive impact on metropolitan governance and the capacity of local authorities to collaborate on a functional area-based strategy. Aligning this ITI strategy with established institutions and their strategies within a functional area generated added value. The strategy was founded on a pact involving participating municipalities and implemented by the pre-existing metropolitan authority, supported by a new technical support structure for the ITI's purposes. The preparation of the strategy by the Porto Metropolitan Area (AMP) ensured a close fit with specific local needs, further reinforced by alignment with territorial development strategies for the NUTS 3 area and those developed by the AMP. This integration facilitated the incorporation of sectoral priorities and different EU funding streams. Various metropolitan bodies, working groups, and informal platforms ensured effective coordination among networks of municipalities in the metropolitan area, while also allowing input from other local actors across different sectors. This stimulated lively inter-municipal debate and new thematic collaborations for the ITI's purposes, revitalising and strengthening the capacity of existing cross-municipal and cross-sectoral networks, as well as individual municipal governments.

IN SUM

A large number of Territorial Delivery Mechanisms were implemented in Portugal, covering most of the country's territory and large range of thematic objectives. This dispersmenet of funding and broad focus, hindered the potential for developing place-tailored strategies, even though the strategies implemented, especially as part of non-SUD ITI, effectively supported pre-existing territorial strategies and pushed inter-municipal cooperation bodies to broaden the thematic scope of their development policies. Functional linkages were not much developed, due to rigidity in the approach to territorial delimitation of strategies. Finally, concerning governance impacts, the implementation of Territorial Delivery Mechanisms in Portugal created scope for empowering subregional entities at management level, with Non-SUD ITI and SUD PrAx strategies accounting for roughly 11% ERDF and ESF funding for the country. Overall, multi-level governance and decentralisation were strengthened, though empowerment of local authorities and inter-municipal coordination bodies and capacity development.

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Contributors

Marcin Dąbrowski, Niek Lurling, Gisela Garrido Veron (TU Delft)
Viktoriya Dozhdeva (University of Strathclyde)