

Sustainable **Cities** 2020



PORTUGUESE
GOVERNMENT

MINISTRY OF ENVIRONMENT,
SPATIAL PLANNING AND ENERGY



dgTerritório

Directorate-General for Territory

Publication Data

Title:

SUSTAINABLE CITIES 2020
Ministry of Environment, Spatial Planning and Energy
September 2015

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UP Agência de publicidade | www.UP.co.pt

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ISBN: 978-989-8785-09-1



Sustainable **Cities** 2020

Introductory remark

“Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody.”

Jane Jacobs

To look at the development of the country is to look at the development of cities. The sustainable urban development of Portugal depends on the promotion of competitive solutions but also on smart, lived in, inhabited and attractive cities. Based on this purpose, the Sustainable Cities 2020 strategy was approved by the Council of Ministers and is now presented in book form.

The development of urban areas is one of the vectors of spatial planning reform, which has been implemented over the last few years. This reform has also promoted a new way of looking at the city and looking at what already exists. The extinction of the concept of urbanisable land strengthens a new urban planning model, since there is no longer a prior definition of urban sprawl and the consequent recognition that that expansion will exist. Therefore, in the future, the urbanized areas will be the focus of planning, through its regeneration and the improvement of the quality of life in its neighbourhoods.

As a result, urban development necessarily entails urban renewal. Urban areas, as a consequence of the promotion of new construction, widely spread and left their centres empty. The phenomenon of urban extension and, oftentimes, of dispersed and disorderly construction, has consumed resources, undermined the environmental and land production potential, created disqualified urban areas, resulting in additional costs to reinforce existing infrastructures and facilities, as well as environmental and social costs inherent to an increase in commuting, based fundamentally on individual transport. Therefore, a problem which, at an initial stage, appears to be a sectoral problem, has spread to many other fields, such as the economy, the environment, the mobility and even the social inclusion.

A transversal problem requires the design and the implementation of transversal solutions.

For that reason, within the scope of a significant alteration of development assumptions for Portuguese cities, the 19th Constitutional Government took advantage of this opportunity to democratise the access of all citizens to housing and to the development of economic activities in city centres, returning them to all those that wish to be part of them.

However, in the instrument that is now under publication, the city is addressed in its multiple dimensions: intra-urban, city-region and interurban. Thus, it is important to plan the national territory as a whole, reinforcing national cohesion, organising it in order to increase the complementarity of economic, social and cultural functions between cities, containing urban expansion and dispersed construction, correcting regional asymmetries, and ensuring equality of opportunities for citizens in the access to infrastructures, facilities, services and functions.

Although this document does not constitute an exclusive path towards territorial development, it is without a doubt a guiding document outlining a path, in line with European strategies associated with the Urban Agenda, for the next European funding cycle, until 2020. But the document does not only outline that path, in the form of concrete strategic options to be adopted by Portuguese cities, it also lays the foundations for its effective application, through the launch of a range of tools that promote its implementation, as well as guiding elements to associate the proposed strategic options to the availability of European funding, within the scope of Portugal 2020.

A further intention is to foment the development of a fundamental base of knowledge of city phenomena, resorting to advanced methods of research and the cross-checking of the numerous data that cities produce, associated to systems and people, in order to build urban analytical tools to better guide decision-making, its governance and a more active and participatory citizenship, whereby urban planning management will undergo a true revolution.

Miguel de Castro Neto

Secretary of State for Spatial Planning and Conservation
of Nature

Presentation note

The Sustainable Cities 2020 Strategy makes the strategic options concrete in terms of sustainable urban development in close coordination with the 2020 horizon. It represents a reference framework for municipalities, intermunicipal entities and other urban agents. Anchored in the territorial development policy and in the strategic territorial options established by the National Spatial Development Policy Program, it results from the recognition of the catalytic role and the structuring capacity of cities in the sustainable development of the Portuguese territory.

Due to the scope of urban themes and the merger of administrative skills of multiple agents, this policy is, by nature, transversal. Its success depends on the capability of converging multiple sectors of the Public Administration and the different levels of administration of the territory, in an effort of integration, coordination and strategic cooperation, in a governance process guided by a shared vision of sustainable urban development and territorial cohesion.

Within the exercise of its statutory tasks conferred and related to cities public policies, the Directorate-General for Territory (DGT) ensured the technical support to the Government in the preparation of this document, as well as in the follow-up of the public consultation process and review of the results.

With the approval of the document by the Council of Ministers Resolution No. 61/2005, of 16 July, the DGT is in charge of ensuring the follow-up of the strategy, promoting its monitoring and developing the governance instruments that promote the involvement of the multiple agents in its execution. In this context, the DGT has promoted the creation of two instruments.

The first tool of governance support, the Cities Forum, aims to establish itself as an open platform of cooperation and coordination, directed at urban issues and enhanced by the

convergence of agents from sectorial and territorial governance, from the National Scientific and Technological System and from civil society with sustainable urban development in common. This platform should also foster the disclosure of information and national communication on urban policies or policies with a relevant impact on cities, in their various spatial dimensions (international, European, national, regional, local), with specific emphasis on integrated territorial approaches and on the planned funding amounts for sustainable urban development, within the framework of Portugal 2020 and of the European Structural and Investment Funds.

The second tool of support to the monitoring and assessment of the performance of Portuguese cities with regard to urban sustainability is the Barometer of Urban Sustainability. It aims to provide, in a systematic manner, information on cities to citizens, decision-makers and specialists, of vital importance for the development of public policies and for the informed action of civil society.

On this basis, the DGT partnered with the Portuguese Institute of Quality in the promotion of the national adoption of the ISO 37120:2014 - Sustainable development of communities -- Indicators for city services and quality of life standard, seeking to bring together in its Technical Commission a range of entities representing the sectors of public administration and of civil society with an interest in sustainable urban development. This effort, in order to standardise a battery of indicators, focused on sustainable urban development and on quality of life in cities, in articulation with the work of the Spatial Planning and Cities Observatory, should enable the establishment of a system of indicators common to all municipalities.

Thus, the Directorate-General for the Territory plays a fundamental role in motivating and coordinating the partners that share responsibilities in the implementation of the Sustainable Cities 2020 Strategy, with the actual Cities being its main agents.

Rui Amaro Alves

Director General for the Territory

Acronyms and abbreviations

AD&C	Agency for Development and Cohesion
CCDR	Regional Coordination and Development Commissions
CIM	Inter-municipal Community
CLLD	Community-led local development
DGT	Directorate-General for Territory
ESIF	European Structural and Investment Funds
ICNF	Institute for Nature Conservation and Forests
ICT	Information and Communication Technologies
IHRU	Institute for Housing and Urban Renewal
INE	National Institute of Statistics
IP	Investment Priorities
ISUD	Integrated Sustainable Urban Development
ITI	Integrated Territorial Investments
LAG	Local Action Group
OP	Operational Programmes
PNPOT	National Spatial Development Policy Program
POR	Regional Operational Programmes
PROT	Regional Spatial Planning Plans or Programs
R&I	Research and Innovation
SMEs	Small and medium-sized enterprises
SUDP	Strategic Urban Development Plan
USI	Urban Sustainability Index

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1. Introduction

Today, cities concentrate the majority of the population, economic activities and wealth, being the places with the greatest potential for fostering economic growth and employment, competitiveness and innovation. Nevertheless, they are also where the most complex environmental problems and phenomena of social exclusion and polarisation occur, with severe consequences for the quality of life of their citizens and the cohesion of the social link.

Over the last few decades, investment in cities and in the territory has been essentially marked by the overcoming of significant infrastructural deficits at various levels, with a clear preference for investment in infrastructures. The aim was to improve basic infrastructures, accessibility conditions and logistics integration, factors that are essential for the internationalisation of the Portuguese economy and the country's integration in international markets. However, this investment, by not having been accompanied by investment in the tradable sector, led to an excessive weight of the construction sector in the economy and an extensive urban expansion model, out of step with the real demographic and social dynamics.

The pattern of extensive urban occupation has led to serious efficiency and sustainability issues, which are now one of the main challenges for urban policies. With the end of this cycle, it is important to deepen knowledge of the existing territorial resources and learn how to better manage them in a more efficient and integrated manner; it is important to make the territory more resilient, promoting its adaptation to the growing exposure of the dynamics of globalisation and to external shocks, whether economic or climatic; it is important to continue a more sustainable territorial development model, focused on the rehabilitation and regeneration of the existing territories, on the containment of the urban perimeters and on the promotion of a polycentric territorial structure; and it is important to create the conditions for Portuguese cities to gain scale and competitiveness through the reinforcement, growth and internationalisation of the Portuguese economy.

Integrated in the European area, Portuguese cities participate in a network comprising many medium-sized cities and some large metropolises, in a pattern of distribution that, culturally anchored in European history, contributes significantly to the construction and identity of the European space and to the quality of life of its populations. The enhance-

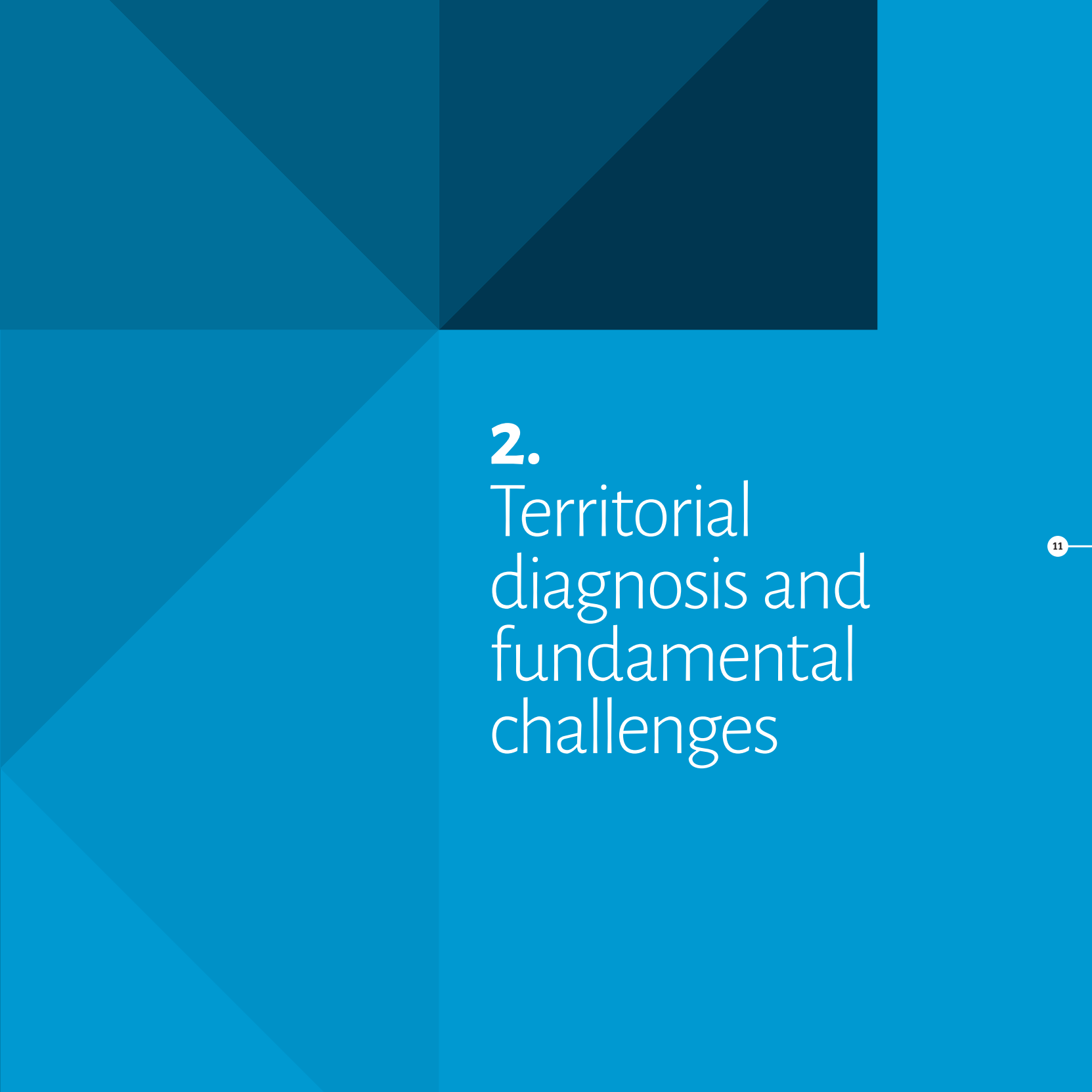
ment and strengthening of the national urban system, arising from an efficient, balanced and organised urban structure of the territory, are thus fundamental conditions for the achievement of this objective, as well as the achievement of the objectives and priorities established by Portugal and Europe in the «Europe 2020 Strategy», Portugal 2020 and the Partnership Agreement 2014-2020: promote the competitiveness of the national economy, social cohesion and the sustainable development of the country.

Within this framework, the «Sustainable Cities 2020» strategy seeks to reinforce the strategic dimension of the role of cities in the various areas of «Strategy 2020». Anchored on the paradigm of sustainable urban development, the «Sustainable Cities 2020» strategy must be perceived as a guideline document for territorial development, in which the involvement and commitment of a multiplicity of agents and different levels of governance is a fundamental condition for the focus of interventions not to be limited to the physical dimension of the urban space, but rather seek to achieve higher aspirations such as economic development, social inclusion, education, participation and environmental protection. In this regard, it is intended that this strategy serve as an urban sustainability guide for a range of development areas - economic, social, environmental, cultural and governance - and a useful instrument for cities, at various strategic territorial levels - intra-urban, city-region and interurban.

In this sense, the territorial development of the country through the reinforcement of the urban structure of the national territory and the improvement of the quality of life of urban populations are the main aims of the development and sustainability proposal set out in this strategy.

The latter is mainly directed at the public agents that intervene in the city and in the national urban system, with a focus on the municipalities, but also on the intermunicipal communities, whose role has been further reinforced, and on the Central Administration. However, it is also directed at civil society, companies and citizens in general, whose contribution is crucial for achieving urban sustainability. Beginning by highlighting the main challenges facing cities in the 2014-2020 period, this strategy focuses on the different areas that influence urban sustainability, and in relation to which the performance of Portuguese cities shall be assessed, through the urban sustainability index (USI).





2. Territorial diagnosis and fundamental challenges

2. Territorial diagnosis and fundamental challenges

The critical analysis of the main territorial dynamics that have occurred in the last few decades in Portugal and the assessment of the most relevant trends that have been materialising constitute an indispensable exercise to understand the current state of the territory and build upon the options to be adopted, in cities, in the 2014-2020 period, by public agents, with the necessary involvement of private entities and citizens in general. It is with this objective that the territorial diagnosis, developed in annex I to this strategy and of which it is an integral part, analyses the demographic transformations, the regional asymmetries, the trajectories of internal and external connectivity, the growth of urban areas, their patterns of occupation and expansion, the urban-rural connections and the evolution of the use of resources, from land to water and energy.

The diagnostic describes the main positive and negative transformations that have occurred, comparing the main progresses and backwards. It points out the efforts of a country that was strongly ruralised, with multiple deprivations, specifically at the level of infrastructures, basic sanitation, access to housing, schooling and health care, and a significant improvement in these areas, approaching European standards of economic, social, cultural and environmental development. On the flip side of this progress, various pathologies that affect the territory are recognised, such as the distortions that occur in the land and real estate market, the need to stabilise urban growth, to adequately weigh up its perimeters and create new balances in the built environment, countering the 'emptying' of city centres, the degradation of their peripheries, loosely defined urbanisation, dispersed construction, the weak dynamics of the rental market and the high percentage of vacant dwellings in a state of ruin, promoting urban regeneration and fomenting the correct design of the urban-rural interfaces.

There are also aggravated or emerging territorial and social problems, mainly arising from structural transformation processes and from the difficult crisis situation that the country is currently facing, and which translate into, namely, aggravated phenomena of inequality, poverty and social exclusion and into new situations of urban degra-

ation. Cutting across these problems are significant lacks in terms of governance, a particularly critical issue in the next cycle of European programming, which places increasing demands on the capacity of response, articulation and coordination of the resources and agents that operate in the territory.

Although the overcoming of identified problems and weaknesses is arduous and complex, the systematisation of the main constraints and opportunities facing a more intelligent, sustainable and inclusive urban development has the virtue of constituting the first step towards the correct identification of solutions.

Thus, the «Sustainable Cities 2020» strategy is based on the response to a range of challenges arising from this preliminary territorial diagnosis. These challenges require integrated approaches, suited to the specific conditions of each territory, and should become firmly rooted in national economic and social development public policies, within a consistent medium and long-term perspective:

Competitiveness and growth

Affirmation of cities through the enhancement of their human capital, investment in creativity, intelligence and innovation, capitalisation of companies that allow new and qualified jobs to be generated and the creation of conditions for their maintenance and stability, with a focus on the tradable goods and services sectors.

Social inclusion and cohesion

Inversion of social exclusion and poverty processes in an urban context, promoting qualification, employment and access to housing, services and facilities, counteracting the withdrawal towards the peripheries and the trends of segregation of inhabitants based on social background, social status or ethnicity.

Demographic transformations

Examination of the trends of loss of population in urban city centres, with a particular focus on qualified young people, aimed at achieving

a more balanced geographic distribution and a more effective response to the specific needs and demands of the elderly, children, young people and families, fighting discrimination and promoting the creative class and intergenerational relations.

Strategic governance

Involvement and capacity-building of urban agents - at a national, regional, sub-regional and local basis - developing their technical, organisational, material and financial resources, their mediation and strategic and operational coordination capacity and their networking, monitoring and assessment routines.

Land use discipline

Stabilisation of land uses, correcting the confusing effects of the territory generated by the excessive and virtual forecast of urbanisable areas, seeking the equitable redistribution of benefits and burdens associated to urbanisation, the social distribution of the general gains arising from planning options and the clear definition of the urban perimeters, as well as their contention and pondered regression.

Financial viability

Prioritising investment in sustainable urban development and subsequent financial, institutional and procedural capacity-building, enhancing the leveraging power of the European structural and investment funds (ESIF), namely through the identification of investment priorities and the selection of priority target-territories, and seeking alternative sources of funding and capitalisation of their agents.

Urban regeneration

Integrated enhancement of the range of urban physical support (buildings, infrastructures, environmental and topographical conditions) and promotion of the functional, cultural, social and

economic development of urban areas, seeking to achieve solutions of strategic and operational commitment among the various (public, private and voluntary) territorial agents.

Sustainability and resilience

Reinforcement of the sustainability of the urban development pattern, enhancing the base of indigenous resources, promoting the efficiency of their subsystems (energy, mobility, water and waste) and improving the capacity of response to risks and impacts, namely of those related to climate change.

Urban-rural integration

Promotion of relations of interdependence, complementarity and mutual benefit of the urban city centres with the non-urban environment under its functional influence, namely the agricultural areas of the hinterland, the surrounding forestry areas of cities and the rural and peri-urban interfaces.

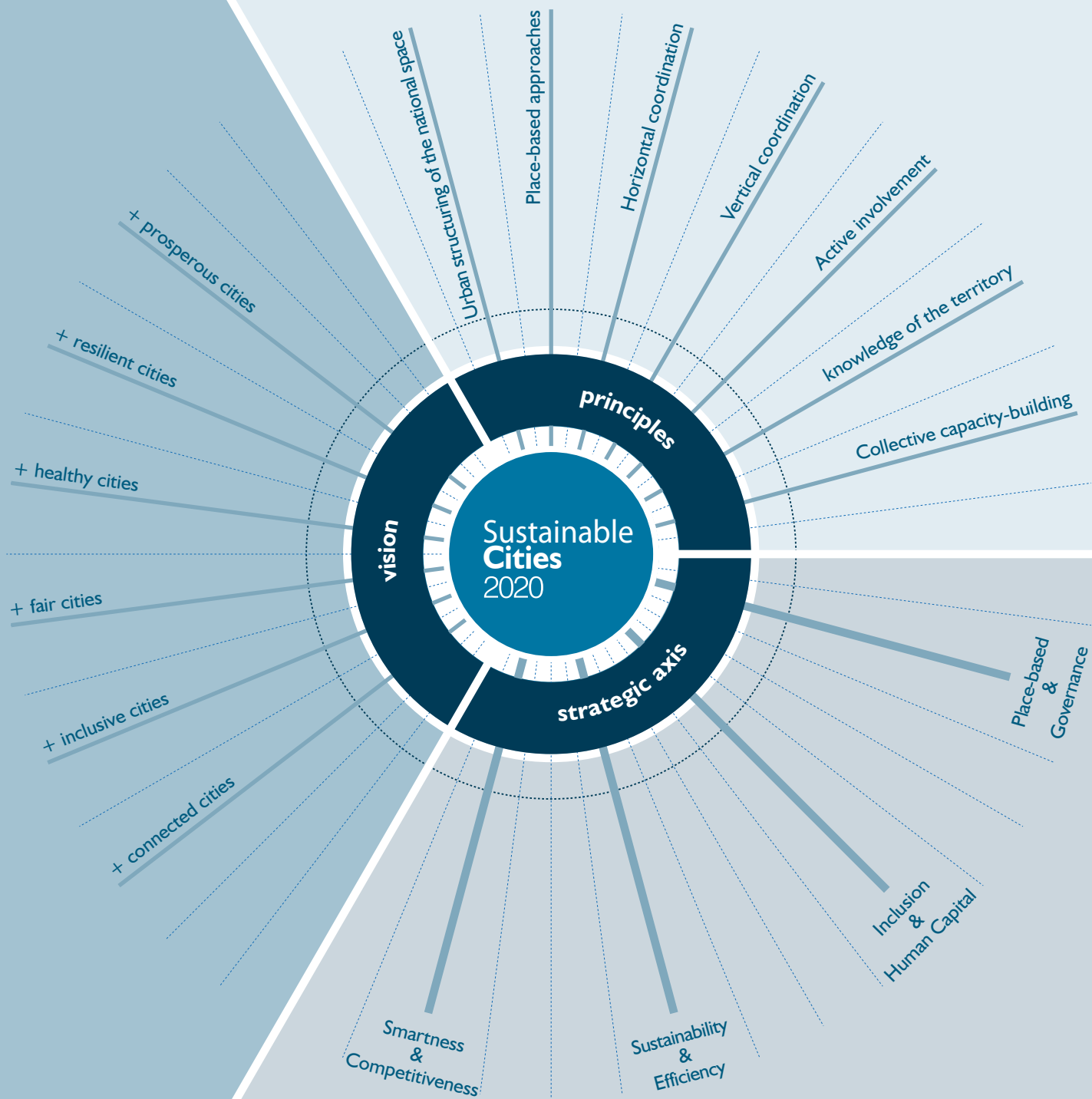
Integration in the international space

Promoting the attractiveness, projection and connectivity of the Portuguese metropolitan areas and cities in European and global contexts, strengthening territorial cooperation, enhancing functional and productive complementarities and facilitating access to the main international territories and markets.



3.

Sustainable Cities 2020



3. Sustainable Cities 2020

The «Sustainable Cities 2020» strategy is a national proposal, applicable at a local level, for a more sustainable future of our cities, combining a vision with a range of guiding principles and four proposed strategic intervention axes.

3.1. Object: the city in its multiple dimensions

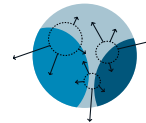
By concentrating the majority of the population, economic activities and wealth, cities have become increasingly significant. They are the places with the greatest potential for fostering economic growth and employment, competitiveness and innovation, but also where the most complex phenomena of social exclusion and severe problems of environmental sustainability are concentrated, threatening the quality of life of the population.

In addition, cities today are very unequal and heterogeneous, whether from the morphological and spatial viewpoint or the demographic and functional viewpoint, which makes their delimiting and conceptualisation very complex.

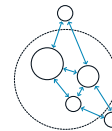
As open and dynamic systems, in which multiple agents interact, at different temporal and spatial scales, contemporary cities call for new readings and understandings, as well as the establishment of new frontiers and dimensions of analysis and of intervention. On the one hand, there is the need to overcome the nostalgic reference of the urban area in its classic sense, still quite overshadowed by the imagination of the old, compact and limited city. On the other hand, more than the limits imposed by a political-administrative jurisdiction, the contemporary city conforms and characterises itself based on a set of functional relations that are established with the region and the different surrounding hinterlands, including the maritime and the rural, constituting urban networks sustained by logics of complementarity and interdependence. From this point of view, three strategic territorial dimensions for intervention in cities are defined:



Intra-urban dimension, relative to urban settlements and built urban areas, taking into consideration its role in the social, economic, cultural and environmental functioning of the city, as well as its local community territories.



City-region dimension, relative to areas of functional influence of cities, and to economic and social interactions and interdependences between urban city centres and the urban-rural region where they are based.



Interurban dimension, relative to the networks of relations between cities and the flows generated between them based on polarisation, complementarity, differentiation and urban hierarchy, whose systemic potential depends on the quality of the synergies found and on the associations established.

3.2. The scope: sustainable urban development

Sustainability is a European guideline of reference and of special relevance for the 2014-2020 programming period. The Europe 2020 Strategy aims at making the European Union an intelligent, sustainable and inclusive economy. Over the last decade there has been a reflection on the evolution of public policies with regard to urban sustainability. In this sense, the Leipzig Charter (2007) and the Declaration of Toledo (2010) contributed towards the acceptance of integrated sustainable urban development as one of the priorities of the Cohesion Policy 2014-2020.

The concepts of «sustainable urban development» and of «sustainable development» are closely connected, implying a wide perspective that covers the fundamental areas of development: economic, social, environmental, cultural and governance.

Taking into account that an increasingly larger proportion of the population live in urban areas, cities are in a privileged position to contribute towards sustainable development. Sustainable development is, therefore, definitely dependent on sustainable urban development.

Considering the inherent complexity of urban systems, sustainable urban development constitutes an approach of integration by excellence, focusing in particular on the inter-relations that are established between the various areas of sustainability and development, and which respects the different strategic territorial dimensions of cities policy (intra-urban, city-region and interurban).

The «Sustainable Cities 2020» strategy aims to highlight a path towards territorial development, focused on cities and on the critical role they have in the territorial structuration, development and cohesion. Therefore, focused on sustainable urban development, the proposal outlined herein for cities:

- Is underpinned by the territorial strategic options established within the framework of the spatial development and urban planning policy and its reference instruments, namely the territorial model and the urban system laid down, at a national and regional scale respectively, in the National Spatial Development Policy Program (PNPOT) and in the Regional Spatial Planning Plans (PROT), as well as the own local strategic development options of the municipal and intermunicipal territorial plans;

- Is structured in accordance with the principles of an integrated territorial development approach, based on the incorporation of different sectoral policies (environment, employment, transport, education, health, etc.) at various organisational scales and levels (national, regional, sub-regional and local), and defends the coordinated participation and cooperation of different public and private agents.





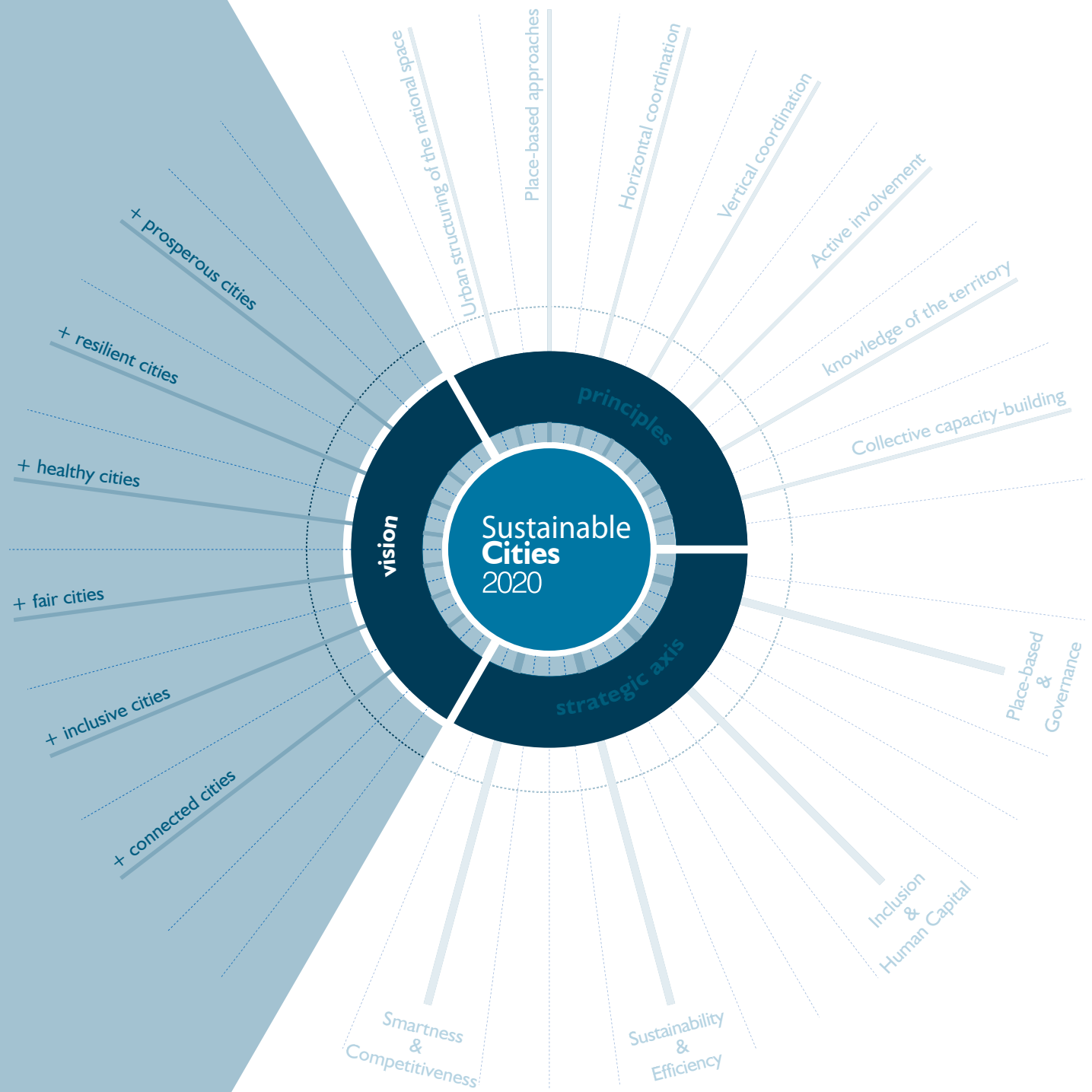
4. Vision and ambition

4. Vision and ambition

The creation of a guiding strategy towards cities and the assessment of its implementation arises from the recognition that the sustainable, integrated and harmonious development of the Portuguese territory is crucially dependent on the capacity of its **cities** to affirm themselves as its **central agents**, catalysts for environmental, social and economic development, **leaders** in the promotion of equity, of social cohesion and of the safeguarding and enhancement of the territorial resources and of the natural and cultural heritage.

The «Sustainable Cities 2020» strategy aims to respond to the weaknesses and needs of the **urban structuration of the territory** and act to strengthen and consolidate the vision of territorial development shared among agents of the territory, contributing towards the promotion of the conditions necessary for competitiveness, sustainability and national cohesion.

Therefore, the ambition is to create sustainable cities which are:



+ prosperous cities

Cities that offer high standards of quality of life and of functional qualification, which attract and maintain investment, people and knowledge, and which promote skilled employment and higher value production opportunities.

Cities that welcome and encourage innovation and creativity, that have the territorial intelligence and institutional organisation that enhances the talents and capabilities of individuals, companies and communities.

+ healthy cities

Cities that encourage healthy life styles, that offer an urban environment and public spaces of quality, and that adjust to the needs of the different population groups, taking advantage of local resources and promoting a logic of proximity.

Cities that assume their central role in the national commitment to the emerging paradigm of eco-efficiency and of reduction of their ecologic and carbon footprint, and leadership in the processes involving the reduction and qualification of consumption and the reduction of waste.



+ resilient cities

Cities capable of observing trends and developing flexible mechanisms of response to scenarios of greater uncertainty and of adapting their social and economic link to contexts of greater variability and unpredictability.

Cities that recognise and value the indigenous conditions and capabilities of the territories in which they operate and that commit themselves to future generations by safeguarding their common heritage.





+ fair cities

Cities that are preeminent spaces for the exercise of citizenship and for the strengthening of cultural identity and authenticity, committed to processes of participation and active involvement of citizens and communities, where all individuals and interest groups are recognised and integrated in the formulation of problems and in the assignment of responsibilities for solutions.

Cities opened to the active involvement of its citizens and institutions in the innovation, design and implementation of instruments and initiatives of urban sustainability, promoting transparent and participatory governance, focused on the quality of life of citizens.

+ inclusive cities

Cities that recognise the spatial expression of the multiple dimensions of exclusion, vulnerability and social isolation, actively promoting territorial cohesion, intergenerational solidarity dynamics and a culture of openness and intercultural dialogue.

Cities that enable responding, in a more efficient manner, to the new challenges of urban demand for services of general interest, ensuring the objective and adequate conditions for the exercise of the rights and opportunities of access to housing, education, health, security and justice, in a diversified and differentiated basis.





+ connected cities

Cities connected to the world, capable of enhancing the integration of the local economy with international markets and of developing relations of complementarity between specialisations of different network centres and the strategic commitment between its agents.

Cities connected to their surrounding territory and privileged stage of co-operation between their agents, and that function as the anchors of territorial approaches, ensuring the most sustainable complementarities between the areas that compose the city-region.





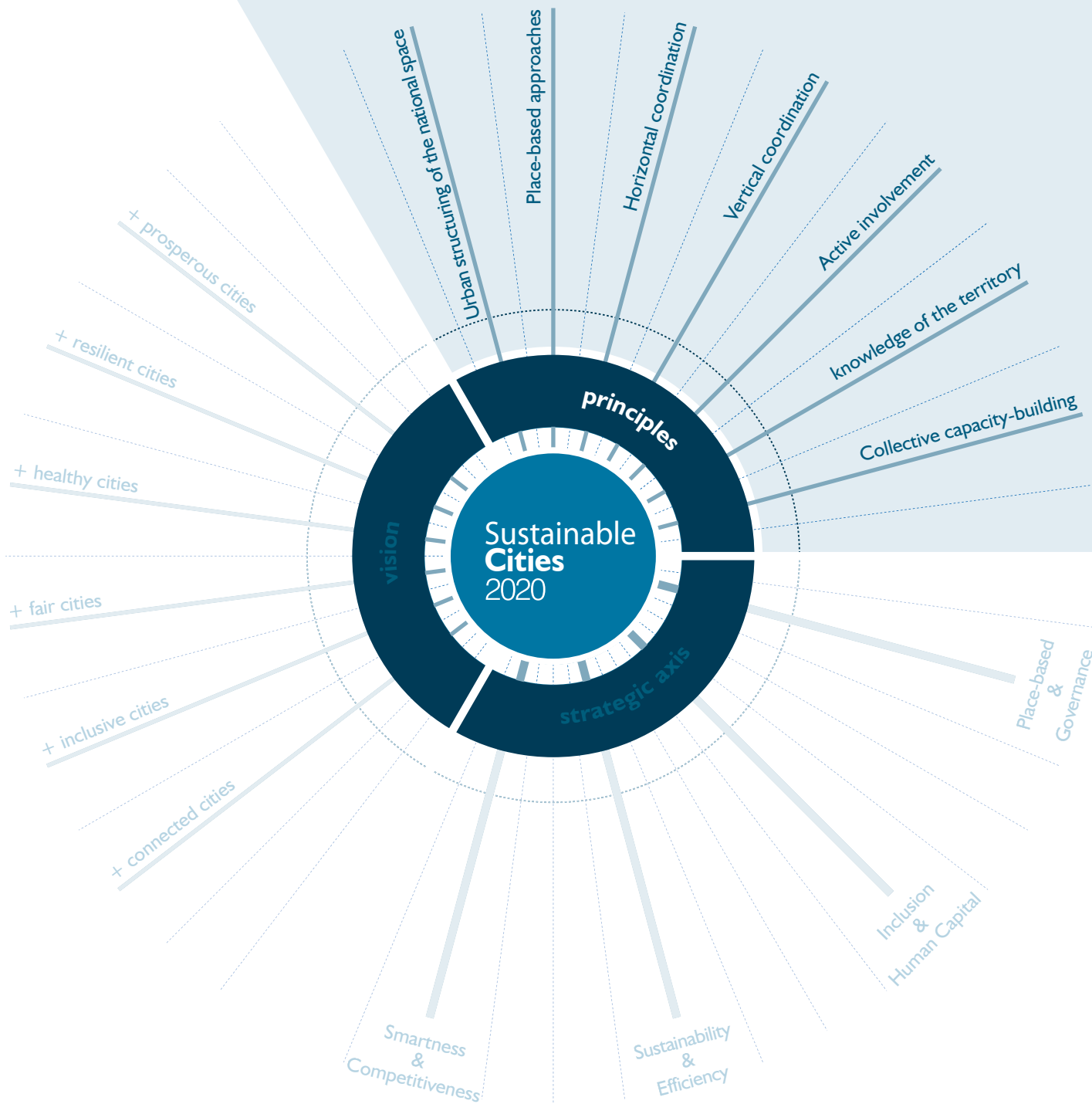
5.

Guiding principles

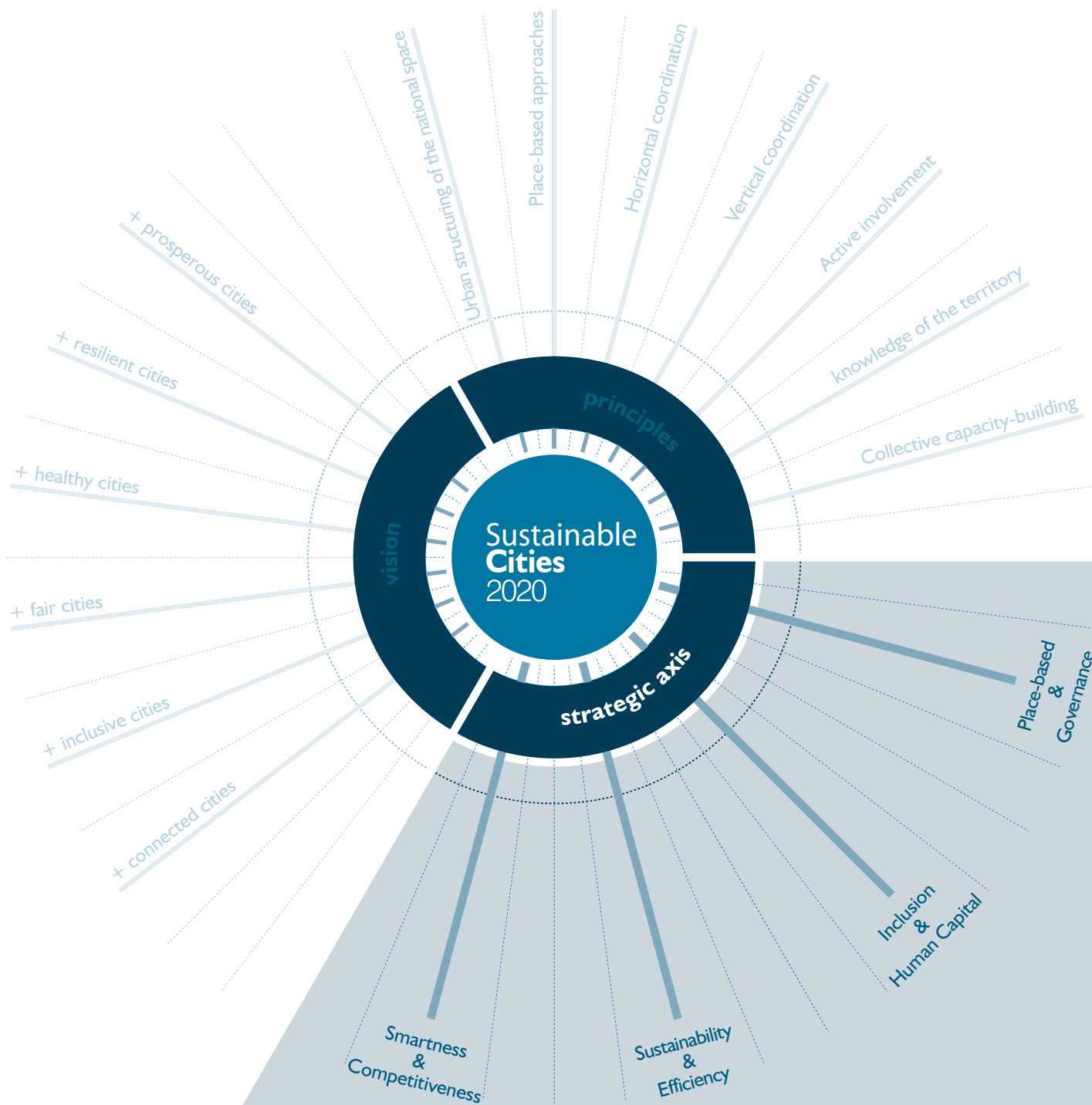
5. Guiding principles

The pursuit of the vision described in the previous number, and in response to the identified challenges, is sustained by eight principles, which should guide policy and investment decisions, with a view to achieving sustainable urban development.

- 1 Urban structuration of the territory**, promoting the strengthening of the national urban system and conceiving it as a transversal reference and guiding criterion in the implementation of public policies, for the balanced and efficient structuring of the national territory and for the strategic coordination of regions and cities;
- 2 Place-based approaches**, promoting integrated territorial approaches, which ensure the application of public policies through an adaptation to the specific characteristics of places;
- 3 Horizontal coordination**, promoting the strategic and operational convergence of sectoral policies and of urban and territorial development policies, through the coordination and articulation between the various institutional agents, assuming a long-term perspective for the sustainability trajectories of urban systems, and ensuring the coherence between the strategic management instruments available;
- 4 Vertical coordination**, promoting the coordination of territorial public policy interventions among national, regional and local governance levels, ensuring a multi-level strategic and operational framework and the coherence and optimised programming of actions;
- 5 Active involvement**, ensuring that the strategies of urban development are conceived with the involvement and the active participation of a representative group composed of urban agents and citizens, which guarantees the ownership, accountability and commitments of all the partners, focusing those same strategies on the achievement of results;
- 6 Knowledge of the territory**, promoting the systematic, integrated and updated production of information about cities, namely its potential resources, capabilities and its functional relations and urban dynamics under a common reference framework of sustainable urban development;
- 7 Collective capacity-building**, promoting collective innovation and learning, through the disclosure and dissemination of experiences and good practice, through local, national and international platforms of cooperation between public and private agents and civil society, and between governments and citizens.



6. Strategic axes



6. Strategic axes

The pursuit of the vision described in no. 4 and the response to the challenges identified in the territorial diagnostic is underpinned by four strategic axes, aligned with the major objectives of the «Europe 2020 Strategy» and with the thematic objectives and funding priorities within the scope of the new European framework relative to the European structural and investment funds (ESIF). A range of measures organised in accordance with these strategic axes is thus presented, whose integrated application will contribute to the transformation of our cities into more sustainable cities.

Note: The measures included in the strategic axes must be understood as a guiding reference framework, with cities being free to choose from the range of strategic directives and guidelines that they consider priorities, selected in accordance with the own specific characteristics of their territories, local political options and the sustainable urban development strategy that will be consolidated.



Smartness
&
Competitiveness



Intra-urban
dimension



City-region
dimension

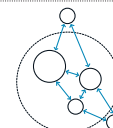
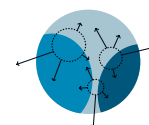
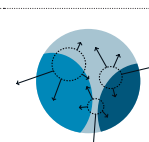
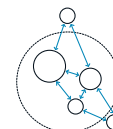


Interurban
dimension

Axis 1 - Smartness & Competitiveness

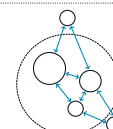
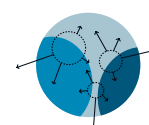
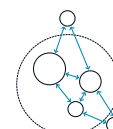
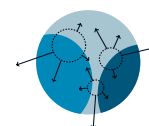
A A - Connectivity and internationalisation

1. Investing in the structuring role of urban centres, through the concentrated offer of facilities and services of general interest and in forms of functional and productive complementarity between urban centres that ensure the conditions of institutional critical mass, convergence of resources and market dimension that best sustain processes of innovation, growth, internationalisation and economic attractiveness;
2. Articulating the strategies of business and industrial location by making and planning investments in the scope of logistics and international connectivity, enhancing their synergies;
3. Strengthening the territorial cooperation between cities - transnational, cross-border and interregional - in order to promote functional synergies, to strengthen the profiles of shared specialisation and to participate in joint processes of learning and dissemination of good practices;



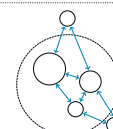
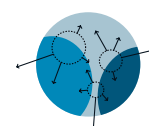
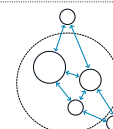
B Employment and business and institutional enhancement


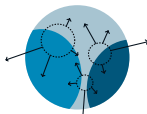
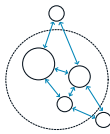

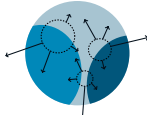

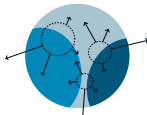
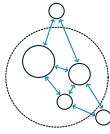

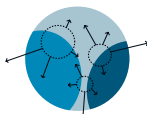
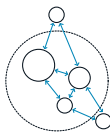

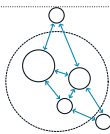
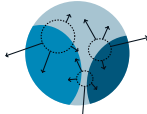
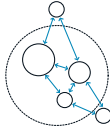
4. Promoting the reduction of the context costs of companies and other institutions headquartered in the city, both in terms of location, including the optimisation of the use of infrastructures and resources, and the reduction of installation, mobility and logistics costs, and in administrative terms, ensuring greater speed and efficiency in licensing procedures;
5. Reinforcing, based on strategies to attract and support business and institutional location, urban economic diversity and vitality, strengthening the functional, social and environmental qualification of urban centres and their capacity to maintain a young and qualified population;

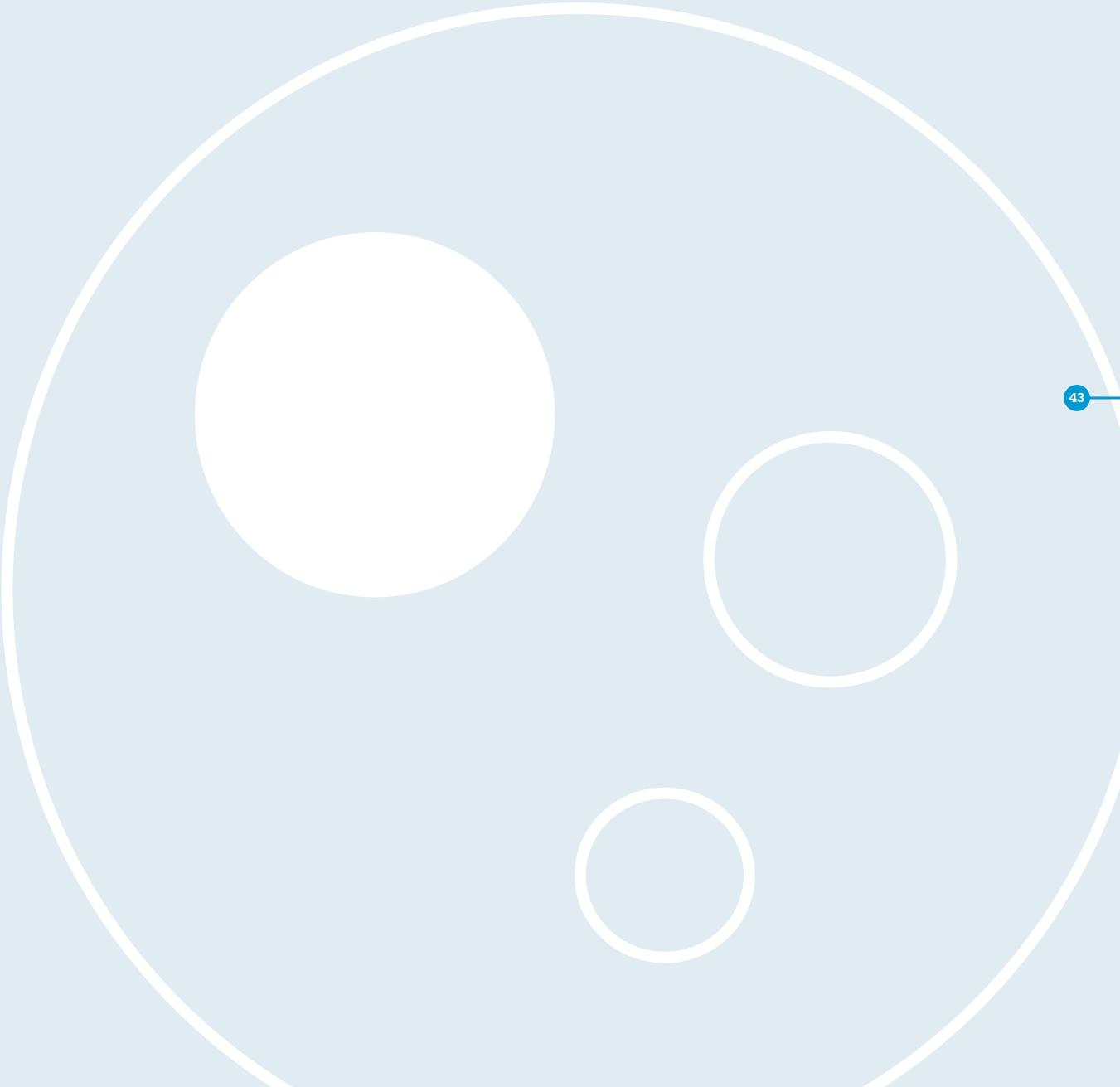


C Urban innovation

6. Promoting and support the constitution of entrepreneurial and urban innovation networks and niches at a local level, fostering pilot territories for testing and demonstration, living urban laboratories, business incubation centres and inter-firm clusters, and promoting the urban integration of business and technology parks;
7. Strengthening the connection between cities and their maritime and river fronts and fishing centres, contributing towards the «blue economy» of the coastal urban areas, at various levels, with emphasis on blue energy, aquaculture, blue sport and recreation and coastal-maritime and cruise line tourism;



8.	Investing in the «green economy» as a means of operationalising sustainable development and in the role that public procurement has in this context, encouraging the adoption, by companies and institutions headquartered in the city, of low carbon strategies, environmental protection and an efficient use of resources, as well as fomenting innovation, research and development of business models, production processes and more sustainable products;			
9.	Encouraging the adoption of innovative urban solutions applied to the urban area, from social and technological aspect , promoting, in partnership with civil society, the provision of goods and services better adjusted to local demand;			
D Identity and attractiveness				
10.	Promoting territorial marketing actions that ensure the visibility of cities, in Europe and in the world, highlighting the differentiating factors of identity and competitiveness, including the institutional and functional capacity, the urban, architectural, landscape, historical and socio-cultural values but also the climate, gastronomic, security and quality of life amenities;			
11.	Supporting tourism development, from the point of view of sustainability and mitigation of seasonality, by focusing on urban segments, such as cultural, business, health and sea-associated tourism, and through the structuration of urban services supporting the tourism activity of the functional urban region, involving the local communities in these strategies;			
E Information and communication technologies				
12.	Designing and implementing intelligent systems for the integrated monitoring and management of urban subsystems which reinforces equity, efficiency and reliability gains;			
13.	Developing electronic solutions directed at improving the governance and performance of urban functions, including platforms of information and access to public services, citizen participation and collaboration between urban agents, and new models of labour and commercial relations, guaranteeing their alignment with the needs and specific capabilities of every population group;			







Intra-urban
dimension



City-region
dimension

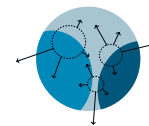
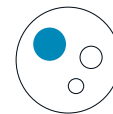
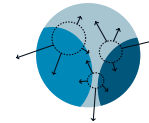


Interurban
dimension

Axis 2 - Sustainability & Efficiency

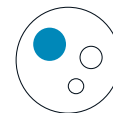
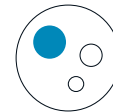
A Urban regeneration and restoration

14. Containing the expansion of the urban perimeters, structuring and requalifying the urban fronts and protecting the surrounding rural land from disorganised urbanisation and positively differentiating the occupation of the existing urban voids, without prejudice to the possibility of future and exceptional growth needs, properly defined and programmed;
15. Promoting urban renewal actions in historical city centres and in urban and peri-urban areas with multidimensional deficiencies, fomenting the recovery, improvement and reconstruction of buildings, the requalification and reconversion of brownfield sites and the qualification of the public space and infrastructures, guaranteeing conservation, security, health, aesthetic, landscape and environmental conditions.
16. Promoting urban renewal from a point a view of integrated territorial enhancement, including, not only in physical and functional diversification terms but also complementary material and immaterial actions of economic, social, cultural and environmental revitalisation, particularly in deprived urban territories;



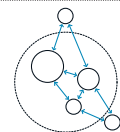
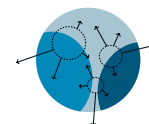
B Housing

17. Promoting and making the rental market more dynamic, by focusing on interventions in the existing housing stock or associated to urban renewal operations;
18. Restructuring the social housing offer, adjusting the value of rents to household income, eradicating situations of precarious dwellings and finding sustainable solutions for homeless people;



C Urban environment

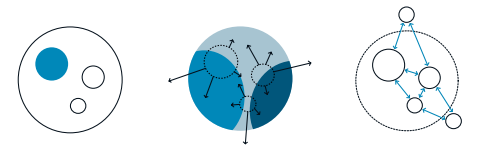
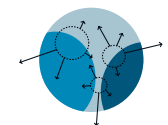
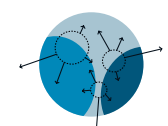
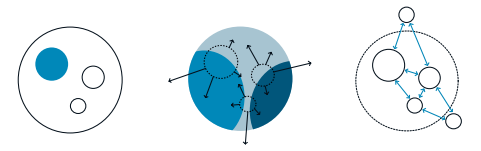
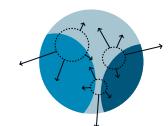
19. Reinforcing the environmental, economic, financial and social balance and sustainability of the urban infrastructure subsystems, with emphasis on water, sanitation, energy, waste and mobility, developing joint solutions with services and suppliers and ensuring adaptation to the land use and occupation matrix;

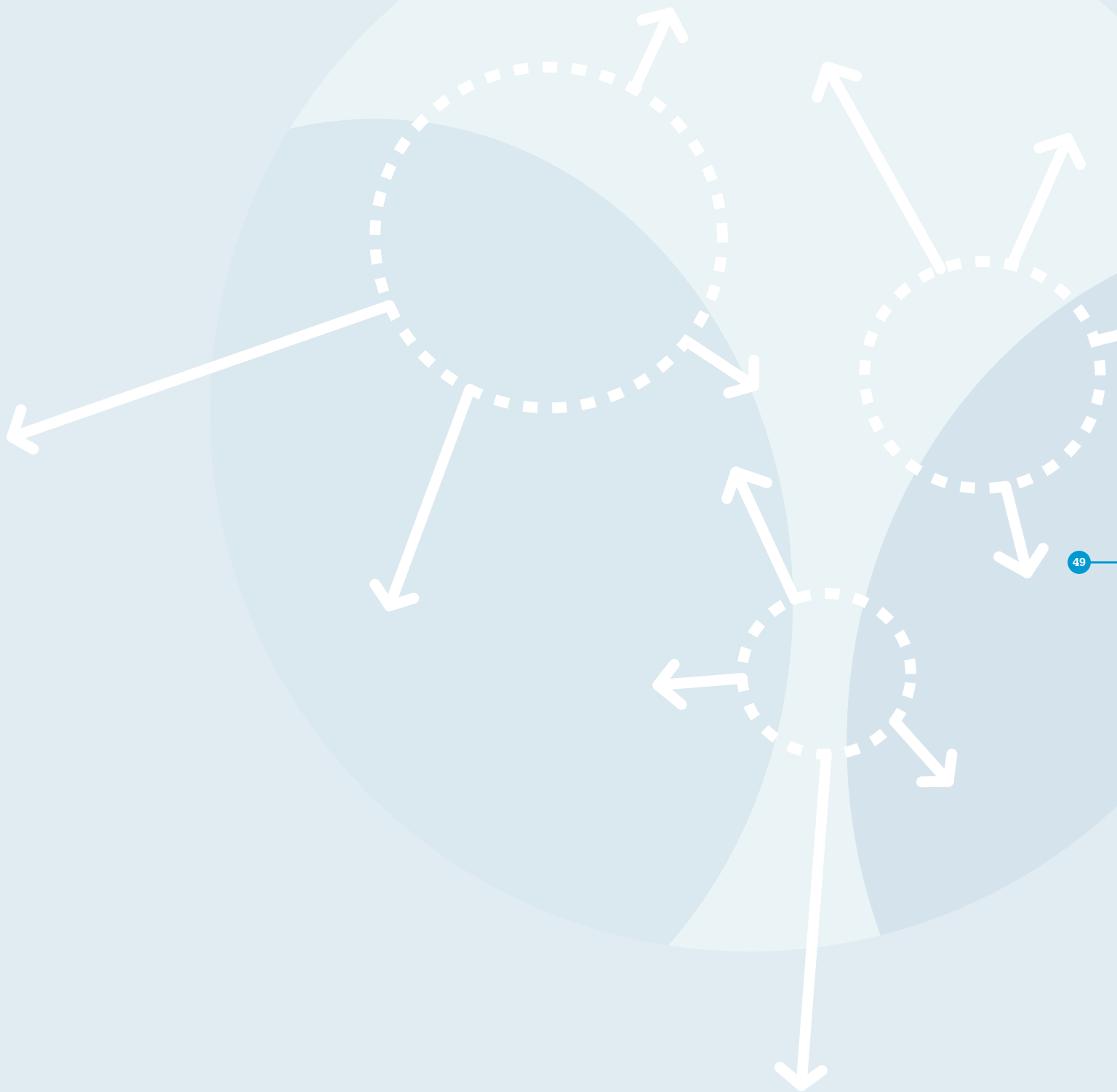


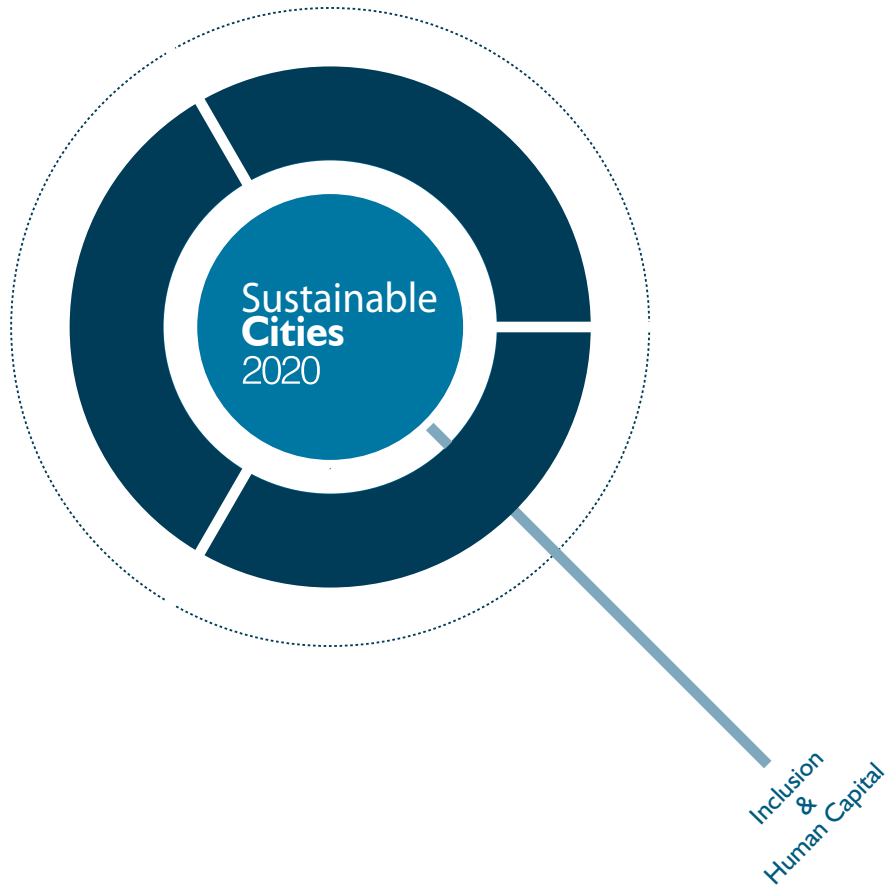
20.	Promoting the creation, qualification, integration, accessibility and legibility of urban exterior spaces, constituting systems of collective spaces, namely squares, wooded paths, pedestrian areas, traffic slowdown (speed control) areas, vegetable gardens, gardens, farms and parks, promoting their functions as free recreation, leisure, social interaction, culture and sport areas, enhancing their role in the micro-climatological equilibrium of ecosystems, biogeochemical cycles, biodiversity and the landscape, and contributing to the green infrastructure;		
21.	Limiting the urban pressure on water resources, promoting the improvement of the urban water balance, water stress management, the rationalisation of public, domestic and industrial consumptions, the reuse of grey and rain water and the environmental requalification of industrial effluents;		
22.	Increasing the efficiency of urban metabolism, assuming the priority of reducing and recovering waste as a resource, extending the framework of solutions for reuse, recycling and energy and organic recovery of waste and promoting the consumption of local products and the fight against waste;		
23.	Ensuring updated and reliable information on air and noise quality in cities, identifying critical areas for intervention and promoting the conciliation of polluting activities with the right to a quality environment for human health, the models of clean mobility and the improvement of the acoustic envelope of buildings and public spaces;		
D Low carbon			
24.	Reducing the energy intensity of cities, through differentiated responses of demand management, consumption reduction and promotion of the energy efficiency of the various urban agents and, in particular, of the public, corporate and residential sectors, as well as of the lighting, mobility, water and waste management subsystems, including the integration and use of renewable energy sources, ensuring the transition to a low carbon model and the reduction of the carbon footprint of urban systems;		 
25.	Mitigating the energy vulnerability of cities via an indigenous offer, promoting decentralised production - both renewable and through high efficiency systems - for self-consumption, the intelligent management of the electricity-generation system and of the distribution network, and the expansion of the energy mix through the adoption of cost-efficient technologies;		 

26.	Reducing the carbon intensity of urban mobility, including goods and passengers, discouraging private motor vehicle transport, promoting intermodality and reinforcing the adaptation, coverage, connectivity, service, information and sustainability of public transport, increasing the weight and diversity of the low carbon mobility options in the modal split, including soft and electrical renewable mobility, and promoting the functional and tariff integration of the urban, suburban and interurban intermodal network;	
27.	Fomenting sustainable mobility in urban regeneration processes, promoting the diversification of the proximity offer, the attractiveness of the urban areas with good levels of accessibility, the responses of safe mobility directed at children, young people, families and elderly people, the residential, commercial, business and industrial urban logistics and the restructuring of the right-of-way to promote public transport and smooth and conditioned mobility;	
E Climate change and risks		
28.	Moderating the vulnerability of the urban systems, increasing their resilience to economic, natural, technological and mixed risks, including those that result from climate change and extreme weather phenomena, and fomenting the emergence of an urban culture in uncertainty management and risk prevention and reduction;	
29.	Improving the knowledge and awareness of the risk environment in terms of trends, foresight, location, impact, monitoring and alert, introducing structured mechanisms of prevention, reduction, adaptation and reaction, introducing the risk component in urban management and articulating risk mapping with the territorial planning options;	
30.	Implementing strategies of adaptation of cities to climate change according to their specific vulnerabilities, climatological profile and physical and functional characteristics (atmospheric composition, wind circulation, water balance and heat island), ensuring the resilience of their urban subsystems and enhancing the interactions with their coastal and waterfront areas, with the rural and natural surroundings;	

F Urban-rural integration

- | | |
|--|--|
| <p>31. Fomenting the articulation between cities and their rural surroundings, including agricultural and forestry areas of the hinterland and of the urban-rural interfaces, exploiting the economic, social and cultural complementarities resulting from that proximity relationship, improving the transport and logistic conditions and promoting the offer of regional products, namely in the fruit and vegetable sector;</p> |  |
| <p>32. Dealing with the indiscriminate proliferation of dispersed construction in peri-urban areas, particularly for housing, avoiding urban diseconomies, and dedicating that land to productive activities, namely agriculture and forestry, discouraging its abandonment and helping to neutralise adventitious demand and interests;</p> |  |
| <p>33. Promoting peri-urban and metropolitan wild spaces, creating or requalifying recreational and leisure parks, multiple-use forest parks and trekking networks in the areas of influence of the cities, increasing the awareness of the urban population regarding natural values;</p> |  |
| <p>34. Encouraging investment in urban green infrastructures and in urban-rural and urban-riverside interfaces, based on natural capital and on social, economic and environmental services provided by the ecosystems, and promote urban-riverside integration, developing the river, lagoon and sea aquatic ecosystems and related economic activities;</p> |  |
| <p>35. Boosting the economic and social enhancement of the natural heritage, of the protected and classified areas for the purposes of nature conservation, promoting in an urban environment the products and services associated to these areas and reinforcing their vital role in the defence of biodiversity and in the assertion of the city-region;</p> |  |







Intra-urban
dimension



City-region
dimension

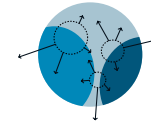
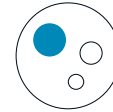


Interurban
dimension

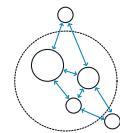
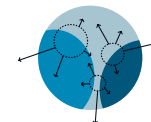
Axis 3 - Inclusion & Human Capital

A Social inclusion

36. Promoting inclusion, equity and social cohesion, seeking to reverse the processes associated to social exclusion, such as poverty, difficulties in the access to housing, facilities and services, info-exclusion and the withdrawal to the peripheries, guaranteeing the right to the city and encouraging centripetal residential trajectories;



37. Ensuring the adequate extension, intensity and quality of the urban infrastructure and social facilities and services networks, through a functional and not only administrative perspective, in order to address the specific and emerging demand and needs of elderly people, children, young people, families and citizens with reduced mobility;

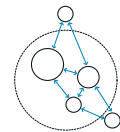


38. Guaranteeing the safety of people and goods, preventing and fighting urban crime, with a specific focus on critical urban areas, on violent crime that affects citizens' feeling of safety and on domestic violence, and promote social prevention and support for victims, especially children, elderly people and women;



B Capacity-building and initiative

39. Enhancing the human capital of cities, promoting the capacity-building of potential entrepreneurs, businessmen and managers, namely in small and medium-sized enterprises (SMEs), and ensure that the qualifications of workers match the requirements of the labour market, with a view to integrating young and unemployed people into the workforce;

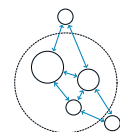
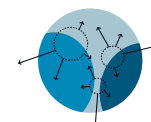



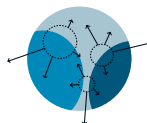

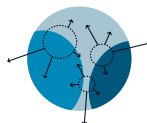

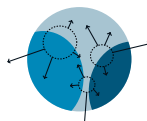
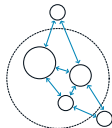


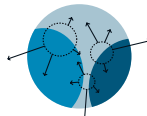
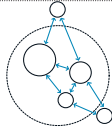
40. Promoting and foster entrepreneurship and employment opportunities in an urban environment, in order to exploit unemployed assets, and the creation of new companies that enable the generation of sustainable and continued employment;

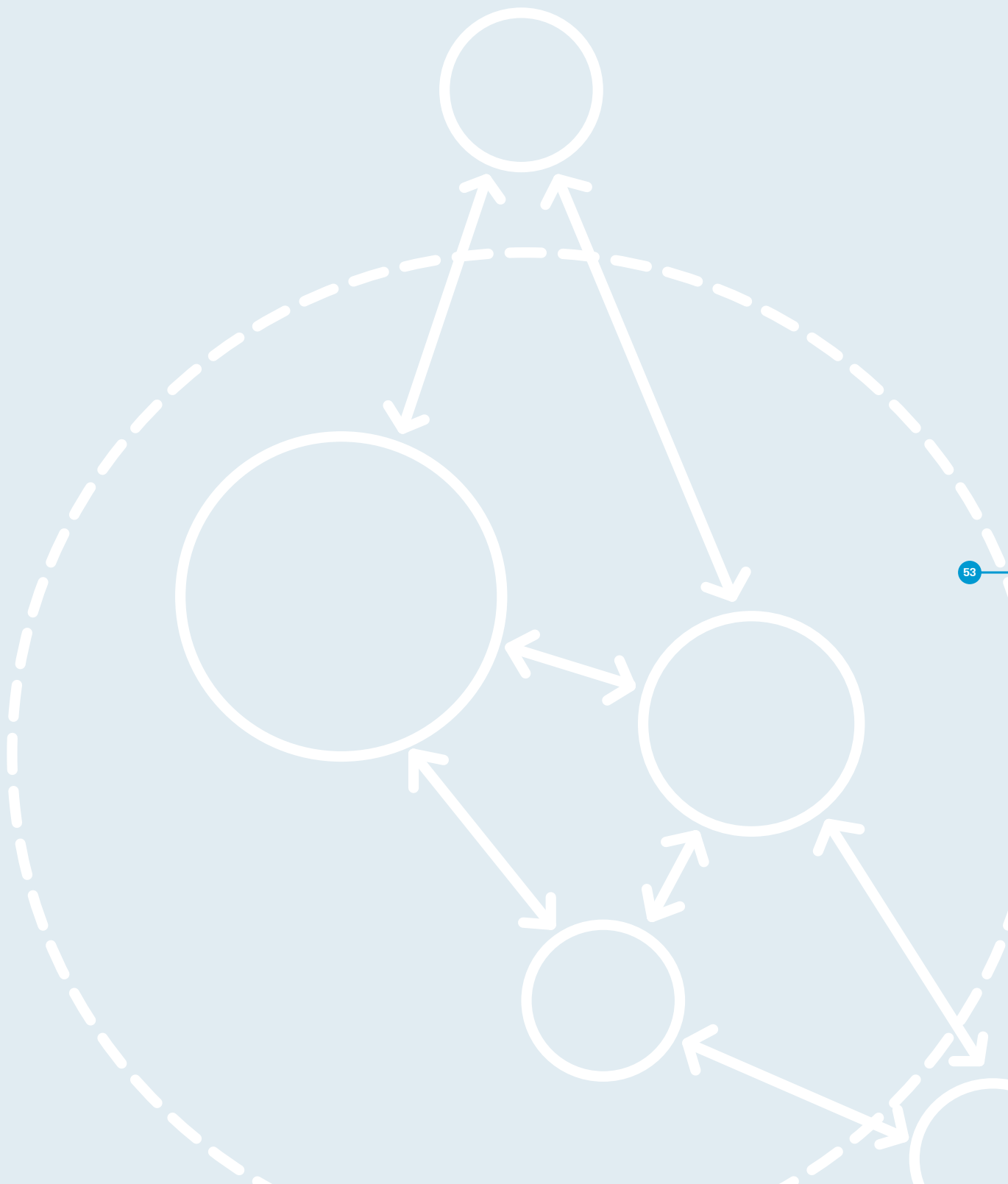


C Culture, citizenship and responsibility

41. Fomenting the transparency and active intervention of citizens in the sustainable urban development model, enhancing the own specific characteristics of the various age groups, innovating in information communication vehicles and forms, developing awareness and civic involvement programmes to address urban challenges and creating permanent platforms of public participation and citizen innovation;



42.	Promoting the various urban culture expressions of neighborhood and proximity, supporting the local community and associative dimension, reinforcing social interaction, solidarity, tolerance, protection, responsibility and inclusion and deepening the collective identity and self-esteem, particularly of the communities at greatest risk of social exclusion;		
43.	Raising citizens' awareness of the behavioural dimension of sustainable urban development, by alerting and making them accountable, both individually and collectively, for the impacts of their options and life styles, providing them with the opportunities and conditions for adjustment and mobilising them around shared commitments;		
44.	Safeguarding and enhancing the existing cultural and natural, material and immaterial heritage, as a factor of differentiation of territories, fomenting the use of the existing cultural facilities through the creation of partnerships and cultural networks and invest in cultural activities as a decisive factor of economic and social enhancement of citizens and territories, promoting the expression, access and plurality of local, traditional and contemporary cultures;		 
D Urban communities			
45.	Promoting the proximity scale for the development of inclusive processes of citizenship and awareness-raising, encouraging inclusive, intelligent and community sustainable approaches, which take advantage and reinforce the installed capacity of the associative links and of the local public intervention network;		
46.	Supporting the structuration of community-based economies, promoting local businesses and employment, namely through incentive systems that promote economic dynamics and employment;		 







Intra-urban
dimension



City-region
dimension

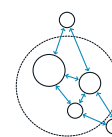
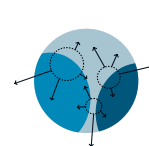


Interurban
dimension

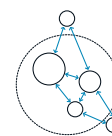
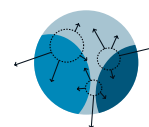
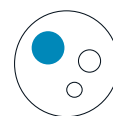
Axis 4 - Territorialisation & Governance

A Information and knowledge

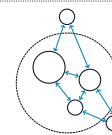
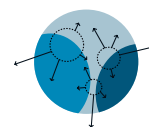
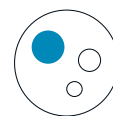
47. Ensuring a solid and updated local base of urban information which enables to support the diagnostics of needs, preferences, contexts and costs of interventions inherent to sustainable urban development, facilitating ex-ante evaluations and the development of innovative public policy responses, the monitoring and the assessment of urban dynamics resulting from the implementation of defined strategies;



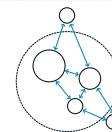
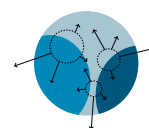
48. Developing the matrixes of intelligence, sustainability and inclusion of urban subsystems, implementing a system of indicators based on the national reference framework for sustainable cities and ensuring complementarity with the strategic environmental impact assessment processes and with the municipal and regional spatial planning status reports;



49. Developing urban information systems, in particular geographic, promoting the integration and interoperability with existing systems and harmonising them with the national reference base, making the information publicly available and creating open regimes for its production and sharing;

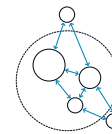
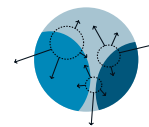
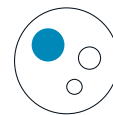


50. Develop strategic partnerships with universities and research centres and enhance the articulation of the «Horizon 2020 Programme» with the scheduling and operationalisation of sustainable urban development, fostering reciprocal gains in knowledge and scientific production, focused on addressing urban problems;

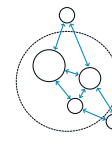
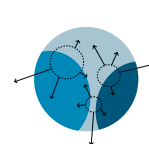


B Networking and institutional capacity-building

51. Involving urban agents in the sustainable urban development process, within an open, structured and permanent sub-regional strategic commitment partnership, which sustains the public-private-knowledge-civil society collaboration for the development, implementation and monitoring of a long-term common vision;



52. Empowering urban agents related to the process of strategic governance, through the development of networking instruments, tools and skills, innovation and knowledge production, information management, communication, project management, financial management and public procurement;



53. Reinforcing networking between cities of the urban system and in national and international platforms for cooperation and systematisation of urban knowledge, fomenting initiatives of benchmarking and benchlearning, of collection and systematisation of good practices and of participation in forums and events linked to sustainable urban development.





7.

Implementation, follow-up and monitoring

7. Implementation, follow-up and monitoring

The final objective of all the measures that lead to sustainable development is to contribute actively to the improvement of the quality of life of the populations. Therefore, in order to implement efficient sustainable urban development policies efficaciously, by focusing on that which is envisioned by the «Sustainable Cities 2020» strategy, it is essential to establish useful tools for their implementation, follow-up and monitoring, complemented by an effective and constructive dissemination of good practices.

The following contributions shall be decisive for the implementation of this strategy:

- Funding for sustainable urban development within the scope of the next European funding cycle, “**Portugal 2020**”, with emphasis on the integrated territorial approaches, complemented by the globally available funds for cities within the scope of this cycle;
- The creation of a «**Sustainable Cities 2020 Forum**», which will not only constitute a space for sharing information and good practices and for disseminating knowledge on sustainable urban development, but also a platform for the purposes of measurement and assessment of the performance of cities in terms of urban sustainability;
- The creation of a **barometer** and a **USI**, which enables imprinting healthy competition between cities and that ensures the assessment of the results of investments in actions related to sustainable urban development;
- The promotion of **urban knowledge and innovation networks and platforms**, as well as the dissemination of good national practices during the course of this period.

7.1. Operationalisation instruments

7.1.1. Sources of funding for sustainable urban development

An intelligent and effective application of the funds available, with emphasis on the funds that will be made available within the scope of the next European funding cycle 2014-2020, is crucial for taking advantage of a unique opportunity for the promotion of sustainability of Portuguese cities and urban systems. There are several areas associated to sustainable urban development that the European Commission has selected as vital for the next cycle, including the promotion of a low carbon economy, environmental protection and efficiency in the use of resources, management and prevention of risks and adaptation to climate change, competitiveness and innovation, urban renewal and social inclusion.

The planned ESIF for this 2014-2020 period include, namely the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), with the logic of the multi-fund financing having been resumed, which had been abandoned in the previous 2007-2013 period. Given the importance of FEDER in this area, it was established that at least 5% of this fund within the entire framework must be applied to sustainable urban development actions, thus raising the need for a common reference framework to certify investments of this type. The ESIF fund the operational programmes (OPs), covering namely four thematic OPs (Competitiveness and internationalisation - POCL, Social Inclusion and Employment - POISE. Human Capital - POCH, Sustainability and Efficiency in the Use of Resources - POSEUR) and five regional OPs (POR Norte, POR Centro, POR Lisboa, POR Alentejo and POR Algarve) in the mainland, corresponding to the territory of each Nomenclature of Territorial Units for Statistics (NUTS) II (POR Norte, POR Lisboa, POR Centro, POR Alentejo and POR Algarve).

The summary table below presents the correspondence between the four strategic axes and the respective sub-axes of the «Sustainable Cities 2020» strategy identified previously and the sources of available funding set out in the OPs, comprising the main basis of financial support for strategic investment in the sustainability of Portuguese cities (see table 1). This scheme is developed and broken down in annex II to this strategy and of which it is an integral part, where the corresponding

investment priorities are also itemised, as well as some types of eligible actions in those areas, although provided only for indicative purposes. The OPs and other applicable regulatory instruments should of course be consulted.

The ESIF sources of funding may be complemented with other investment solutions managed at a European level, such as the Horizon 2020, INTERREG (Europe, MED, SUDOE, POCTEP), Atlantic Area, COSME, LIFE and URBACT III programmes, among others, and the European Fund for Strategic Investments. It should also be pointed out that not all of the guidelines associated with sustainable urban development previously mentioned shall be merely guaranteed by European funding, there are other funds that may contribute to the pursuit of the strategic objectives laid out in this strategy, such as the funds of the European Investment Bank available for housing and urban restoration, the Energy Efficiency Fund and the Portuguese Carbon Fund, among others. However, the European funding of the next cycle shall act as an important leverage for investments that will enable these goals to be achieved.

Table 1 - Sources of funding available by Strategic Axis/CS2020 sub-axis

Vide RCM, p. 5714; fich. digital, pp. 15-17

CS2020		Source of funding
Axis 1 - Smartness & Competitiveness		
1.A. Connectivity and internationalisation	ERDF	POCI – Axis I; POR Norte – Axes 1 and 2; POR Centro – Axes 1 and 2; POR Lisboa – Axes 1 and 2; POR Alentejo – Axes 1 and 3; POR Algarve – Axes 1 and 2
1.B Employment and business and institutional enhancement	ERDF	POCI – Axis II; POR Norte – Axes 2 and 9; POR Centro – Axes 2 and 8; POR Lisboa – Axis 2; POR Alentejo – Axes 1 and 9; POR Algarve – Axes 2 and 8
1.C Urban innovation	ERDF ESF	POCI – Axes I and II; POISE – Axis 3; POR Norte – Axes 1 to 6, 7 and 9; POR Centro – Axes 1 to 5 and 7 to 9; POR Lisboa – Axes 1, 2, 5, 6 and 8; POR Alentejo – Axes 1, 3 to 6 and 7 to 9; POR Algarve – Axes 1 to 6 and 8
1.D Identity and attractiveness	ERDF ESF	POR Norte – Axes 2, 4 and 9; POR Centro – Axes 2, 7 and 8; POR Lisboa – Axes 2 and 4; POR Alentejo – Axes 1, 8 and 9; POR Algarve – Axes 2, 4 and 8
1.E Information and communication technologies	ERDF ESF	POCI – Axis II; POR Norte – Axis 9; POR Centro – Axis 8; POR Alentejo – Axis 9; POR Algarve – Axis 8
Axis 2 - Sustainability & Efficiency		
2.A Urban regeneration and restoration	CF ERDF ESF	POSEUR – Axis 1; POISE – Axis 3; POR Norte – Axes 3 to 5 and 7; POR Centro – Axes 3, 5, 7 and 9; POR Lisboa – Axes 3, 4, 6 and 8; POR Alentejo – Axes 4 and 6 to 9 Norte – Axis 9 8; POR Algarve – Axes 3, 4, and 6
2.B Housing	CF ERDF	POR Norte – Axes 3 to 5; POR Centro – Axes 3, 7 and 9; POR Lisboa – Axes 3 and 8; POR Alentejo – Axes 4, 7 and 8; POR Algarve – Axes 3, 4 and 6
2.C Urban environment	CF ERDF	POSEUR – Axes 1 to 3; POR Norte – Axes 3 to 5; POR Centro – Axes 3, 7 and 9; POR Lisboa – Axes 3 and 8; POR Alentejo – Axes 4 and 8; POR Algarve – Axes 3, 4 and 6
2.D Low carbon	CF ERDF	POSEUR – Axis 1; POR Norte – Axis 3; POR Centro – Axis 3; POR Lisboa – Axis 3; POR Alentejo – Axes 4 and 7; POR Algarve – Axis 3
2.E Climate change and risks	CF	POSEUR – Axis 2
2.F Urban-rural integration	CF ERDF ESF	POSEUR – Axis 3; POR Norte – Axes 4, 5 to 7; POR Centro – Axes 4, 5, 7 and 9; POR Lisboa – Axes 4, 6 and 8; POR Alentejo – Axes 4 to 6 and 8; POR Algarve – Axis 4 to 6
Axis 3 - Inclusion & Human Capital		
3.A Social inclusion	ERDF ESF	POISE – Axis 3; POR Norte – Axes 5, 7 and 8; POR Centro – Axes 3, 5 and 9; POR Lisboa – Axes 6 to 8; POR Alentejo – Axes 2, 4 and 6; POR Algarve – Axes 6 and 7
3.B Capacity-building and initiative	ERDF ESF	POISE – Axis 3; POR Norte – Axes 2, 6 and 7; POR Centro – Axes 2, 4 and 5; POR Lisboa – Axes 2, 5 and 6; POR Alentejo – Axes 1, 5 and 6; POR Algarve – Axes 2, 5 and 6
3.C Culture, citizenship and responsibility	ERDF ESF	POISE – Axis 3; POR Norte – Axes 4 and 7; POR Centro – Axes 5 and 7; POR Lisboa – Axes 4 and 6; POR Alentejo – Axes 6 and 8; POR Algarve – Axes 4 and 6
3.D Urban communities	ERDF ESF	POISE – Axis 3; POR Norte – Axes 6 and 7; POR Centro – Axes 4 and 5; POR Lisboa – Axes 5 and 6; POR Alentejo – Axes 5 and 6; POR Algarve – Axes 5 and 6
Axis 4 - Territorialisation & Governance		
4.A Information and knowledge	ESF	POR Norte – Axis 9; POR Centro – Axis 8; POR Alentejo – Axis 9; POR Algarve – Axis 8
4.B Networking and institutional capacity-building	ERDF ESF	POCI – Axis II; POR Norte – Axes 7 and 9; POR Centro – Axes 5 and 8; POR Alentejo – Axes 6 and 9; POR Algarve – Axes 6 and 8

7.1.2. Integrated territorial approaches

Although not exclusive, it is mainly through some of the instruments proposed by the European Commission for the next funding cycle, specifically oriented towards territorial development and integration of policies, that sustainable urban development finds its appropriate operational framework.

As such, the vision and guidelines advocated by the «Sustainable Cities 2020» strategy during the 2014-2020 period will focus on particular means of achievement: the integration instruments advocated within the scope of the common European area for all the Member States and applied to the Portuguese case, in particular the so-called integrated territorial approaches.

In this respect, specific focus is placed on the **Integrated sustainable urban development actions (ISUD)**, aimed at continuing sustainable development strategies within the scope of «Portugal 2020», taking into consideration the relevance of the urban systems in the dynamics of growth and employment, competitiveness and innovation, and of sustainability and promotion of the quality of life. The ISUD thus intends to structure operations based on and specified in urban development strategies. According to the Partnership Agreement 2014-2020, signed between Portugal and the European Commission for «Portugal 2020», the particular characteristics of these strategies and of ISUD justify the concentration of investments from a dual perspective:

- The reinforcement of the role of the metropolitan areas in the structuring of the urban system, with specific focus on the challenges associated to low carbon strategies (e.g. energy efficiency and sustainable mobility) and in urban regeneration and renewal;
- The promotion of urban regeneration and revitalisation focused on urban centres that structure the urban national system and serve as the interface of the urban-rural articulation (Higher level centres of NPSPP/RSPP) and on the areas of urban rehabilitation (as defined in the Legal Regime of Urban Rehabilitation, approved by Decree-Law No. 307/2009, of 23 October). The intention is to reinforce the capability to regenerate and enhance the built environment, to qualify public spaces, to rehabilitate housing and to foment new urban functions in areas that are obsolete or at risk, with priority being given to integrated operations of regeneration and revitalisation of urban areas.

In this context, the materialisation of ISUD shall be followed through an autonomous axis foreseen under the regional OP of the Norte, Centro, Lisboa and Alentejo, dedicated to sustainable urban development (see table 2), namely via the mobilisation of the investment priorities aimed at reducing CO₂ emissions and promoting more sustainable urban mobility systems (IP 4.5), improving the urban environment and regenerating and revitalising cities, more focused on interventions aimed at qualifying the public space and buildings (including housing), as a means of improving the urban environment (IP 6.5), and the physical, economic and social rehabilitation and regeneration of communities and deprived urban areas, more focused on integrated interventions with a physical (including buildings), economic and social component, namely in social neighbourhoods or other urban areas where deprived communities reside (IP 9.8).

According to the Partnership Agreement 2014-2020, the eligibility of the amount to be paid under the arrangements laid down in no. 2 of article 7 of Regulation (EU) No. 1301/2013, of the European Parliament and of the Council, of 17 December 2013, corresponding to interventions aimed at sustainable urban development, is dependent, in the priority axes of the regional OPs directed at urban higher level centres of NSDPP/RSPP, on the elaboration by the urban authorities of their integrated urban development strategy, the Strategic Urban Development Plan (SUDP).

The ROP management authorities, in articulation with the AD&C, and with the public services and bodies with responsibilities in the area of urban development, namely the DGT and IHRU select the SUDP to be financed, guaranteeing a coherent and focused approach to the respective region, as well as ensuring the necessary articulation with the spatial development instruments and the other territorial approaches foreseen in the Partnership Agreement 2014-2020.

The selected SUDPs are implemented by the urban authorities, including the selection of operations to implement the strategy. However, before the strategy is implemented, the following must be defined:

- The Sustainable Urban Mobility Plan, defined at the level of NUTIII (IP 4.5);
- The action plans for urban regeneration for the selected specific areas (IP 6.5);
- The integrated action plans for the deprived communities subject to intervention (IP 9.8).

The entities responsible for the implementation of the ISUD are, as defined in no. 4 of article 7 of Regulation (EU) No. 1301/2013, the urban authorities, in this case, the municipalities that promote and implement the integrated proposals that come to be supported within the scope of the priority axes of OP Norte, Centro, Lisboa and Alentejo, proposing the specific content of the action plans and being responsible for the selection of operations, as set out in the same regulation.

In summary, the execution of the ISUD shall be performed by the autonomous axes of the ROPs of the mainland, in their component of operations to enhance the urban structuring of the covered territories and to promote the attractiveness and competitiveness of cities, through operations aimed at improving the urban environment and the revitalisation of cities and through operations designed to rehabilitate and regenerate the physical, economic and social aspect of the communities and deprived urban areas, whenever implemented in higher level urban centres.

It is important to emphasise that the concentration of these interventions in these higher level urban centres, aimed at complying with the regulatory requirement of 5% of ERDF in the IASD (see no. 4 of article 7 of Regulation (EU) No. 1301/2013) does not invalidate the sustainable urban development framework pursued by the integrated territorial investments (ITI) in the other NUT III of the mainland, neither does it jeopardise the possibility of regeneration and revitalisation actions in urban centres of other regions of the country (Algarve, Azores and Madeira), nor in lower level urban centres in the Norte, Centro, Lisboa and Alentejo regions (in such cases, they do not contribute to the percentage of 5%).

With no planned mobilisation, in terms of the ISUD, of investment priorities integrated **in OT 1 (Reinforce research, technological development and innovation), OT 3 (Reinforce the competitiveness of SMEs and of the agricultural, fisheries and aquaculture sectors) and OT 5 (Promote adaptations to climate change and to risk prevention and management)**, taking into account their significant importance in terms of the promotion of the attractiveness and competitiveness of cities, essential aspects for sustainable urban development, and considering that part of the guidelines advocated in this strategy is related to these thematic areas, the mobilisation of support in this area must be done autonomously, with the appropriate integration by the agents of the territory responsible for the interventions.

The proposals presented by each urban authority within the scope of this instrument should be coherent and compatible with this strategy, involving the execution of the strategic objectives laid down therein.

At the same time, other integrated territorial approaches will be mobilised which may also contribute towards sustainable urban development, namely the **Community-led local development (CLLD)** approaches, with a local initiative (bottom-up) perspective directed, in the case of cities, at urban territories, aimed at involving local communities and organisations in the pursuit of specific political objectives, contributing to the promotion of territorial cohesion.

The CBLD comprises the instrument which meets the specific needs of the territories at the level of the community in the design of public policies, through the constitution of partnerships, namely through local action groups (LAG) composed of representatives of the local public and private socio-economic interests. It consists, therefore, of bottom-up initiatives for revitalising the local economy in urban, rural and coastal areas.

In the specific case of urban areas, the community territory of reference must necessarily correspond to a deprived urban territory, namely in which there is a high incidence of phenomena such as social exclusion, poverty or risk of poverty, where there are economically and socially weak communities, or in which organisations of the social sector intervene.

Although not exclusively, the bottom-up initiatives and the respective community territories of reference may result from previous community experiences, including social interventions and/or inclusive urban

regeneration interventions developed namely by LAG within the scope of the URBACT III Programme.

In urban areas, the intention is for these groups to develop initiatives associated with the promotion of social inclusion and social innovation development, but also to fight poverty and exclusion.

Within this framework, each partnership prepares its local development strategy and the corresponding action programmes which, according to the Partnership Agreement 2014-2020, will be approved by a committee, set up for this purpose by all the funding programme management authorities.

The assessment of the proposals presented within the scope of this instrument must also be conducted, in the case of the urban CLLD, in accordance with this strategy (see tables 2 and 3):

Table 2 - Available investment priorities via the Priority Axis of Urban Development of the PORs

Investment priorities	Autonomous axis for ¹ (ERDF)			
	Norte	Centro	Lisboa	Alentejo
4.5. the enhancement of strategies of low carbon energy for all types of territories, namely for urban areas, including the promotion of sustainable multimodal urban mobility and relevant adapting measures for mitigation				
6.5. the adoption of measures focused on urban environment improvement, cities revitalization, on abandoned industrial areas revival and decontamination, including areas in regeneration, on reduction of air pollution and on the enhancement of measures of noise abatment	5	9	8	4
9.8. the granting of suport for physical, economical and social regeneration dedicated to deprived populations in urban and rural areas				

¹ Notwithstanding the inexistence of an autonomous axis dedicated to the implementation of the Urban Development Strategic Plan, the Algarve POR foresees to significantly support the investment in sustainable urban development, despite the ineligibility of these funds for the purpose of the regulatory requirement accounting of 5% from ERDF in ISUD (article 7 from the ERDF rules).

Table 3 - Available investment priorities by ITI and/or CLLD

Investment priorities	Thematical OP				Regional OP				
	IP	PO	Fund	Fund	N	C	L	Ale	Alg ²
ITI									
2.3. the reinforcement of information and communication technologies (ICT) applications for administration online and e-learning, info-inclusion, culture and health online	2c	POCI	ERDF	ERDF	9	8		9	8
4.3. the granting of support for energy efficiency, intelligent management for energy and the use of renewable energies in public infrastructures, namely in public buildings, and in the housing sector	4iii, 4c	POSEUR	CF	ERDF	3	3	3	7	3
5.2. the promotion of investments in order to face specific risks, to secure endurance capacity to catastrophes and to develop catastrophes management system	5ii	POSEUR	CF						
6.1. investments in the wastes sector in order to meet the environment acquis requirement of European Union and to meet the identificados needs of investments for Member States which go beyond these requirements	6i	POSEUR	CF						
9.7. investments in health and social infrastructures which contribute to the national, regional and local development, the mitigation of health inequalities, the enhancement of social inclusion through the improvement for social, cultural and leisure services access, and the transition from institutional services to Community-basis services	9a			ERDF	7	5	6	6	6
10.5. the development of educational and training infrastructures;	10a			ERDF	8	3	7	2	7
(cont.)									

2 In the NUTS II Algarve, these priorities were not the object of ITI, being pursued in ROP. The Association of Algarve Councils developed an Intercouncil Aligning Plan linked with Algarve Strategy 2020.

Investment priorities	Thematical OP				Regional OP				
	IP	PO	Fund	Fund	N	C	L	Ale	Alg ²
ITI and CLLD									
6.3. the conservation, the protection and the development of natural and cultural heritage	6c			ERDF	4	7	4	8	4
8.3. the creation of self-employment job, entrepreneurship and creation of enterprises, including micros, small and medium-sized innovative enterprises	8iii			ESF	6	4	5	5	5
8.8. the granting of support for the development of business incubators and the support to self-employment activity, to micro-enterprises and to the creation of enterprises	8a			ERDF	6	4		5	5
9.1. active inclusion, including the enhancement of equal opportunities and of active participation and the improvement of employability	9i	POISE	ESF	ESF	7	5	6	6	6
10.1. mitigation and prevention from early school-leaving and promotion for equal access to a good education, from primary to secondary school, including formal, no formal and informal learning pathways for a reintegration in education and training.	10i	POCH	ESF	ESF	8	3	7	2	7
CLLD									
9.6. strategies of Community-basis local development	9vi			ESF	7	5	6	6	6
9.10. investments in the scope of Community-basis local development strategies	9d			ERDF	7	5	6	6	6

7.2. Sustainable Cities 2020 Forum: knowledge tools for sustainable urban development

Cities are complex and dynamic systems, whose daily functioning involves a very extensive range of flows of resources, people and information, whose permanent and systematic capacity to recognise/learn, operate, innovate and follow-up those dynamics is critical in the promotion of their sustainability.

At the same time, the integrated framework of sustainable urban development underlying the territorial approaches advocated by the Partnership Agreement 2014-2020 requires a harmonised system of information production and sharing to sustain the various phases of diagnosis and territorial strategy, the monitoring and assessment processes of the implementation of its instruments and the efforts of recognition and dissemination of good practices.

With the purpose of making available to all citizens and, in particular, to all partners and actors of the «Sustainable Cities 2020» strategy a space of knowledge and sharing of information, good practices and analytical tools, the «Sustainable Cities 2020 Forum» has been created. It represents a multidimensional portal and platform to support this strategy that includes multiple objectives and brings together a range of features, instruments and partners.

This is, therefore, the key governance instrument for the implementation of this strategy, essential to promote the convergence of the sectoral and territorial governance agents, of the National Scientific and Technological System (NSTS) and of civil society, in the design and enhancement of specific tools of information and analysis, monitoring and assessment of performance and networking.

The «Sustainable Cities 2020 Forum» has the following objectives:

- Dissemination of the «Sustainable Cities 2020» strategy and its strategic guidelines;
- Measurement of the performance of cities in terms of urban sustainability, monitoring and assessment of the «Sustainable Cities 2020» strategy;
- Identification, selection, dissemination and repository of good sustainable urban development practices;
- Dissemination of knowledge on sustainable urban development;
- Establishment, support and disclosure of partner cooperation and involvement networks;

- Exploitation and enhancement of tools in the field of urban analytics and orientation of the activity of urban agents;
- Dissemination of funding sources;

The creation of this integrated platform, which is essentially the governance instrument par excellence of the «Sustainable Cities 2020» strategy, has an associated range of fundamental benefits to ensure, in a transparent, continuous and systematic manner, the follow-up and monitoring of this strategy.

From among these benefits, the following are noteworthy:

- The capacity-building of cities to learn, to operate, to innovate and to follow-up the complexity and dynamics of urban systems;
- The convergence towards a harmonised system for producing and sharing information :
 - Support to the territorial diagnosis and strategy;
 - Implementation, monitoring and assessment of instruments;
 - Recognition and dissemination of good practices.
- The design and the enhancement of specific tools of information and analysis, performance assessment and networking;
- The convergence of the sectoral and territorial governance agents, from the NSTS and from civil society.

The «Sustainable Cities 2020 Forum» opens doors to a wide-ranging involvement of various partner agents : public and private, national or international. According to their interests and areas of activity, they can manifest their will to associate themselves to this space of sharing and knowledge.

The «Sustainable Cities 2020 Forum» will be coordinated by the DGT, but may involve a hard core of partners that share responsibilities in terms of its promotion and enhancement.

From among the functionalities and instrumental areas of the «Sustainable Cities 2020 Forum», prominence is given to:

- The **Sustainable Cities 2020 Barometer** of urban sustainability, a thematic benchmarking framework of sustainable urban development which will enable cities to assess their positioning on the performance

scale for sustainable urban development, benefitting from the creation of a USI;

- The **Urban Analytics** initiative, an area related to the management of information and to the exploitation and availability of urban analytical tools, whose objectives shall be to promote the convergence towards a harmonised system of production and sharing of municipal-based information and encourage the creation, use and dissemination of advanced data processing methods and tools, to support decision-making;
- The **Portuguese Network of Sustainable Cities**, to be established in articulation with the city networks and existing urban living labs, and with other city networks at a European and international level;
- The **Good Practices**, a collection and dynamic repository of good practices, whose objectives will be to collect, identify, collate, follow-up and validate successful cases of urban management, namely in association with the municipalities and in articulation with URBACT III, Horizon 2020, Interreg, and smartcities, among others;
- The **Living Document** of cities, a space of reflection, production and dissemination of knowledge on cities and urban policies, based on concepts, report studies, etc.;
- The «**Sustainable Cities Prize**», which would consist in the holding of an annual event associated to world urbanism day and that would be sustained by the work to be developed in the «Sustainable Cities 2020 Forum».

7.2.1. Sustainable Cities 2020 Barometer

The Sustainable Cities 2020 Barometer aims to position Portuguese cities in terms of urban sustainability, comprising a thematic benchmarking framework of sustainable urban development.

As a tool to support decisions and definition of public policies relevant to sustainable urban development, the sustainable Cities 2020 Barometer should:

- Inform citizens, specialists and political decision-makers about the sustainability profile and integrated performance of each of the classified cities and sub-regions.
- Highlight good practices and identify potential case studies through the identification of developments and relevant positive trends of certain cities or groups of cities in specific areas of sustainability;
- Understand which are the critical pressure points in sustainability that affect the different Portuguese cities and sub-regions in different ways;
- Accommodate the active participation of citizens in a systematic and representative way, and elicit their opinions and feelings on aspects related to the quality of life in their cities.

The Sustainable Cities 2020 Barometer will also be used as a tool to assess the impact, in cities and metropolitan areas, of the actions pursued via the ISUD. It will not only be dedicated to the protagonists of the ISUD but also the cities that intend to associate themselves as partners and assess their positioning in terms of urban sustainability.

The Sustainable Cities 2020 Barometer will benefit from the construction of a USI, a synthetic index, composed by a range of composite indexes that measure and characterise the status and evolution of Portuguese cities through a range of critical urban sustainability dimensions.

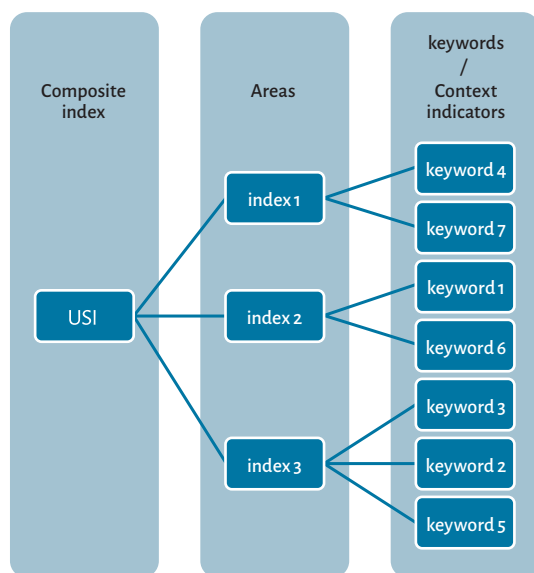
The methodology to be developed in the construction of the USI will enable to safeguard the following fundamental aspects:

- Enabling the production of consistent indicators;
- Integrating data from statistical sources associated to the use of resources such as energy, water, air and noise quality, urban environment quality, etc. into the analytical framework of sustainable urban development developed within the scope of integrated territorial approach-

es, both in terms of ex-ante and ex-post assessment, and possibly of citizen - due to their relationship with well-being and quality of life - surveys;

- Allowing quantifying the importance and the impact of the various areas and dimensions considered under the global objective of sustainability;
- Recognising in a representative and systematic way the sensitivity and position of its inhabitants, through surveys;
- Ensuring the articulation with other indices that have already been developed by universities or consultancies.

The USI will be calculated through partial indices, which express the aggregate points of cities in the range of descriptors included in each area, as exemplified in the following figure. These partial indices provide information on the performance of each of the considered areas of sustainability. The characterisation by areas of sustainability permits, in an intelligent manner, to have an immediate perception of the benefits and weaknesses of each city or sub-region and also provides information on the different urban profiles with regard to sustainability.



Exemplification of the structure of a USI developed based on a range of descriptors, grouped according to different areas

Through the estimated value of this index, the intention is to disclose on an annual basis the ranking of the most sustainable cities, in order to highlight the healthy differentiation between cities and between NUTS III and to identify and promote the thematic leaders of sustainable urban development, to which the «Sustainable Cities Prize» is associated, a form of encouraging more sustainable initiatives and behaviours.

The development of the USI will be promoted by the DGT, in articulation with the regional coordination and development commissions (CCDR), the National Association of Portuguese Municipalities and National Institute of Statistics, I. P. (INE, I. P.), and other services and bodies of the Public Administration that are considered relevant. The DGT will be responsible for its estimation, serving as a crossroads for gathering the values of the indicators (previously defined) obtained and provided through close collaboration with the municipalities, with the support of entities with competencies in the statistics area, namely INE, I. P. The regular communication to the public of the results is fundamental to ensure, in each territory, the continued commitment to a policy of sustainable urban development.

This tool will be assisted by the development of networks and platforms of knowledge and urban innovation, as well as by the dissemination of good national practices during this period, a role that is also to be performed by the DGT, with the collaboration of all the agents who intervene or have territorial management responsibilities, with emphasis on the intermunicipal communities/metropolitan areas, the CCDR and all the remaining services and bodies of the Public Administration with duties and competencies in the areas more closely related to the sustainability of cities.

7.2.2. Urban analytics

The concept of «intelligent cities», which has been widely used and applied to a range of projects, such as the networks of cities, the creation of indices and the living labs (for example: Intel — Index of Intelligent Cities, The Smart City Stakeholder Platform, Mapping Smart Cities in the EU, Future Cities Laboratory, and City Science, among others) is a specific component associated to the management of information, which is to be highlighted and stimulated, and which in this area we designate as analytical cities.

The concept of «urban analytics» implies the development, in an urban environment, of an important base of knowledge of the phenomena of the city, whether associated to systems or actual people, which guides decision-making and justifies the options of urban management.

The concept of «urban analytics» also makes reference to the application, in an urban context, of advanced methods of research and cross-checking of data, aimed at defining and assessing prospective scenarios.

For the development of this information base and its application, the use of ITC and the participation of the various agents of the city are crucial, with a view to extending the nature and extension of the base data. The broader the participation is, the greater will be the potential contribution of the tools created for the resolution of cities' unsustainability problems.

This information management component is essential to promote more intelligent urban management systems, based on the conviction that a city that is known better is managed better, being an issue that is transversal to all the previously mentioned strategic areas, from economics to social inclusion, from the environment to urban regeneration, from risk management and prevention to urban-rural integration.

It is therefore important to shift from a logic of reactive urban management to a proactive logic, based on knowledge, widespread availability and the permanent updating of information, an urban management sustained by the leveraging of ITC and the advanced techniques of information processing, in favour of an efficient and sustainable operation of the various subsystems that contribute to the life in cities. Intelligence generates efficiency, which contributes directly towards the creation of more sustainable cities and to a better quality of life in an urban environment.

In this context, the development of systems, networks and platforms of knowledge and urban innovation, integrating technology and state-of-the-art knowledge is thus essential, with a focus on two areas:

- **Management** - through the development of information management tools and data availability that are the basis for the subsequent creation of more efficient urban systems, such as energy, transport, waste collection and water systems, among others, but also the urbanisation and rehabilitation of buildings;
- **Participation** - through the production of tools that enables informing and integrating citizens in the design and follow-up of the implementation of certain measures to make urban territories more sustainable, efficient and inclusive.

There are various examples of cities which, in Portugal or in the rest of the world, already have information systems to combine more or less static statistical data with dynamic data, obtained in real time, by using technological systems (example: counting of entries and exits of passengers on public transport, counting of vehicles on urban roads, monitoring of water and energy consumptions, and pollution and noise level sensors, among others). This type of data, in many cases subsequently associated to geographical information, is extremely useful to municipalities, companies and citizens, with a view to more informed decision-making, an important aspect for the creation of more «intelligent, inclusive and sustainable» cities in line with the major growth objectives embodied in the «Europe 2020 Strategy».

The focus on the citizen, and on the ongoing dynamism of his needs and aspirations, also underlies the concept of «urban analytics». Thus, it is intended that the initiatives in this area will contribute to decisions - namely governmental and Public Administration decisions, as well as investment decisions in general - focused, in an efficient manner, on two fundamental objectives: the quality of life of the populations and the equity in the urban environment. The intention is to place the knowledge society at the service of the citizen, in favour of a more transparent and participatory governance of cities. Inherently associated to this concept is, naturally, the creation of more competitive cities from and the economic viewpoint.

The creation of bases for more «analytical» cities is, therefore, transversal to the various sustainable urban development options. This is the rea-

son why this strategy extends its articulation to a range of subsequent initiatives, with the objective of promoting harmonisation, the convergence of objectives and the exchange of knowledge in this area, as well as stimulating the emergence of innovative projects directly applied to real cities.

In this respect, it is worth stressing the necessary contact and convergence between the regional strategies of intelligent specialisation, developed and promoted by the CCDR, within the scope of the operation of its «thematic operational platforms of innovation or technical revitalisation units», and the innovative initiatives of sustainable urban development in general and those associated to urban management and participation of citizens in particular.

From among the projects which contribute to the development of an «innovative framework of urban analytics», the following examples are noteworthy:

- New processes and platforms which promote the sharing of open data among city managers and agents, with a view to applying the urban life management systems in as many ways as possible, namely associated to the use of resources (water, energy, and other natural resources), the collection of waste and transport, and to the risk management and prevention;
- New processes that enables the estimation of indices that contribute to the assessment at any time of the performance of cities, namely their contribution in terms of sustainable development or of efficient management in a specific area;
- New applications capable of communicating with various sensors throughout the city, providing very useful data to city managers and reliable data to citizens, including the availability of information in real time;
- New applications of public use, accessible through mobile devices used by citizens, which reinforce the marketing of cities and the strengthening of their identity, boosting tourism and the economic development of cities.

It is mainly in cities that the major clusters of knowledge, creativity, entrepreneurship and innovation are concentrated, which include universities and large technology companies, but also small start-ups, created specifically for the development of innovative solutions. In this sense, a

first step for the materialisation of «urban analytics» and consequently, of more sustainable cities, is the bringing together of these various agents and the exchange of information, also involving, preferably, the participation of urban policy decision-makers, and of companies that manage the most varied systems that sustain city life.

As provided for in the previous number, a large share of the projects that lead to «urban analytics» also fall within the new European funding cycle 2014-2020.

7.2.3. Portuguese Network of Sustainable Cities

Within the scope of the knowledge tools for sustainable urban development, the cooperation and knowledge networks and platforms take on particular importance. Indeed, the pursuit of an agenda for urban development entails the intensification of relations between agents and institutions that are urban policy protagonists. This is why the promotion of urban sustainability must include the identification and the enhancement of the networks already established and also promote the setting up of a Portuguese Network of Sustainable Cities.

The objective involves the enhancement and the structuration of a national framework of sustainable urban development, which may bring together various thematic sub-networks, converging the leading cities of the Sustainable Cities 2020 Barometer, the national sectoral authorities and the NSTS, in a process of recognition and synthesis of good practices enabling the creation of an integrated platform of shared knowledge and experience.

The Portuguese Network of Sustainable Cities will seek to establish a connection with other urban networks at a national and international level, namely by promoting the participation of Portuguese cities in European and international networks of cooperation and sharing.

It will also promote the necessary alignment with the national urban system and with the respective follow-up and monitoring within the scope of the Spatial Planning and Urbanism Observatory.

Annex I

Territorial diagnosis

Territorial Diagnosis

Urbanisation,
metropolisation and
coastal development:
underlying world trends

Portugal is on a path of
demographic transition
that calls into question the
economic and
socio-cultural structures

The settlement pattern
is asymmetric, with
population

1. Interurban territorial dimension

1.1. Demographic transformations

1.1.1. In the European Union, more than two thirds of the population live in urban areas and 67 % of European Gross Domestic Product (GDP) is generated in «metropolitan regions» (approximately NUTS 3 of all the urban conglomerations with more than 250 000 inhabitants). Cities play a fundamental role as drivers of development and, although they are places where problems such as unemployment, social segregation and poverty are concentrated, they are also privileged places to resolve such issues (European Commission, 2011). With regards to the most relevant **urban and population dynamics** in Portugal, particularly those that took place over the last two decades, there has been a significant reinforcement of the major movements of «urbanisation», «metropolisation» and «coastal development». The dynamics of occupation of the Portuguese territory have been comprised, in line with underlying European and world trends, by a continuous and intense attraction for urban territories, particularly metropolitan and coastal territories. More than half of the population of the mainland lives on the coastline from the Lisbon Metropolitan Area to the Spanish North West and along the Algarvian territories (INE, I. P., 2012).

1.1.2. The **ageing of the population**, which is mainly due to the decrease in the number of children, longer life expectancy, the increase of the total dependency index and changes in family structures, as evidenced by the growing fragmentation of the family and the increase in the number of lone parent families, childless couples and population living alone, particularly above 65 years of age, constitute not only social but also economic and cultural challenges, with consequences in terms of the capability to provide services of general interest and significant impacts on urban systems, where there are increasing deficiencies in terms of the offer of goods, services and facilities directed at the highest age brackets and to support the family.

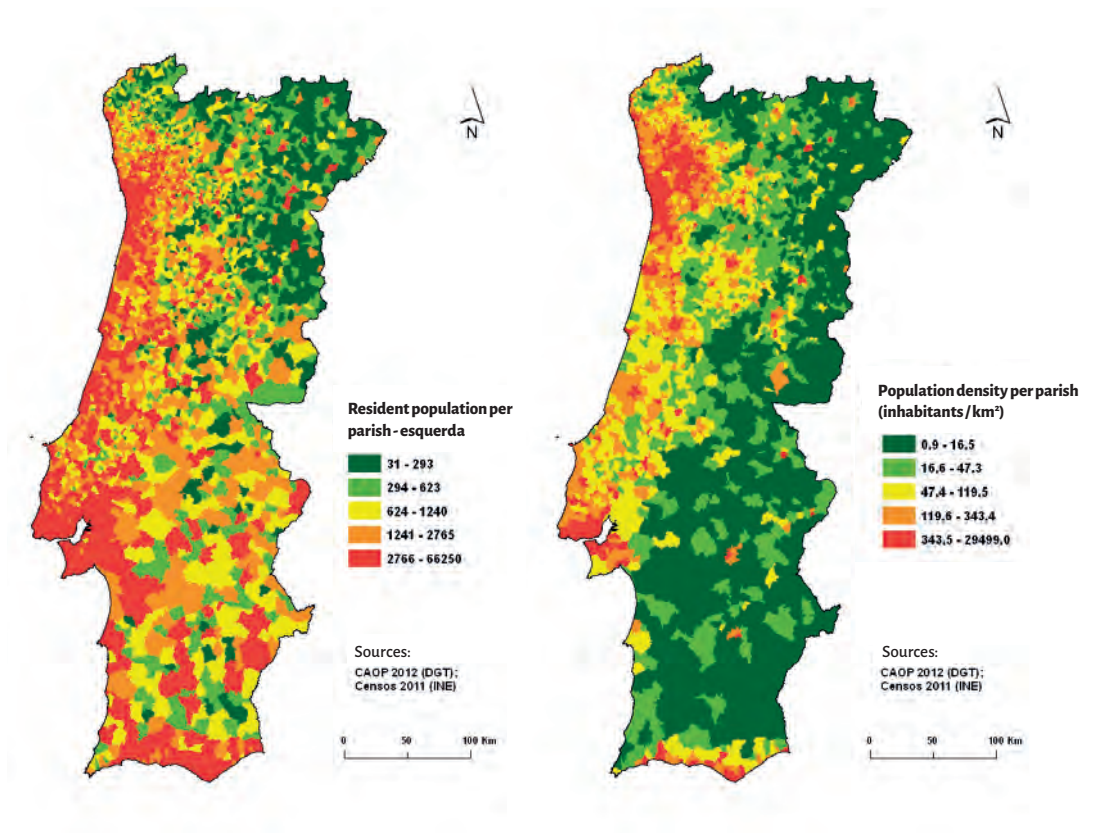
1.2. Regional asymmetries

1.2.1. The **distribution of the population** on the mainland is dual and asymmetric, with a dynamic coastal region, mainly around the two regions of demographic polarisation of Lisbon and Porto, and a hinterland undergoing depletion. It is important, nonetheless, to differentiate between this depopulation of the hinterland and of the rural spaces and territorial abandonment in itself. While the latter is part of a global trend in demand for well-being of the populations, with possible positive consequences (for example, in the establishment of large-scale, competitive agricultural companies), the former is always invariably negative and must be avoided and countered.

Figure 1 - Satellite images of night lights (NASA, 2012)



Figure 2 - Resident population and population density per parish (DGT, 2012; INE, I. P., 2011)



The convergence of economic performance is not homogeneous at a national level

1.2.2. The breakdown analysis of the **distribution of wealth** reveals significant regional differences, both in terms of the spatial distribution of GDP per capita and of the location of the registered offices of multinationals, large companies and even small and medium-sized companies, with Greater Lisbon standing out as the NUTS III region with the highest standard of living, three times higher than that of Serra da Estrela, the poorest region (MATEUS et al., 2013).

- 1.2.3. Regarding **employment**, the national situation is not homogeneous. The offer of new jobs is concentrated in the coastal strip, where investors find not only more human resources available – younger and more qualified people –, but also a concentration of consumers with higher purchasing power (INE, I. P, 2012), in addition to the proximity of transport infrastructures (ports, airports and highways) and the benefits of economies of scale.
- 1.2.4. It is observed that the **pace of ageing** of the Portuguese population, above the European average, is also less marked in the metropolitan areas and in the coastal regions, mainly due to the migration of the working age population from the interior of the country and rustic environments, particularly from the northern half of Portugal.
- 1.2.5. The Portuguese **urban network** is complex and diversified, reflecting biophysical conditions, landscapes and various historical backgrounds. The urban centres to the North and along the coast-line develop within a framework of high population density, which multiplies the small and medium-sized cities. In the interior of the country and in the South, the concentrated, secular settlement guaranteed the prominence of some cities that, in the last few decades, in spite of depopulation, gained dimension and managed to consolidate themselves in the urban network, which is more hierarchical and organized in these regions.
- 1.2.6. The Portuguese **urbanisation process** has mostly occurred along the **coastal areas**. Accesses, climate, quality of life and development of economic activities, such as tourism and services, have reinforced the already marked concentration of the Portuguese population in coastal areas, where more than 50 % of the new urbanised areas on the mainland are located within the 20 km coastal band (Freire et al., 2009). The same is true for the rest of the European Union, where the growth of urbanisation in coastal regions is 30% above that of the hinterland regions (EEA, 2008).
- 1.2.7. The observed regional differences require articulation strategies at a national level that allow taking advantage of the **specific characteristics of the different territories** and of their distinct specialisation profiles and that do not cause us to lose sight of the objectives of aggregate growth and territorial equity. The promotion of complementarities between dynamic regions from a demographic and economic viewpoint and demographically depressed regions, taking advantage of territorial ties that a significant part of the populations maintains with their places of origin, is very important for fighting abandonment and preventing vast areas of the interior of the country from entering dangerous cycles of territorial degradation.

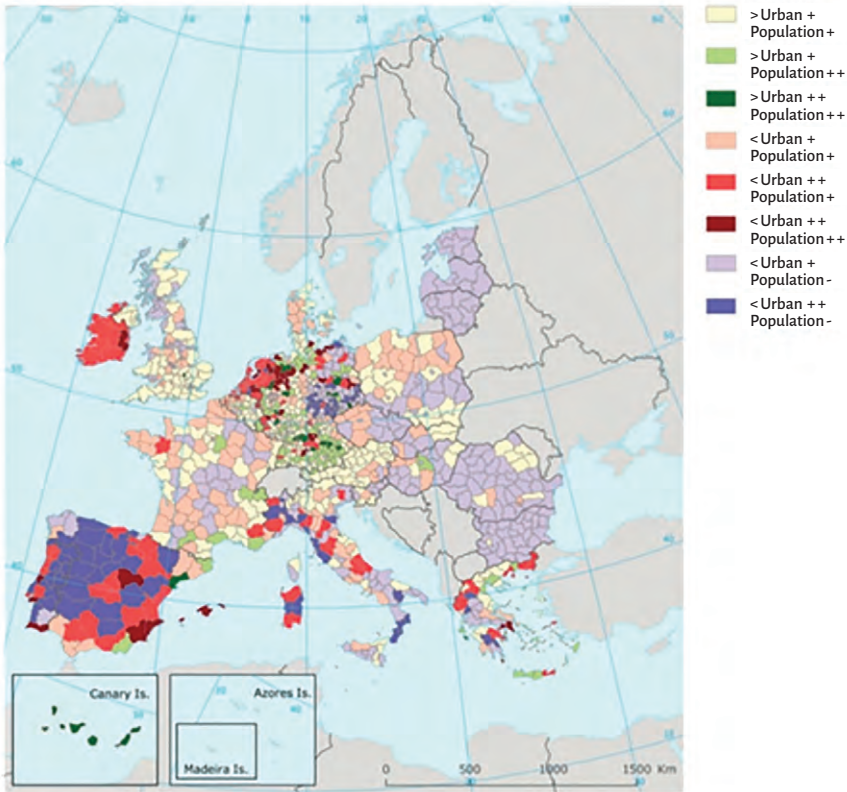
Regional differences
require different strategic
approaches articulated at
a national level

Urban expansion
in Portugal
accompanied
European trends

1.3. Growth of urban areas

1.3.1. In Portugal, as in almost all of Europe, **urban areas have continued to grow**. Since the mid-1950's, European cities have, on average, expanded by approximately 78%, whilst the population has only grown by 33% (EEA, 2006). In urbanised Europe, the growth process is fuelled by the demand for suburban housing areas, of low population density, by a second home for recreational purposes or tourist facilities. In Portugal, this phenomenon is associated to the continuation of the «territorial equilibrium» process of a country that used to be strongly ruralised, which began with the large rural exodus from 1950 to 1970, and continued with the strong industrialisation and tertiarisation of the economy and with the influx of Portuguese from the former overseas colonies in the 1970's. More recently, between 1990 and 2000, the mismatch between urban expansion and demographic change in our country became particularly pronounced, when compared to the overall European context.

Figure 3 - Urban expansion and demographic change in Europe, 1990-2000 (adapted from EEA, 2006)



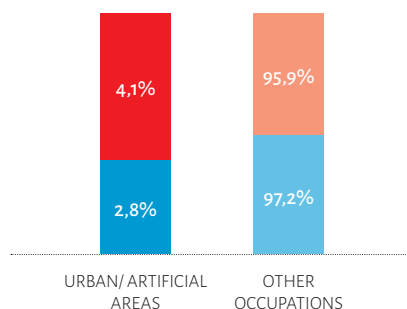
1.3.2. The inadequate capacity of response of the public authorities, in the mid-20th century, to the urgent need for expansion of the urban perimeters at the time, led to, especially in the metropolitan areas and in the more densely populated Portuguese regions, the **excessive and unplanned construction of buildings** and the proliferation of isolated housing estates, oftentimes of low quality in terms of urban design and also badly located or disconnected from the dominant urban centre. The dispersion and fragmentation of the urban environment generated diseconomies for citizens and for society, creating surpluses and also high operation and maintenance costs of the urban systems. In fact, one of the pathologies that affects the territory, in some sectors and regions, is the oversizing of the facility and infrastructure networks, with the associated excessive costs that do not match real needs as determined by the demographic structure (INE, I. P, 2004).

Excessive urban expansion and fragmented and scattered forms of occupation

Figure 4 - Urban expansion in Portugal and Spain, 1990-2000 (adapted from EEA, 2006)



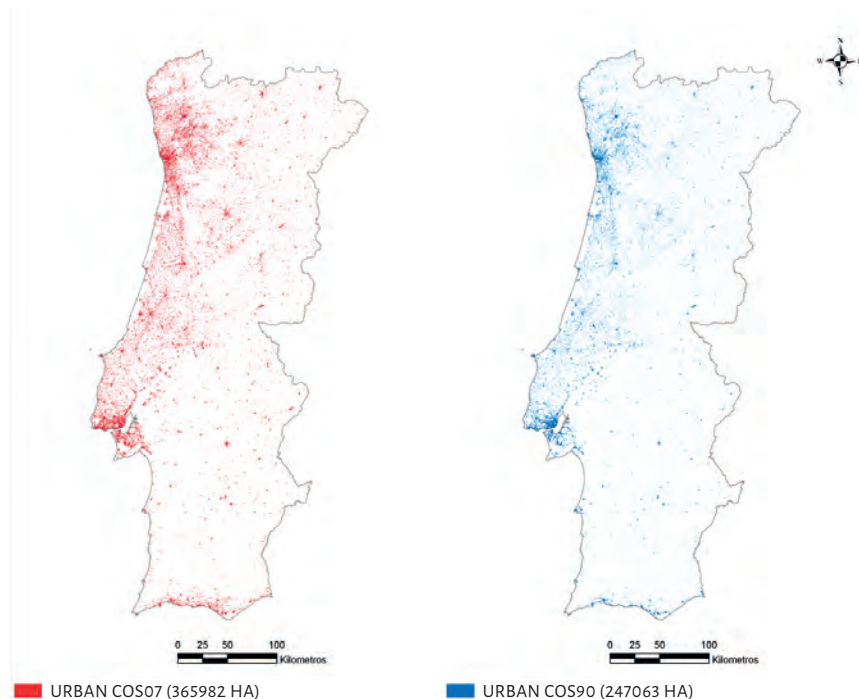
■ 1990 (COS90) ■ 2007 (COS07)



1.3.3. Urban growth in Portugal over the last few decades was based on the assumption of a **legal system associated to tax, land and access to housing policies** that are today utterly inadequate and whose effects would be very difficult to counteract merely through formal spatial and regional planning processes, even if updated and adapted to the Portuguese situation. The economic and financial crisis of the last few years created the opportunity to solve the distortions that occur today in the access to housing and in the stabilisation of urban growth, enabling the adequate weighing up of the creation of new balances in the built environment (regeneration of the old areas of cities, closing off of the urban-rural interfaces, etc.), which must be undertaken in the next phase of economic growth.

Figure 5 - Urban occupation in the Land Cover Maps, LCM'90 and LCM'2007 (DGT, 2013)

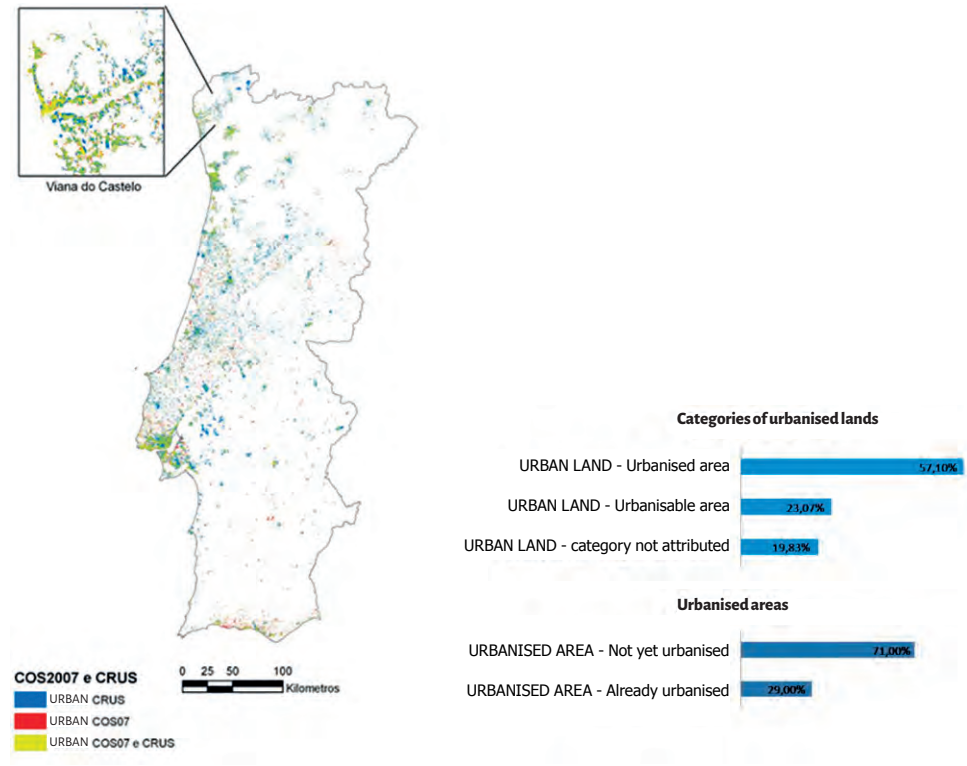
A RATE OF CHANGE IN URBAN OCCUPATION OF MORE THAN 40% WAS RECORDED



1.3.4. The ongoing review of the **spatial planning regulatory framework and of the financial model for the future** is aimed primarily at the adoption of patterns of contention of urban perimeters, curbing in particular the dispersed construction impetus and the new urbanisations, in favour of an urban development which is not only planned but also contingent upon prior programming and contracting, i.e. preliminary verification of the effective economic and financial viability of the investments (public and private). Addressing the imbalances in the organisation of densely populated cities and regions is currently one of the main objectives of the policy for the territory.

Need to reform the legal framework of spatial and urban planning

Figure 6 - Urban occupation in the Land Cover Maps, LCM'90 and LCM'2007, and categories of urban land in the Land Use Regime Map, LURM (DGT, 2013)



Critical extension of urban perimeters via urbanisable areas

Creation of infrastructures
to support territorial
development, namely
accessibility and transport

Shortening of distances
between the main
urban centres

Broad dissemination
of lifestyles and urban
culture

1.4. Trajectories of internal and external connectivity

- 1.4.1. The **development of the system of internal and external accessibility and mobility** resulting from the strong investment in transport infrastructure networks, particularly road infrastructures, improved not only the relative proximity of the urban centres, their articulation with the rural areas and the conditions of access to facilities and services for the populations and companies, but also the connectivity related to the main territories and international markets. It is a structuring matrix of the territorial organisation of the country and of its international projection, which is important to reinforce given the changes in the major international routes of trade and of people and which may create unique conditions for the affirmation of the Atlantic seaboard as one of the European entrance doors and as a logistics platform of reference, with the permanent need to adapt the national infrastructure networks to the permanent changes in the international flows of people, goods and information.
- 1.4.2. The Portuguese territory possesses today a developed road network that promotes territorial integration, not only internally, but also with the border regions of Spain and with the rest of Europe. This **dense road infrastructure** will be one of the underpinnings of development of the urban network of the more hinterland regions, promoting the complementarity between urban settlements and the rural areas of their area of influence, and guaranteeing access to social services and facilities currently distributed throughout a constellation of cities and urban centres, whether organised or not. The restructuring and territorial optimisation of the use of the dense network of social facilities that was created, particularly at the municipal level, constitute one of the main challenges of regional development.
- 1.4.3. The reinforcement of the capabilities of the country with regards to infrastructures, logistics and networks of services and facilities provided accesses, brought neighbourhoods closer and shortened distances for populations that were sidelined from these meeting points and facilities. The dichotomies resulting from «metropolisation» (rural/urban) and «coastal development» (coastal/interior), although they have a marked territorial dimension, do not necessarily extend to citizens, i.e. the term «dualist society» is no longer applicable. It is observed that although 95% of the territory is rustic (ICNF, 2013), it is no longer «rural» in the true sense of the term. It is «an **urban population in a rustic environment**» and the spatial planning policies of the territory and cities must also take this aspect into consideration.

Photo 1 - Road infrastructure networks (DGT, 2013)



Conditions for the projection of the country in the international context

- 1.4.4. Portuguese metropolitan regions have a **European scale**: the Metropolitan Area of Lisbon is among the 20-25 largest metropolitan areas within Europe, while the Metropolitan Area of Porto, the centre of a region that has been one of the most populated in Europe for millennia, is among the 40-50 largest metropolitan settlements (in approximate terms, depending on the parameters considered: ESPON, 2007; OECD, 2006; State of European Cities Report-base Urban Audit, 2010). The coastal strip from Setúbal to Viana do Castelo, with an extension of 350 km and a width of 70 km, has almost eight million inhabitants, and continues up to northern Galiza (INE, I. P., 2012). The two Portuguese metropolitan regions concentrate a wide range of infrastructures, services and natural and cultural resources that lend them weight at a European and worldwide level: their demographic potential, economic activities and the fact that they are increasingly points of reference in the world routes of goods, people and services. These are still, however, underused, which constitutes a challenge that may determine the sustainability of the entire national territory.
- 1.4.5. In this continuous coastal strip, an Iberian urban region of significant size, with critical mass and installed capacity in terms of human capital and scientific institutions, has been established, capable of positioning itself competitively in the European context. The metropolitan regions concentrate the majority of the capacity of higher education and most of the State laboratories and **research, development and innovation** departments connected to the state-of-the-art industries and to services. Very much due to the increase in public aid, companies have taken on a leading role, namely in the areas of transport and information systems/information technologies and communication. The regional breakdown of the research and development and innovation performance indicators shows that the region of Lisbon clearly dominates the national efforts in these areas.

2. City-Region Territorial Dimension

2.1. Occupation and urban expansion patterns

- 2.1.1. In the metropolitan areas, and in some other densely populated areas, such as the regions of Minho, Aveiro, Leiria and the coastline of the Algarve, **urban sprawl**, which characterised the 1960's through to the 1980's, promoted the coalescence of the built-up areas in many - usually underequipped - municipalities, a trend that needs to be countered, ensuring a more adequate structuring of urban networks.
- 2.1.2. The significant growth of the peripheries of many population settlements, where houses are generally more spacious and less expensive, combined with the ageing and the demographic depression that today tend to affect regions that only a few decades ago were flourishing, has led to a progressive **decline of urban centres**, from Lisbon, which shares this problem with many of the European and world metropolises, to the small and medium-sized cities on the coastline, which were once thriving with life.
- 2.1.3. The **urban peripheries**, particularly in the Lisbon Metropolitan Area, are typically characterised by a high construction density, oftentimes fragile infrastructures and no views of the surrounding landscape. Notwithstanding, some improvements have been registered in these built environments and in the interface with the hydrographic network and green areas, which a multi-municipal level of effective coordination could help consolidate over the next few decades.

Evolution of patterns of dispersed construction and of loosely defined urban planning

Relationship between the impoverishment of city centres and the disqualification of the urban peripheries

Photo 2 - Urban occupation patterns (DGT, 2013)



2.2. Evolution of the use of resources

2.2.1. Together with the growing metropolisation of the population, the trends of increased consumption of resources and of production of waste, associated to the **urban patterns** of human occupation and of the national economy, are reinforced. The growth of construction in the last few decades has required a substantial expansion of a range of infrastructures and facilities, from means of communication to water and sanitation facilities, to serve the populations that spread throughout the territory, namely in the peripheries of cities, oftentimes in a disorderly way. The oversizing of the national urban system in relation to housing needs resulted in a high and inefficient consumption of resources, from land to water and energy. The rationalisation of the use of resources that cities lack must be one of the priorities of urban management and planning. Many of the factors that lead to a waste of natural resources are beyond the scope of municipal or even metropolitan management, but the gains that policies of infrastructure renewal, public awareness-raising and redefinition of mobility and of transport systems can bring to the quality of life offered to residents and visitors to the city are significant.

2.2.2. The shortage of endogenous **energy resources**, namely oil, coal and gas, has led to a high energy dependence from abroad: almost 80% in 2012, (DGEC, 2013). This structural energy dependence from abroad, in addition to the high consumption of energy relative to gross domestic product, raises concerns regarding the security of the country's energy supply. In spite of the contribution of renewable energies to the gross final energy consumption having registered an increase of 19% to 25% in the last two decades, there is still some way to go to reach the target of 31% set by Portugal for 2020 (Mateus et al., 2013).

Given the economic context and evolution of energy demand and taking into account national and European requirements, it is necessary to promote a more rational and sustainable energy model which, without compromising the competitiveness of the national economy or citizens' quality of life, will make it possible to diversify the primary sources of energy, increasing the contribution of energy that comes from renewable endogenous sources — power, solar, wind, biomass, tidal and geothermal — to the energy mix, and improving national energy efficiency, namely by means of favouring less energy-consuming technologies and fomenting more sustainable patterns of mobility and transport, and of urban regeneration and housing.

2.2.3. The **water supply and water and waste treatment** services are a primary requirement for the well-being of the populations, to underpin economic development, safeguard public health and guarantee efficiency in the use of resources and environmental protection. Particularly in the last 20 years, this sector has registered a very positive development, to which the contribution of the European funds has been decisive, having covered almost the entire national territory and population. Quality sanitation, water supply and consumption became widespread. For example, in 1993,

Positive evolution of the water and waste sectors

only about 50 % of the water for consumption was controlled and of good quality, whereas in 2011 this figure rose to approximately 98%, representing a huge qualitative jump. The treatment of urban waste water increased from 31% in 1994 to 78% in 2011, representing a significant improvement although at a comparatively slower pace than that of the water supply service, which reached a coverage of 95% in 2011 (ERSAR, 2013). In spite of the major developments in terms of both infrastructures and the continuity and quality of the service and of the actual market structure, in terms of efficiency and equity of the tariffs practised by both waste water treatment plants and waste water drainage systems, namely in the Norte and Centro regions, some regional differences still remain, such that the interventions planned until 2020 aim to overcome these constraints, particularly in the areas of greatest need.

2.2.4. Regarding the **management of solid urban waste**, an important step was initiated in the 1990's, with the eradication of dumping grounds and their replacement with landfill sites, a process that was fully completed at the end of 2001, with 100% of urban waste being collected and treated. Currently, efforts are focused on the diversion of biodegradable urban waste from landfill sites and on recycling and recovery. In Portugal, although landfill continues to dominate and there is a comparatively weak position in relation to the European average, selective collection has continued to increase. In 2002, only 5% of the country's urban waste was selectively collected, but by 2011 the selective collection of this waste had already reached 15% (INE, I. P., 2012).

Inefficiencies in the rationalisation of allocations and in transport

2.2.5. From the 1980's to the 2010's, artificial areas increased more than 60% in mainland Portugal which conditioned the efficiency of the **transport systems**, which had to cover more extensive areas of influence, and with a higher consumption of fuel. The distance between residence and workplace increased and commerce became increasingly concentrated in large commercial surfaces, located in particular near large transport infrastructures, with a direct impact in terms of mobility and with travel flows in the city-region intensifying. Commuting increased in particular, such that, for example, in 2011, in the Lisbon region, 39% of the employed or student population travelled, on a daily basis, beyond their municipality of residence. Between 2001 and 2011, in spite of the employed population in Portugal having decreased (by about 6.2%), the number of employed individuals who travelled to another municipality to work increased by 4.1% (INE, I. P., 2012). The social and territorial changes in cities matched with the democratisation of individual transport. In 1986 there were more than six Portuguese per vehicle in comparison to less than two in 2010 (Mateus et al., 2013). At the same time, public transport did not have the capacity to ensure an optimised and attractive

coverage for an increasingly dispersed urban territory and with high mobility needs, having resulted in the progressive increase of the debt of public transport operators, whose service is strongly dependent on fossil fuels. In fact, the transport sector has accounted for an increase of 80% in CO₂ emissions since 1990 (APA, 2012). Urban congestions and inefficiencies resulting from increased commuting and the mobility models adopted, in addition to other adverse effects, namely air and noise quality, have a very significant social, economic and environmental impact, which should be mitigated from an integrated perspective, in which spatial and urban planning are of vital importance.

2.2.6. The policies of **rationalisation in the use of natural resources**, which includes, from a more general perspective, the fight against climate change, but also erosion and the loss of biodiversity, have a much higher potential success rate in cities, since that is where the majority of the Portuguese population resides. In this sense, decisions of apparent limited scope or sectoral decisions, such as the review of metropolitan routes and circuits, of the type of transport that should be given priority or of the collection and treatment of certain types of waste can generate enormous gains in terms of the intensity of the use of natural resources and in terms of the actual economic competitiveness of the urban areas.

2.2.7. The trend of concentration of the population in urban areas, which is forecast to continue over the next few decades, increases the importance of integration of urban planning policies with civil protection and **climate change** policies. The assessment and control of the risks associated to catastrophic events, such as earthquakes, floods, landslides or heat waves, whose damages have increased in magnitude all over the world in the last few years, as a result of urbanisation that is not always planned, is today an important component of legislative and institutional policies and frameworks, especially at the level of urban design and of architecture and engineering of buildings and infrastructures. However, over the next few years the implementation of climate change mitigation and adaptation strategies will take on even more importance. Climate change is forecast to increase the effects of extreme climatic events and will imply the need to not only redesign the urban environment but also to manage its ecosystem in an intelligent manner and the connections of the cities with the surrounding territory, with a view to achieving a low-carbon consumption society with a high resilience to such events. Regarding to intersectoral problems, such strategies are also strongly interrelated with various spatial planning matters and other policies, namely energy, transport and architecture and landscape.

Cities as a privileged stage of sustainable development

The integration of risks and the policies associated to the response to climate change have become increasingly important.

The sustainability of urban development also involves the exercise of discipline in the adjacent rustic áreas

2.3. Urban-rural connections

2.3.1. The reclassification of rustic land into urban land and the demarcated urbanisable areas in terms of territorial planning, have inopportunately widened the urban perimeters, resulting in surplus and loosely defined urbanisations, dispersed construction and the existence of **overvalued and expectant rustic land** within the cities which, for this reason, become unavailable for productive activities. The restoration of the sustainability of urban development also depends on the stabilisation of the land use in the rustic areas that are more or less under the direct functional influence of cities and of the correct distribution and performance of the agricultural and forestry activities which can be developed there.

Photo 3 - Urban-rural interfaces (DGT, 2013)



2.3.2. The search for a balance between the level of offer of the large retail areas and that of small retail establishments has significant repercussions, both in terms of the organisation and attractiveness of the central areas of cities and in terms of the **valuation attributed to the surrounding agricultural land near urban and metropolitan areas**, which has become more and more important in Western countries, as a secure source of local varieties of food and as a means of preserving the structures and viability of the peri-urban agricultural areas.

2.3.3. In Portugal, as in many other densely populated countries, especially in the West, there is no longer a marked city-countryside dichotomy with respect to reference patterns of access to social services and facilities, culture and, in general, quality of life. More than policies of «equalisation» of the different indicators of access to services that each of the types of territories can offer, it is important to identify the **complementarities and economic relations** that, on the one hand, enable reinforcing the survival and viability of the landscapes and rural areas in the area of influence of the cities and that, on the other hand, act as an ecological, landscape and even socio-economic counterweight to the densely constructed areas of the large urban conglomerations.

2.3.4. The transformation of Portuguese society, especially after the end of the 1950's, with its industrialisation and tertiarisation, led to a **growing demand for peri-urban wild areas** intended for recreation or leisure, especially in the metropolitan regions of Lisbon and Porto and in the largest population conglomerations along the coast, namely the Braga-Guimarães, Aveiro/Baixo Vouga, Coimbra-Figueira da Foz, Leiria-Marinha Grande and Algarve axes. The lack of forest parks is mainly noticeable in metropolitan areas, where, with the exception of the Monsanto Forest Park, there are no other forest parks with the infrastructures to provide a more intensive recreational use which can guarantee a high quality offer, compensating for the increased demand for these areas and lightening the pressure of the public use of protected areas that are worth preserving.

2.3.5. The sustainability of the urban system, understood in the broadest possible sense, depends on the **interconnection between the natural systems**, with emphasis on the protection of the hydro-graphic network and the safeguarding and enhancement of the most significant vegetation patches within the context of the city-region, the reinforcement of outdoor urban spaces and management of traffic commuting, which may make a contribution to cities' regional and sub-regional environmental and ecological balance.

Articulation between cities and their rustic surroundings

Development of complementarities and economic relations between the urban space and the rustic space

Search for equipped metropolitan and peri-urban wild areas

Safeguarding and enhancement of the natural systems within the context of the city-region

Need for a land value
and real estate market
discipline

Need to find a balance
in built heritage

Growth and
«privatisation» of the
Portuguese housing stock
exceeds the needs of the
population

3. Intra-urban territorial dimension

3.1. Urban dynamics

3.1.1. The **sharp increase in land and real estate values** from the end of the 1960's, which only registered slight decelerations from 2008, is, directly or indirectly, at the root of the decrease of the population in the main city centres, the disorderly urban sprawl in the peripheries and the proliferation of dispersed urbanisation. The protection of the public interest, returning land to its social function and its availability for productive activities depend on a land value and real estate market regulation discipline, enabling the gap between market values and income values to be bridged. The deterioration of the real estate stock and the obstacles to urban rehabilitation in the heart of the cities and in the peripheries are also rooted, to a large extent, in the rise of real estate prices, which has made it almost always more advantageous to maintain buildings abandoned, degraded or even in a state of ruin, to the detriment of its useful ownership for sale or rental.

3.1.2. These imbalances result from **inefficiencies of the territorial development pattern**, which public policies were unable to curb and correct. However, not everything was negative in the context of housing in Portugal. In spite of the problems that still persist, shacks were largely eradicated and, in 2011, the proportion of non-classic dwellings was only around 0.11%, corresponding to about 6 thousand dwellings. In 2011, however, there were still housing deficiencies in terms of the need for major repairs or run-down buildings and of deprivation in basic infrastructures, such as running water, sewage and bath or shower installation, which still reached 132 thousand dwellings (INE, I. P., 2012). It is therefore necessary to find a balance that allows providing a useful meaning (social and economic) to the existing buildings in city centres and, at the same time, correctly plan their future expansion, mainly in terms of the location of new and large facilities of services (education, health and retail establishments, and other) or business centres, where the offer of new jobs has been concentrated.

3.1.3. The analysis of the **evolution of the Portuguese housing stock** reflects the fast pace of construction in the last few decades. Portuguese cities grew a lot and at an accelerated pace, with little concern in terms of urban efficiency. Portugal went through a cycle of urban expansion that lasted approximately 50 years. From the 1960's and 1970's onwards, the increase of the population in cities, in search of employment in industries and services, resulted in a strong demand for housing that led to the increase in the building stock, especially in the urban peripheries. Economic growth and the increase in purchasing power during the 1980's and 1990's enabled many families to buy their own homes, driven by the facilitated access to bank loans, falling interest rates and tax benefits. Portugal went from a situation of chronic housing deficiency to a situation of excess housing stock, becoming a country mostly of «homeowners». In the last decade, the growth of the Portuguese population slowed and almost stagnated (growth of only 2% between 2001 and

2011), while the growth of the housing stock continued and even accelerated. In 2011, the situation of the excess housing stock worsened relative to 2001, with a total of about 735 thousand vacant dwellings, corresponding to an increase of 35% relative to the previous decade (INE, I. P., 2012). At the same time, the rental market was characterised by a weak, dynamic with only 15% of unoccupied dwellings being available for rental. In the country as a whole, the number of dwellings available for rental increased from 80 thousand to 110 thousand between 2001 and 2011, which represents a positive evolution relative to a very low starting point. Over the same period, the average value of rents increased by 91% from €123 to €235, which is still lower than the average cost of home ownership per month (INE, I.P., 2012). In addition, there is the high percentage of derelict and degraded dwellings and a high frequency of second homes, usually for seasonal use.

Photo 4 - Housing stock (DGT, 2013)



Deficiencies of regeneration of degraded urban centres

3.1.4. The «donut effect» of the **emptying of urban centres**, mainly of historical centres, very much associated to the dysfunctionalities of the rental market and the propagation of credit for home ownership, as well as the attachment to the paradigm of new construction instead of urban rehabilitation, has resulted in pathological situations of degradation of the housing stock, destruction of commerce, especially traditional commerce, and a growing feeling of insecurity among the population. The revitalisation of these urban centres in a critical situation of abandonment and, at times, with a high concentration of poverty, requires fostering the rental market and rehabilitating existing buildings, by attracting higher income social classes - and combining them with the lower income and higher age social classes that still reside in these areas -, as well as promoting economic and environmentally-sustainable mobility solutions, including fomenting the use of public transport and of soft mobility.

Photo 5 - Buildings that are derelict and in a state of ruin (DGT, 2013)



Peri-urban areas with marked multidimensional deficiencies

3.1.5. In the peripheries there are still situations of **urban degradation, poverty and social exclusion**. The peri-urban areas, at times, hide critical urban and social realities, such as the lack of conditions for the exercise of urbanity and citizenship, precarious housing, clandestine urbanisations, disqualified social housing estates, weak urban design and inadequate public areas, and low construction quality of buildings. In short, areas lacking habitability and integration conditions. The requalification of these peripheries must be based on their physical rehabilitation and in the expression of the significant elements of their architecture, but also in the development of a culture of belonging and

community, which results from history and from life in common and that is anchored in the identity of the neighbourhoods and in the trust and solidarity of institutions.

- 3.1.6. Alongside the urban degradation in the peripheries where flagrant situations of socio-territorial inequality exist, there are **suburbs in which the disengagement from the «city» is intentional and desired**, frequently configured as housing estates with conditioned access, commonly known as gated communities, associated to preferences for criteria of exclusivity and security and, as a rule, strictly car-dependent. Both situations, being very different, raise some common problems, namely in terms of the need to create new centralities, improve mobility and accessibility, and reinforce facilities and services.

3.2. Aggravated or emerging territorial and societal problems

- 3.2.1. The global economic instability and the systemic crisis arising from the fragility of the financial system, whose main origins lie in the real estate sector, resulted in the Portuguese economy requesting international assistance.

The next few years will be marked by **huge economic and financial rebalancing efforts** and, in particular, expenditure control, which reduces the amount of resources available for the pursuit of public policies, namely in terms of spatial planning. Therefore, given the serious financial limitations of the country, the management of shortage requires a precise definition of the order of priority interventions, in order to maximise its utility for a sustainable territorial development and for a socio-economic recovery, namely in terms of competitiveness, growth, job creation and social cohesion.

- 3.2.2. At the same time, the drastic processes of structural transformation which have been observed (demographic, ageing, technological innovation, poverty or risk of poverty, isolation and environmental) and its territorial impacts represent an additional challenge to the **capacity of response of institutional and non-institutional resources**, in terms of infrastructures and the reconversion of social facilities and services, namely of promotion of the quality of life of elderly citizens, including the so-called «active ageing», and of citizens with reduced mobility, as well as the provision of child-care, to assist in the balancing of households' work and family life and contribute towards birth rate.

- 3.2.3. Urban territories have been the focus of measures to promote social inclusion and cohesion, considering the phenomena and processes associated to social exclusion that take place there, such as poverty, difficulties in the access to housing, facilities and services and the moving away to the peripheries. These problems of **distress and social and economic vulnerability** have taken on, particularly since 2010, worrying proportions at the individual, family and collective levels, particularly within the context of reduced disposable incomes and greater unemployment, which contribute to the increase of their incidence and their intensity. The improvement of the quality of urban life will

Coexistence of
distinct situations in
urban peripheries

Territorial impacts of
a major economic and
financial crisis

Weighing of responses
to the structural
transformation
processes

Aggravated phenomena of inequality, poverty and social exclusion

depend on the creation of conditions of proximity for commuting, on easy access and at fair prices, to housing, to areas for the development of economic activities and to services of the urban infrastructure and social facility networks, as well as on the promotion of the diversity of cultural, social and economic activities, creating opportunities of employment and entrepreneurship.

Photo 6 - Urban unsanitary conditions (DGT, 2013)



Emergence of new needs within the scope of urban regeneration

3.2.4. In addition to the problem of the degradation of the historic city centres, there are **new situations of urban degradation**, such as urbanisations and buildings recently conceived but unfinished or empty, neighbourhoods created within the scope of rehousing programmes that now require some conservation actions and the need to reconvert old built areas, for example industrial areas, into other uses.

4. Transversal Territorial Dimensions

4.1. Governance deficiencies and challenges

4.1.1. In spite of successive political cycles, **it has not yet been possible to find adequate governance models** that allow the participation of agents in the policy formulation and implementation processes, covering not only governments and other public institutions and authorities, but also non-governmental entities, citizens' associations and initiatives and certain forms of relationship with the private sector and the cooperative and social sector. Between 1996 and 2012, Portugal maintained - or dropped - its position regarding to the world governance indicators. In comparison with the other 27 Member States of the European Union, our country stood, in 2012, in the bottom half of the table (normally led by the countries of northern Europe) relative to the six dimensions of the aggregate indicators of governance of the World Bank: «voice and accountability» (17th place), «political stability and absence of violence/terrorism» (16th), «government effectiveness» (14th), «regulatory quality» (22nd), «rule of law» (16th) and «control of corruption» (15th) (World Bank, 2013).

Therefore, the position of Portugal is particularly less favourable with respect to «regulatory quality», in terms of the capacity of the governing authorities to elaborate and implement policies and regulations that allow and promote the development of the private sector, an aspect which has an enormous influence on spatial planning since more than 90% of mainland Portugal is private property (Beires, 2013).

4.1.2. The pursuit of territorial policies and interventions depends on the effective **organisational, technical, human, material and financial involvement and availability of the territorial agents** (at a national, regional, sub-regional and local level), as well as their organisational capacity in terms of interventions and funding. It is important to ensure the essential conditions for the adoption of governance patterns that, taking into account the drastic processes of structural transformation previously mentioned and their territorial consequences, enable an integrated territorial development development. In this regard, it is important to mention the metropolitan areas, the intermunicipal communities, the municipalities and the local communities, since they can play a specific role in promoting balanced and inclusive urban development strategies and policies.

4.1.3. The European structural and investment funds comprise a source of funding of the highest importance in this particularly difficult context we are going through. These funds, associated to the common policies, are seen as a crucial financial tool for land-use planning, for the strengthening of the urban systems and for promoting sustainable models of development. With the preparation of the 2014-2020 European funding period in the pipeline, governance challenges must be taken into careful consideration, with the purpose of taking full advantage of the European financial resources that will be made available over the next few years, from the viewpoint of a rationalisation of information sharing resources and of accountability, as well as of compatibility and coherence between interests and potentially overlapped target territories. In this context, it is important to develop **multi-level**

Governance deficiencies have a direct impact on spatial planning

Relationships and institutional capacity-building

Need for adoption of multi-level governance models

governance patterns , which allow enhancing the interaction of agents at the various territorial levels, whether between different levels of governance (**vertical interaction**), or between agents at the same level of governance (**horizontal interaction**), or in a logic of opening up of relations between public and private agents and civil society, the so-called «third sector», thus extending the **networking** base of territorial agents.

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Council of Ministers Resolution

Council of Ministers Resolution

Today, cities concentrate the majority of the population, economic activities and wealth, being the places with the greatest potential for fostering economic growth and employment, competitiveness and innovation. Notwithstanding, they are also where the most complex environmental problems and phenomena of social exclusion and polarisation occur, with severe consequences for the quality of life of their citizens and the cohesion of the social fabric. Over the last few decades, investment in cities and in the territory has been essentially marked by the overcoming of significant infrastructural deficits at various levels, with a clear preference for investment in infrastructures. The aim was to improve basic infrastructures, accessibility conditions and logistics integration, factors that are vital for the internationalisation of the Portuguese economy and the country's integration in international markets.

With the end of this cycle, it is important to gain more detailed knowledge of the existing territorial resources and learn how to manage them better, in a more efficient and integrated manner, make the territory more resilient, promote its adaptation to the growing exposure of the dynamics of globalisation and to external shocks, whether economic or climatic, pursue a more sustainable territorial development project, focused on the rehabilitation and regeneration of the existing territories, on the containment of the urban perimeters and on the promotion of a polycentric territorial structuring and create the conditions for Portuguese cities to gain scale and competitiveness through the reinforcement, growth and internationalisation of the Portuguese economy.

Integrated in the European area, Portuguese cities participate in a network made up of many medium-sized cities and some large metropolises, in a distribution pattern that, culturally anchored in European history, makes a crucial contribution to the construction and identity of the European area and to the quality of life of its populations.

The development and strengthening of the national urban system are, therefore, essential conditions for achieving this goal, as well as the objectives and priorities defined by Portugal and Europe in «Portugal 2020» and the Partnership Agreement 2014-2020: promote the competitiveness of the national economy, the social cohesion and the sustainable development of the country.

Within this framework, the «Sustainable Cities 2020» strategy seeks to reinforce the strategic dimension of the role of cities in various areas. Anchored on the paradigm of sustainable urban development, the «Sustainable Cities 2020» strategy must be perceived as a policy of territorial development, whereby the involvement and commitment of a multiplicity of agents is a fundamental condition for the focus of interventions not to be limited to the physical dimension of the urban space, but rather, seek to achieve higher aspirations such as economic development, social inclusion, education, participation and environmental protection.

In this sense, the territorial development of the country via the reinforcement of the urban structure of the national territory and the improvement of the quality of life of urban populations are the main aims of such a strategy. The increased sustainability of cities will also lead to an improvement in the country's competitiveness.

The success of a policy directed at cities depends as much on the interest, involvement and participation of local agents with operational capacity to execute the programmes and actions as it does on the governance model sustaining such a policy.

To this end, the governance model must, on the one hand, view the city as a pillar and privileged stage of strategic integration and territorialisation of the multiple public policies and, on the other hand, guarantee the institutional architecture necessary for the sound coordination and articulation of the various agents and levels of governance implicated.

The implementation of this transversal strategy depends, therefore, on the active involvement of the various agents that intervene in the city and in the enhancement and strengthening of the national urban system, be it the Public Administration or the private sector, whose contribution is fundamental for the pursuit of urban sustainability objectives.

The purpose of the public consultation to which the «Sustainable Cities 2020» strategy was subject to was to collect comments and suggestions from all stakeholders, based on the principle of participation laid down in the Code of Administrative Procedure approved by Decree-Law No. 4/2015, of 7 January, and took place between 8 and 30 April 2015. The final text of the «Sustainable Cities 2020» strategy reflects the results of the assessment of the contributions made during the public consultation.

Therefore:

Pursuant to sub-paragraph g) of article 199 of the Constitution, the Council of Ministers has decided to:

- 1 Approve the «Sustainable Cities 2020» strategy, set out in the Annex hereto, which forms an integral part of this resolution.
- 2 Entrust the member of Government responsible for the area of spatial planning with the coordination of the implementation of the «Sustainable Cities 2020» strategy.
- 3 Determine that the commitments within the scope of the execution of the measures set out in the «Sustainable Cities 2020» strategy depend on the existence of available funds from the competent public entities.

Presidency of the Council of Ministers, 16 July 2015
The Prime Minister

