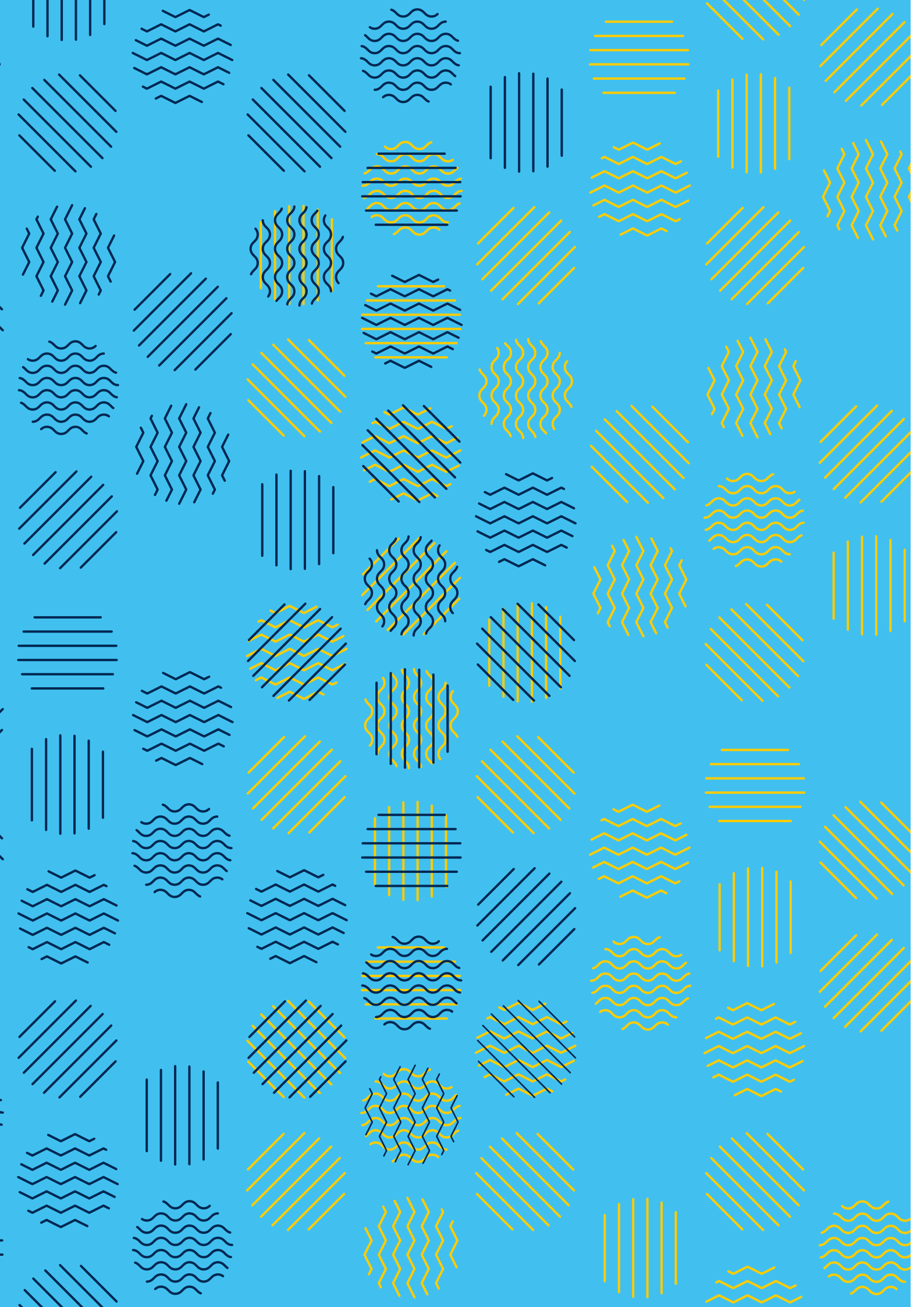


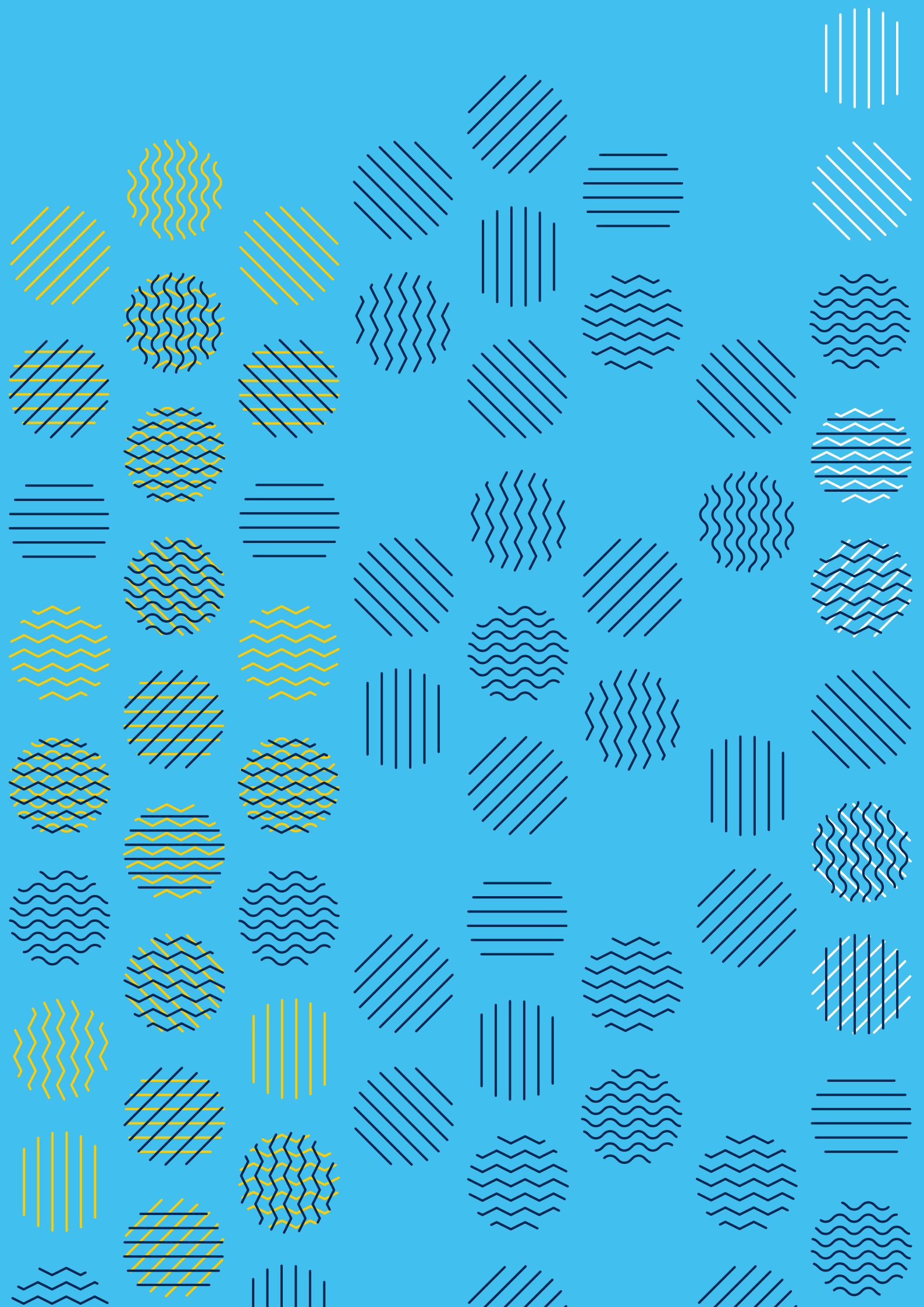
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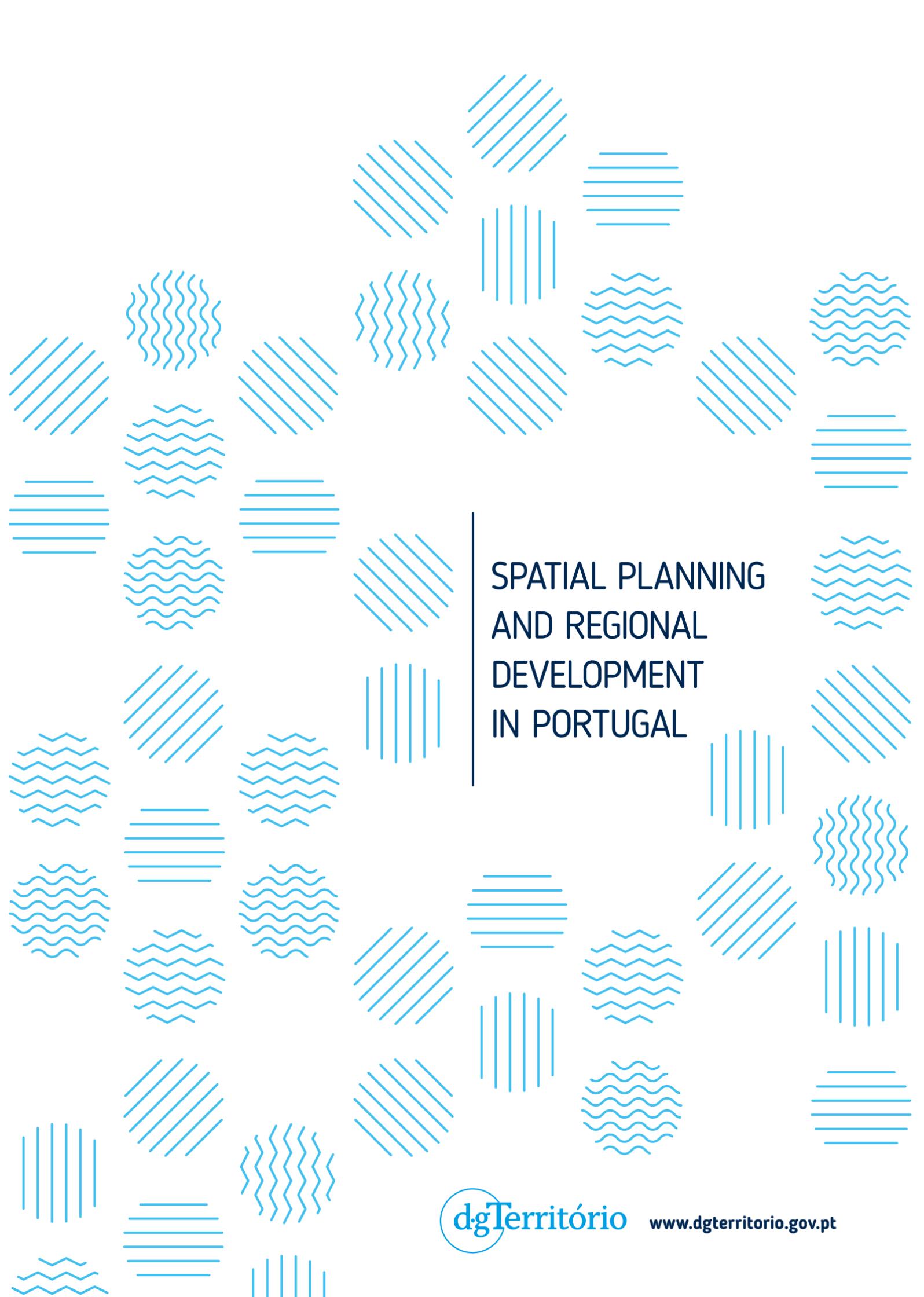
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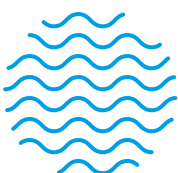
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AND REGIONAL
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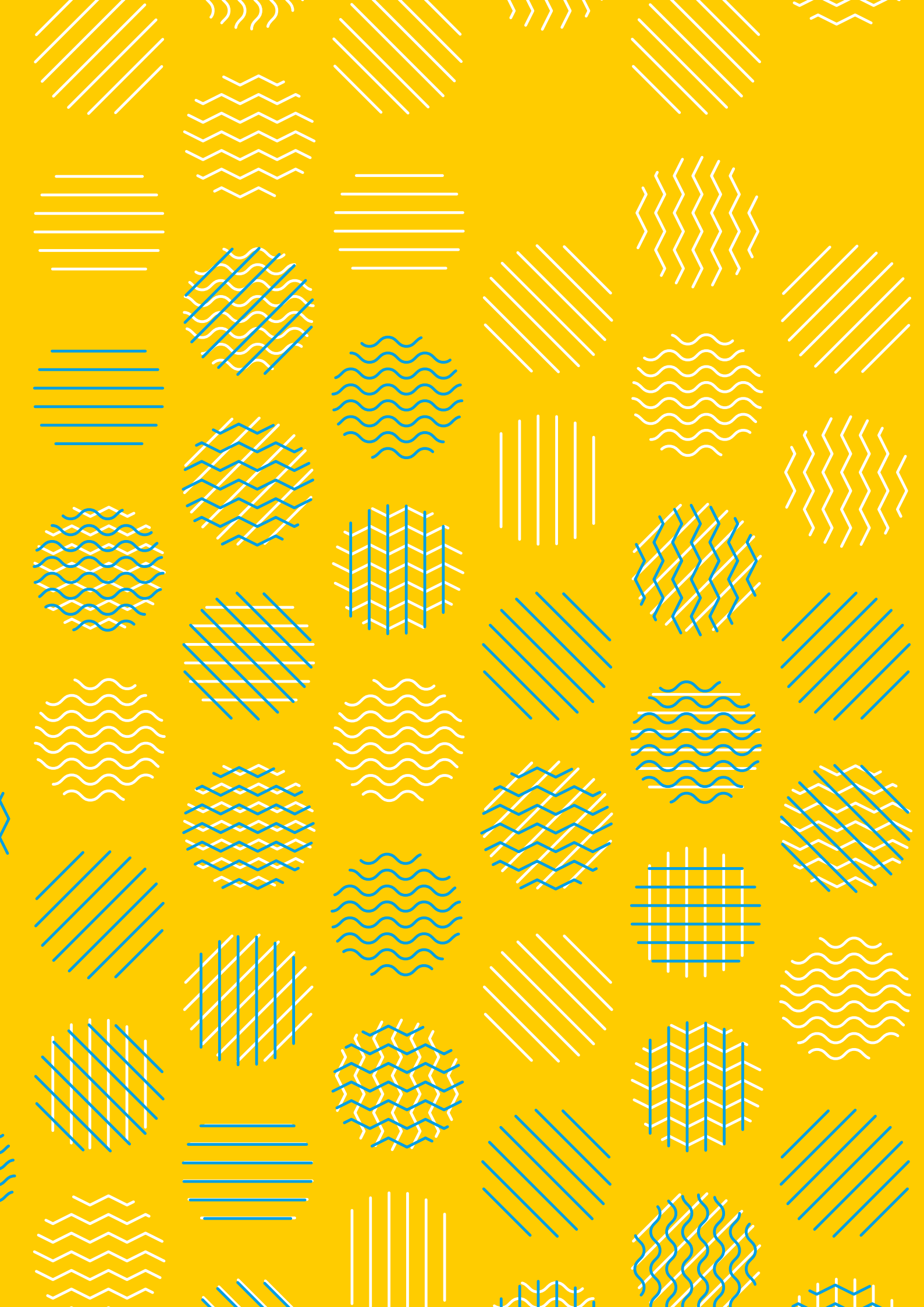
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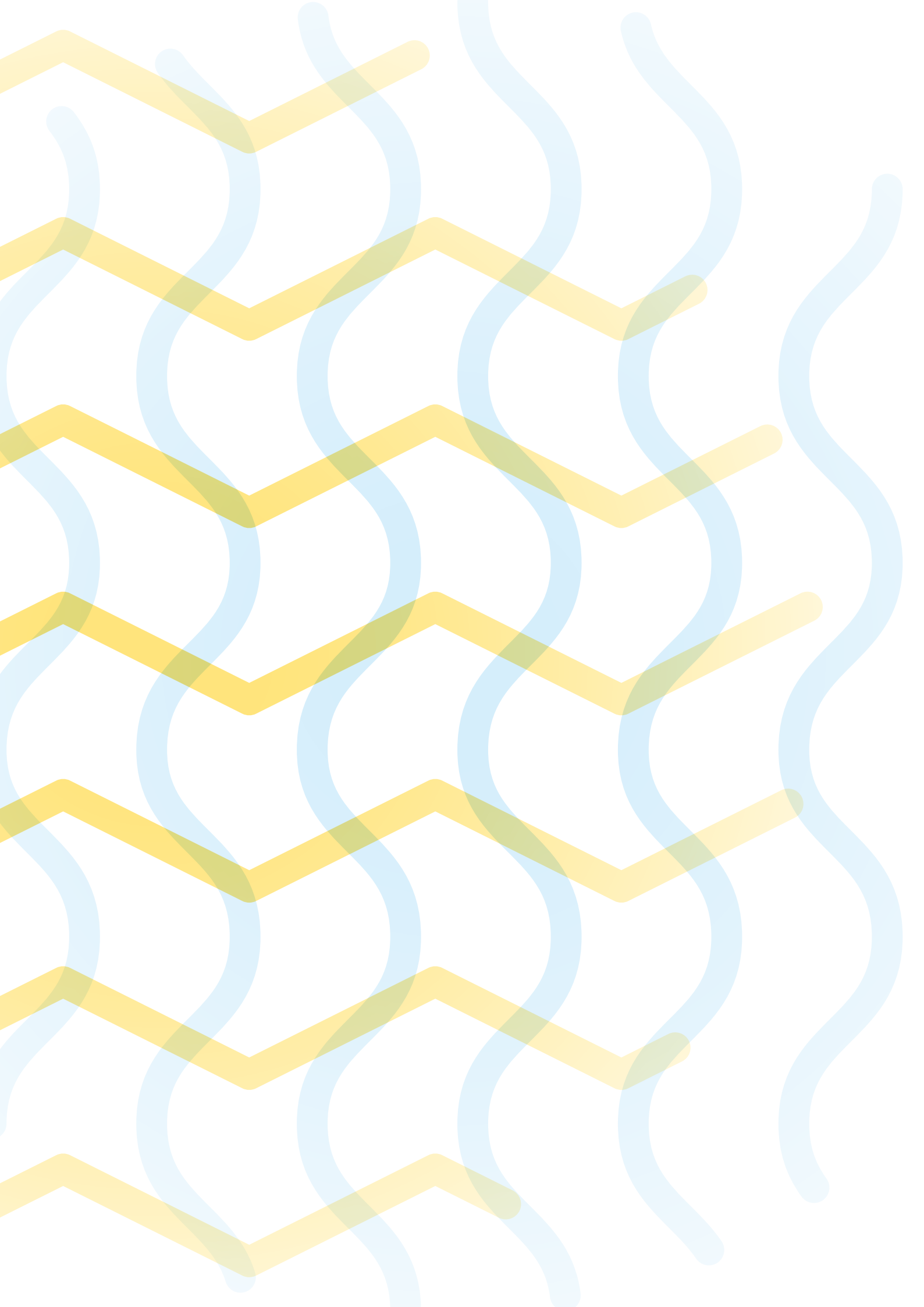
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The 'Spatial planning and regional development in Portugal' publication is a systematic and comprehensive overview of the Portuguese spatial planning system and a complementary overview on its regional policy and regional development. It is perhaps the first time that our spatial development compendiums bring these domains together and address them in a joint and systematized document, for ease of reading and understanding of the system as a whole.

With European and national territorial actors, academia, policymakers and practitioners in mind, the Directorate-General for Territory (DGT) has collected substantive information on key contextual factors, instruments and processes that are often seen as hermetic by 'insiders', in a reader-friendly way.

In Portugal, much like in other member-states, a process of Europeanisation fostered by strategic frameworks such as the European Spatial Development Perspective (ESDP), the Territorial Agenda and EU structural and cohesion policies has triggered the need for traditional planning instruments to work alongside multiple soft planning practices to accommodate territorial dynamics and development demands, while promoting spatial transformation with a non-statutory framework.

Presenting the Portuguese spatial planning system and regional development policies in a joint publication brings together these often converging and often conflicting spatial development paths, to further illustrate the yet untapped potential of a more systematic articulation. From our institutional standpoint, spatial planning instruments and procedures stand to gain from enhanced coordination and integration of different policy sectors at different levels, but also with the flexible problem-oriented tools and strategic foresight approach of soft planning.

From the inaugural framework act published in 1998 to the reform that began in 2014/2015 and it is still underway, spatial planning in Portugal was set up as an autonomous policy branch, providing for an integrated spatial planning system, where the National Spatial Planning Policy Programme (PNPOT) is the territorial development umbrella and summit-like instrument. This programme sets out the main policy options concerning the national territorial organization and provides guidance for the spatial component of regional development, and multilevel and sectorial policies and instruments.

Recently, a new set of planning instruments, such as the Landscape Transition Programme and its programmatic intervention measures, with emphasis on the Landscape Management Programmes (PRGP), took on board many of the strengths and opportunities of soft planning policy initiatives endorsing integrated territorial approaches. These instruments bind the multiple funding sources, such as the national Environmental Fund and other EU and national funds, as well as multilevel governance and both public and private investment, enabling active management for prevention of rural fires and the construction of more sustainable and resilient landscapes, promoting new economic opportunities in vulnerable territories, and hence contributing to territorial cohesion.

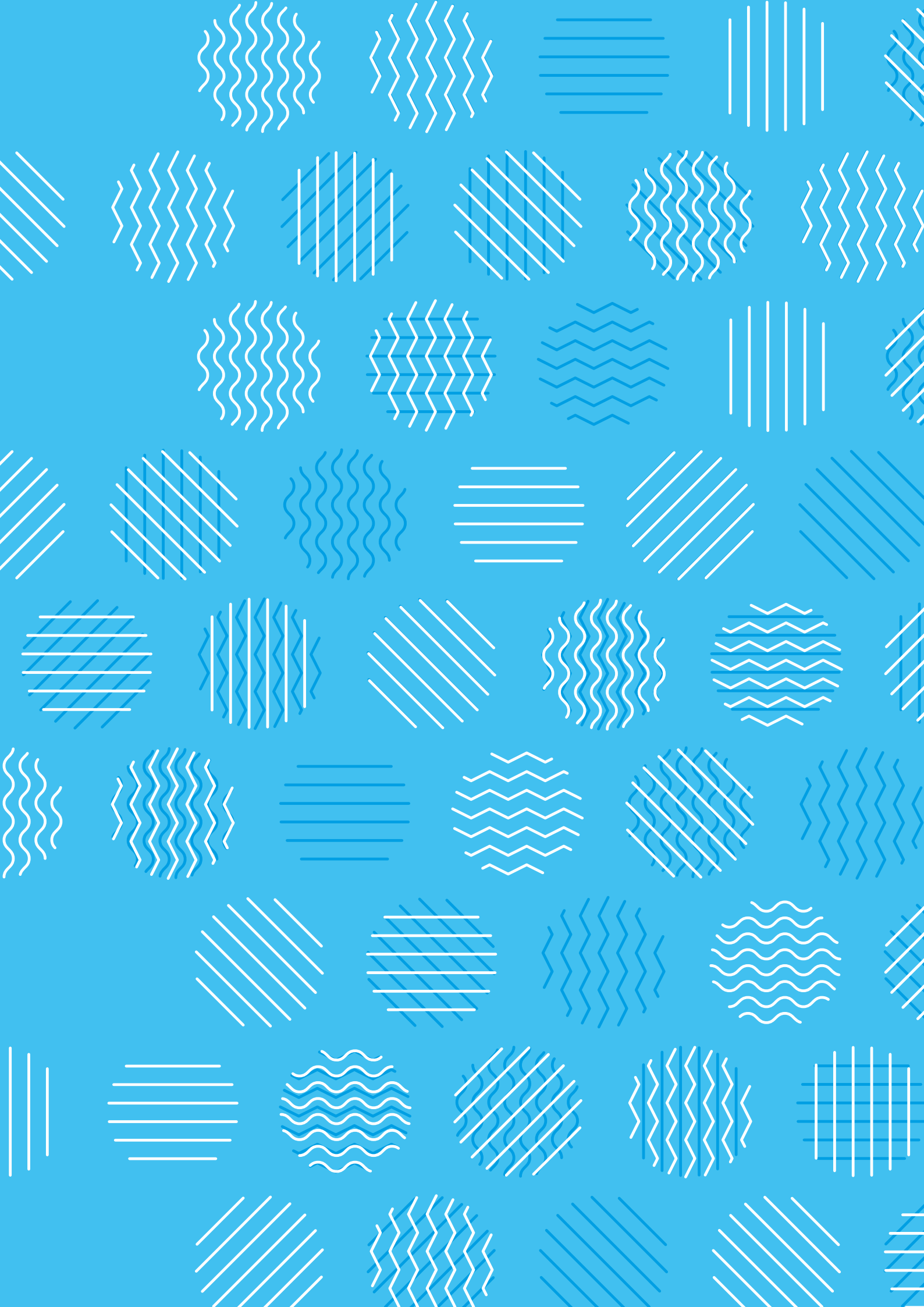
This publication was made possible through the dedication, knowledge and experience of a wider team, including staff at the DGT and academic experts from the Lisbon School of Architecture and the Institute of Social Sciences of the Universidade de Lisboa. The interpretative narrative enriched the text beyond an official institutional statement, bringing a coherent explanatory narrative to shed light on these specific and complex matters, and making it possible for the document to be used as a knowledge sharing tool on spatial planning and regional development.

DGT is responsible for the third chapter of Part I, which emerges directly from the PNPOT Diagnostic Report. DGT is also responsible for the geographical information, statistic indicators and maps and figures that come from the National System for Territorial Information (SNIT) and from the national Observatory on Physical Planning and Urbanism (OOTU).

DGT would like to acknowledge the contribution of APA, ICNF and EMEPC, who provided fundamental information and images for this work. Internally at DGT, this publication represents a joint effort from different departments, assembling territorial development, urban policy, spatial planning, cartography, geographical information and communication, aiming to provide a reliable and updated picture of the country's planning system.

May this spirit of cooperation guide spatial development in times to come, in the light of the best European tradition.

Fernanda do Carmo
Director-General for Territory



The background is a solid blue color. Overlaid on this are numerous circular and rectangular patches of white and blue lines. These lines form various patterns: some are straight and parallel, others are wavy, and some are diagonal. The patches are scattered across the entire page, creating a textured, abstract effect.

Part I

Portugal's Territorial
Organization and
Development Trends

1. Geographical context and population

“Portugal is ‘Mediterranean by nature, Atlantic by position’.

A quick review of Portugal’s fundamental geographical elements shows how they are generally strongly based on the Mediterranean. The characteristics that arise from its maritime position are more difficult to establish as the Atlantic domain does not have the same level of homogeneity of features as that which characterizes the Mediterranean: Atlantic features are those that directly depend on the action of the Ocean, a significant regulator of the climate, through which multiple signs of the Ocean’s near-presence are reflected, even far from the coast(...)

Another factor influences our land. (...) an extensive strip of backcountry (...), by simply and clearly calling it inland, means that in these areas, in addition to oceanic influences or to others from the Mediterranean context, another element added, one that is typical of its position away from the coastline (...)”

Ribeiro, Orlando. (1945). *Portugal, o Mediterrâneo e o Atlântico*. Coimbra Editora. Coimbra. pp.58/59 (translation by the authors).

1. 1. Portugal in the world

Portugal is the **westernmost European country**, located in the west-southwest part of the Iberian Peninsula and in the Atlantic Ocean. The country comprises **Portugal Mainland** (with a total surface area of 89.102km², in a rectangle-like shape, with a north-south orientation) and the **archipelagos of the Azores** (nine main islands with a total surface area of 2.322km²) and **Madeira** (two main islands and several smaller islands and islets, covering a total surface area of 801km²).

Endowed with an Economic Exclusive Zone of 1.7 million km², Portugal holds a relevant position over the maritime waters of the Atlantic Sea. The Portuguese maritime territory is 3.9 million km² when considering the extension of the continental shelf. This means that **97% of the whole national territory is maritime space**.

Such an Atlantic position is key to set up Portugal’s strategic role in a global world connected by the maritime space. First, Portugal is now at the heart of an extensive undersea infrastructure of optical fiber communications at global level. Second, Lisbon was selected to host the headquarters of the European Agency for Maritime Safety, which brings Portugal center stage for sea affairs.

As a full member of the European Union, since 1986, Portugal is indeed the Atlantic facade of the old continent. It also maintains strong relationships with the 248 million people who are spread out across Portuguese-speaking countries. The country is today an important axis between Europe, Africa and the Americas, while keeping alive the cultural linkage with Asian countries and territories such as Timor-Leste, Macau and Goa.

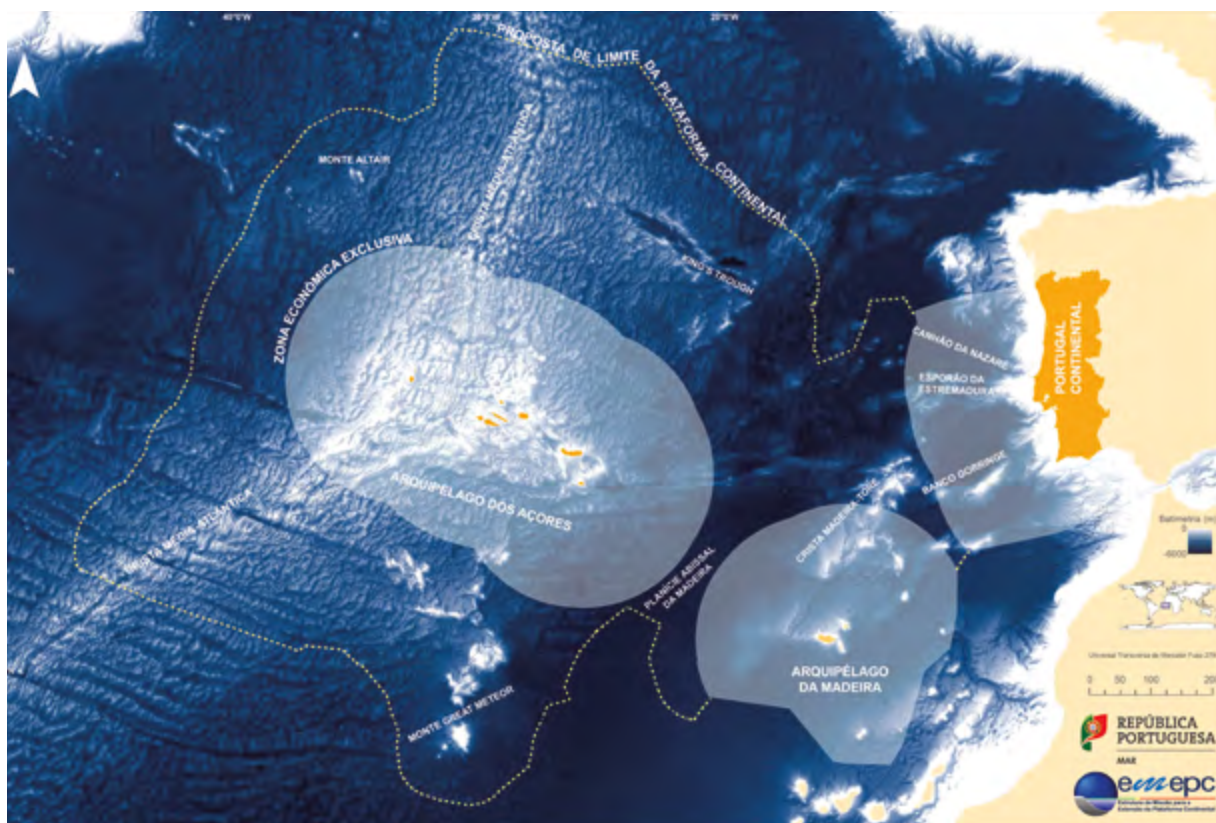
The **Portuguese language** is the ultimate expression of the presence of the Portuguese culture

FIGURE 1 - PORTUGAL, LAND AND SEA TERRITORY

	Land territory		Economic Exclusive Zone		Extension of the continental shelf beyond 200 nautical miles from the coast		Sea Territory (with the extension of the continental shelf)
	Area (thousand km ²) (1)	%	Area (thousand km ²) (2)	%	Area (thousand km ²) (2)	%	Area (thousand km ²) (2)
Portugal	92.2	100.0	1,661	100.0	2,109	100.0	3,770
Mainland	88.1	95.6	288	17.3	-	-	-
Azores	2.3	2.5	931	56.1	-	-	-
Madeira	0.8	0.9	442	26.6	-	-	-

(1) DGT (2020): Carta Administrativa Oficial de Portugal 2020.

(2) Pacheco, M. (2013). *Medidas da Terra e do Mar*. Lisboa: Instituto Hidrográfico.



worldwide. The geography of the Portuguese-speaking world signals the extent of the Portuguese diaspora. Not only it is the official language of seven other countries (from Brasil to Angola, Moçambique, Cabo Verde, S. Tomé e Príncipe and Timor-Leste); it is also a living language around the world, in particular among emigrant communities and their offspring. Only a few **global indicators** show the relative position of the country at the global level. Portugal ranks 40th in the United Nations Human Development Index (HDI, 2018), out of 189 countries – this represents a relative increase of 19.5% since 1990. Currently, life expectancy at birth is 80.9 years old (83.5 for females and 78.0 for males), 7.1 years more than 30 years ago, whereas the infant mortality rate at birth decreased to 0.33% (INE, Pordata, 2018). In regard to education, indicators also suggest that improvements are taking place. Average expected number of schooling years is 16.3, an increase in 4.5 years in relation to 1990; however, the effective average remains at 9.2 years due to the intergenerational gap in access to education. National estimated gross domestic product (GDP) per capita accounted for €20,639 in 2019, three times and a half higher than in 1990 (INE, Pordata, estimate for December 31st, 2019). Portugal is also known for its hospitality and safety. According to Global Finance indices, Portugal ranks forth out of 128 countries in its Safety Index 2019, and third in the Institute for Economics and Peace's Global Peace Index 2020.

1. 2. Geographical context

Portugal is a **relatively low-lying country** with 71% of its mainland no higher than 400 meters above sea level and up to 43% at altitudes below 200 meters; on the other hand, only 12% is elevated above 700 meters. However, mountains and plains are unevenly distributed across the country with the Tagus River roughly establishing a line of separation between these.

Lowlands are mainly located south of the Tagus - “a region of plains and medium plateaus, with extensive river basins, lightly folded terrains and rare mountainous areas” (Ribeiro, 1945). Serra de São Mamede is the exception, rising to over 1.000 meters. Other low mountain ranges comprise Serra de Monchique and Serra do Caldeirão in the southern part of the Iberian Massif, in the Algarve; Serra da Arrábida in the Cenozoic deposits of the lower river basins in both the Tagus and Sado rivers; and the Serra de Sintra and Serra de Montejunto mountain ranges placed along the coast towards the northern bank of the Tagus.

In contrast with the south, 95% of the territories recording an elevation over 400 meters above sea level are located in the north of Portugal. **High mountains and hilly areas** part of the Iberian Massif include: Serras da Peneda and Gerês in Minho, near the border with Galiza; Serras

Figure 2 - Outer limits of the continental shelf - submitted in 2017

Source: EMEPC, 2021 in
<https://www.emepc.pt/>.
Access: 06 may 2021



Figure 3 - National main river system
Source: DGT, 2020

de Montesinho, Alvão and Marão in Trás-os-Montes; and Serras de Montemuro, Estrela and Lousã in the inland central corridor to the south of the Douro river. Serra da Estrela is the mountain range with the highest peak at 1.993 meters.

This orographic system is crossed by four of the main **Portuguese international rivers** that also provide natural borders with Spain. Both the Tagus and Guadiana rivers have their sources in the core of the Iberian plateau. They partially define the border respectively in the centre and south of the country, along the Alentejo and Algarve. In the north, the river Douro flows from its source in the Iberian northern plateau and marks the northeastern boundary; the river Minho defines the northwest border along the district of Viana do Castelo. Apart from these, other important rivers play a meaningful role in the distribution of landscape and the human settlements, such as the Ave and Vouga rivers in the north, the Mondego in the centre of the country and the Sado in the south.

In terms of climate, Portugal experiences a **temperate climate** with a mild winter. Despite its small dimension, there is a significant territorial diversity. The coastline north of the Tagus has a stronger Atlantic influence, while southern inner areas that are closer to the Mediterranean, and thus have longer dry-seasons. Levels of insulation and sunlight are generally high all over the country, although they are higher in the south. Wind is regular and usually blows between inland areas and the Atlantic facade.

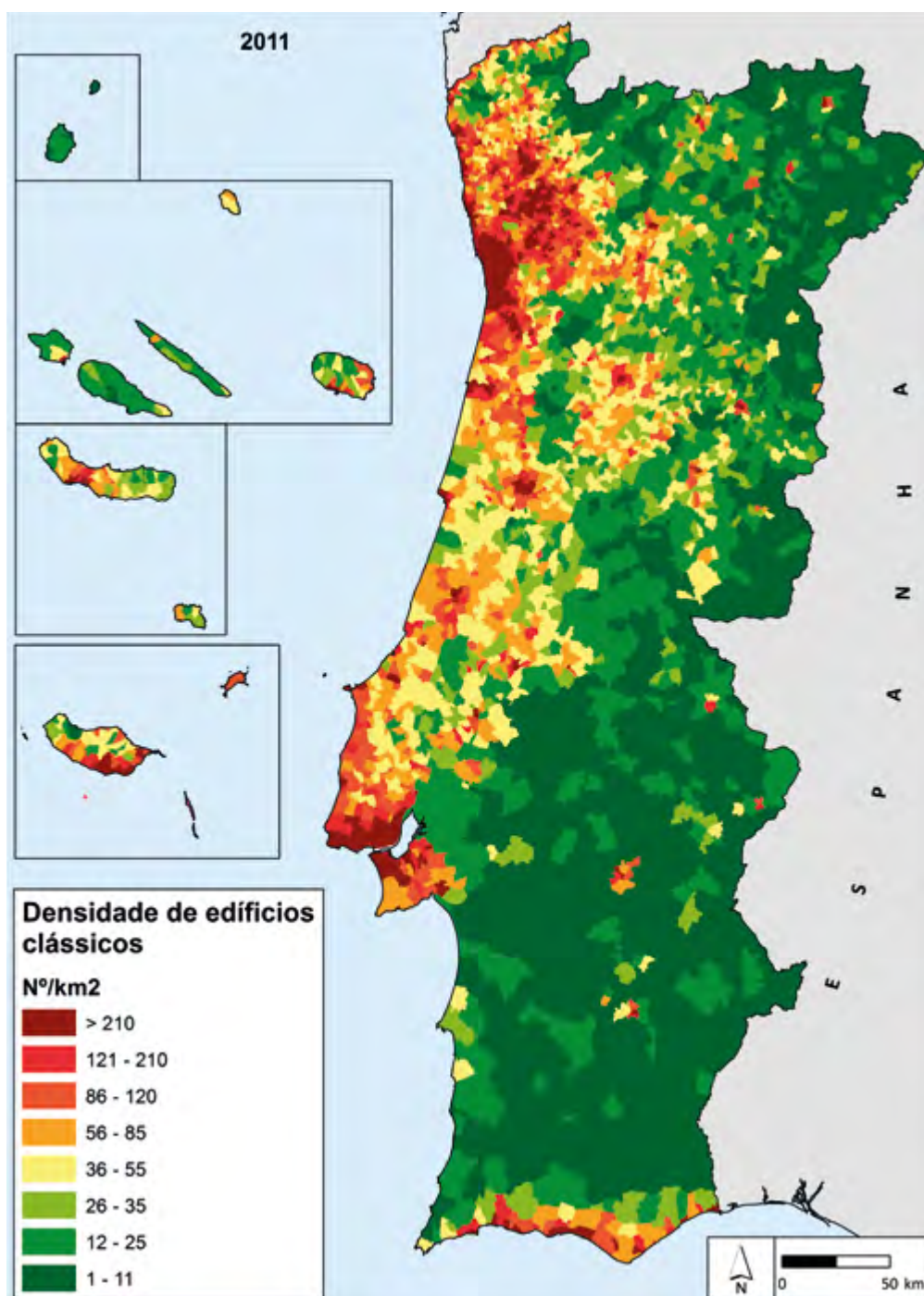


Figure 4 – Density of classic buildings, per parish (2011)
Source: CEGOT.UP; Data source: INE (2011) in PNPOT, Jul 2018, p. 120

The **archipelagos of the Azores and Madeira** are volcanic islands in the middle of the Atlantic Ocean. Their highest mountains reach up to 2,352 meters high, in Pico, Azores, and 1,862 meters high, in the Ruivo peak, Madeira. Both archipelagos experience a temperate climate (warmer in Madeira), marked by the presence of the Atlantic Sea.

In general, Portugal is characterized by a wide diversity of landscapes and cultural heritage that contributes to its uniqueness and identity.

1. 3. Population and settlement patterns

Portugal has a **population of about 10,295,909 inhabitants** (INE, Pordata, estimate for December 31st, 2019) and an average **population density of 111.8 people/km²**. The total population has remained relatively stable since the beginning of the 1980s, with minor oscillations. Since 1985, after the entry of Portugal into the European Economic Community (EEC), the growth rate was no higher than 2.6%, which corresponds to an absolute increase of 265 thousand inhabitants.

In view of the **low birth rate**, growth stems from an **increase in life expectancy**. Absolute numbers reflect an **ageing population**. While the 0-19 age group represents a share of 18.9% of the total population, the 40-59 age group accounts for over 29.7% of the total share. In 2019, the number of children in the 0-4 age group (436.2 thousand) was similar to the elderly aged

between 75-79 years old (432.0 thousand). Births have also decreased considerably, with numbers falling from 130.5 thousand live births in 1985, to just over 101.4 thousand in 2010, just before the adjustment programme to the economic crisis has been implemented, while in 2019, live births fell to 86.6 thousand.

Demographic ageing is therefore reflected in several public policies, looking for the provision of public facilities, namely in terms of social security and healthcare services, as well as of solutions against depopulation and the abandonment of rural areas.

Still, a general overview of the Portuguese population must not neglect the **Portuguese diaspora** around the five continents. This plays a fundamental role in the economic, cultural and political affirmation of the country worldwide. Indeed, around 2 million people born in Portugal are living abroad; a number that reaches five million people when including those who have Portuguese nationality, regardless of having been born in Portugal (PNPOT, 2018).

In regard to the **settlement structure**, most of the Portuguese population lives in **cities or urban areas along the coastline**. The **main urban continuum is located between Lisbon and the northern border with Spain**. Characterized by a sequence of polynucleated nodes and urbanized territories, which include both the metropolitan areas of Lisbon and Oporto, this diffuse conurbation is supported by a connectivity network that comprises a double highway system, the railway line and two major international airports (Lisbon and Oporto). Notwithstanding their specificities and inherent regional dynamics, the Lisbon Metropolitan Arch, the Centre Littoral Metropolitan System and the Oporto Metropolitan Arch create a functional continuum of regions and cities that is the backbone of national development and economy.

To the south, along the **coastal strip of the Algarve**, the linear urban continuum has developed mainly through tourism. Once called “little lying-down Portugal” due to its resemblances to the national urban system, the settlement structure of the Algarve is anchored on a third international airport (Faro) and a linear double road corridor along the coast; the low mountain ranges of Monchique and Caldeirão are positioned further inland.

The national settlement pattern also integrates **low-density territories** (inland rural areas from the north to southern Alentejo) structured on a **network of medium and small-sized cities and towns** that give way to a set of regional and sub-regional complementary urban systems. Although maintaining relations with the larger coastal agglomerations through some transversal major roads, the country is supported by a vertical road system all along Portugal’s hinterland linking some regional urban centres, supporting the development of inland areas that find themselves at risk of depopulation.

Due to the insular context, the **urban systems of the Azores and Madeira** archipelagos are characterized by urban occupation along the coastline, where the cities of Ponta Delgada and Funchal stand out for given their dynamics. Slopes with greater sunlight exposure are also those with more intensive use.

1. 4. Regions and regional diversity

Portugal presents a remarkable territorial diversity. Seven regional mosaics can be identified, corresponding to the country’s planning regions: the North, Centre, Lisbon and Tagus Valley, Alentejo and Algarve on the mainland; and the insular regions of Azores and Madeira.

The **North** has an estimated population of 3.6 million inhabitants (INE, Pordata, estimate for December 31st, 2019). Although it represents approximately 1/3 of the national total, population has dropped by 3.1% since 2001. In 2018, the region had the lowest gross domestic product (GDP) per capita of the country (€16,196). Nevertheless, it has been on a convergence path towards the national average, registering a growth of 58.6% since 2001.

Despite the territorial diversity which integrates several protected areas for nature conservation and biodiversity, a strong contrast exists between a rather urban and industry-focused coastline and the highly depopulated rural inland areas.

The Metropolitan Area of Oporto is the largest urban agglomeration providing for major services and infrastructures at national and regional level. Developed in a polycentric urban continuum, the urban system of Oporto includes a denser urban ring that comprises the municipalities of Matosinhos, Maia, Valongo, Gondomar and Vila Nova de Gaia, alongside other

urban centres (such as Paredes, Santa Maria da Feira, Vila do Conde and Santo Tirso) that structures the surrounding territories, while keeping close ties with Oporto.

Other regional urban centres perform an important structuring role along the littoral. With significant economic dynamics (business areas, university and research centres) the city of Braga is part of an urban system that, together with Guimarães, Vila Nova de Famalicão and Barcelos, integrates rather diffuse settlement patterns along the Cávado and Ave river basins, and in the inland areas of the Alto Minho. This littoral urban system extends north to Galiza, Spain, in an urban continuum that is polarized by the coastal city of Viana do Castelo.

The northern hinterland is characterized by: the Tâmega and Alto Sousa area that keeps strong ties with Oporto; the city of Vila Real located at a crossing point of major roads, is at a connection point to reach Trás-os-Montes (literal translation of which is Behind-the-hills); and the city of Bragança, that anchors surrounding low-density territories and establishes strong connections with the border.

With a remarkable territorial diversity, seven regional mosaics can be identified, corresponding to the country's planning regions, the insular regions of Azores and Madeira.

The **Centre** has an estimated population of 1.6 million inhabitants (INE, Pordata, estimate for December 31st, 2019), that has been declining by 7.3% since 2001, and represents 17% of the total national population. In 2018, the Centre Region (NUTS II, including the Oeste and Médio Tejo subregions) had the second lowest national GDP per capita (€17,853), notwithstanding the increase by 55.1% since 2001.

As in the North, there is a contrast between the extensive urbanized coastal areas and the low-density inland territories, where forestry occupies a significant share of the land. Along the coastline, the port infrastructures of Aveiro and Figueira da Foz provide the region with important facilities to assist internationalization. Supported by a major corridor of littoral infrastructures, the region comprises a linear polynucleated network that connects both the metropolitan areas of Lisbon and Oporto. This is structured upon a set of medium-sized cities: Leiria, Coimbra, Figueira da Foz and Aveiro along the coast, and Viseu, Guarda, Covilhã and Castelo Branco in the hinterland. Together, they play a supra-municipal role in the management of urban-rural linkages and diffuse settlement patterns. Serra da Estrela mountain range has the highest peak (1.993meters), and is the only national touristic mountain destination with regular snow and where winter sports take place.

The **Lisbon and Tagus Valley Region** has an estimated population size of 3.7 million inhabitants (INE, Pordata, estimate for December 31st, 2019), having increased by 5.2% since 2001. The Metropolitan Area of Lisbon is the main core – adensely populated urban area with 2.9 million inhabitants and an average density of 947 people/km². It is also the region with the highest GDP per capita nationwide; in 2018 it was €25,821, having increased by 37.6% from 2001.

The regional polycentric urban system differs from the northern and southern regions. South of the Tagus river, the Arco Ribeirinho Sul (South River Arch) supports a first urban ring along the southern bank of the river. Located on a flat terrain on the base of which the Arrábida mountain range rises, it benefits from fluvial access and a support highway system that connects cities such as Almada, Seixal, Barreiro and Montijo. At the base of the Arrábida mountain range, moving south, a second urban network integrates municipalities such as Setúbal, Palmela, Azeitão and Sesimbra. These profit from transversal road connections to Lisbon, including a railway line to Setúbal's city centre.

North of the Tagus, the settlement pattern is structured on major road and railway accesses. Established in a more rugged terrain and with Lisbon as the main urban centre, the urban network grew as a classical four-fingers metropolitan system: Oeiras-Cascais, the seafront; Amadora-Sintra, the interior corridor; the Odivelas-Loures axis, still partly served by the underground train; and the corridor alongside the northern bank of the Tagus, which includes Sacavém and Vila Franca de Xira.

Apart from the metropolitan area, the Tagus Valley also includes other sub-regions: the Oeste (West) area - surrounded by the sea and the mountain ranges of Montejunto, Aires and Candeeiros. The region has a population of 357 thousand inhabitants and benefits from the rail-

way and highway infrastructural axis of Torres Vedras, Caldas da Rainha and Alcobaça; with 237 thousand inhabitants, the Tagus's flatlands of Lezíria do Tejo extends the Vila Franca de Xira corridor towards Cartaxo and Santarém; finally, the Médio Tejo has a total population of 232 thousand inhabitants.

The **Alentejo Region** has an estimated population of 467 thousand inhabitants (INE, Pordata, estimate for December 31st, 2019), a decrease in 12.6% since 2001. In 2018, the Alentejo (NUT II, including the sub-region of Lezíria do Tejo) had a GDP per capita of €18,486, 53.9% higher than in 2001.

Covering almost one third of mainland Portugal, the Alentejo accounts for only 4.5% of the total population and the country's lowest average population density. The beauty of its coastal and inland landscapes contrasts with the fact that it is one of the most aged European regions, with huge losses of population.

The 170km coastline is one of the best-preserved coastal areas in Europe, notwithstanding its economic relevance mainly due to the Atlantic Port of Sines, one of the most important trading ports in Europe.

The regional urban system is structured on some medium-sized cities and urban axis that include: Portalegre to the north, at the base of the São Mamede mountain range near the border with Spain; Évora in inland Alentejo, as a nodal point in the transversal international corridor that links Lisbon to Badajoz, Spain; Sines-Santiago do Cacém-Santo André as part of the corridor that connects Alcácer do Sal, Grândola and Odemira; and Beja in southern Alentejo. In the inland areas, the landscape of the Alentejo has suffered a major transformation after the construction of the Alqueva Dam. As a multi-purpose development enterprise, not only has it contributed to the increase of water storage capacity, it has also had a significant economic impact, fostering the creation of new jobs and activities namely those associated with tourism and intensive farming.

FIGURE 5 - PORTUGAL AND ITS REGIONS, POPULATION IN 2001 AND 2019

	2001		2019		2001/2019
	inhabitants	relative %	inhabitants	relative %	Inhabitants
Portugal	10.362.722	100.0%	10.286.263	100.0%	- 76,459
1. Mainland	9.874.675	95.3%	9.789.343	95.2%	- 85,332
North Region	3.688.037	35.6%	3.573.961	34.7%	- 114,076
Centre Region	1.753.923	16.9%	1.626.462	15.8%	- 127,461
Region of Lisbon	3.500.625	33.8%	3.682.860	35.8%	+ 182,235
Region of Alentejo	535.051	5.2%	467.425	4.5%	- 67,626
Region of Algarve	397.040	3.8%	438.635	4.3%	+ 41,595
2. Azores	241.966	2.3%	242.821	2.4%	+ 855
3. Madeira	246.081	2.4%	254.100	2.5%	+ 8,019

Source: INE, Pordata, 2020-06-15.

The **Algarve Region** has an estimated population of 439 thousand inhabitants (INE, Pordata, estimation for December 31st, 2019), a 10.5% increase since 2001. Algarve had the second highest national GDP per capita, €22,019 in 2018 - an increase of 59.8% when compared with 2001. Developed through the tourism sector, the highly urbanized coastline areas contrasts with a predominantly natural and rural landscape in the interior, dominated by the mountain ranges of Monchique and Caldeirão.

In regard to transport infrastructures, the region is supported by Faro's international airport and a road system parallel to the coastline. The development of coastal areas comprises three different sections: the Atlantic coast, as an extension of the National Park of the Southeast Alentejo and Costa Vicentina; the Barlavento, a rocky seafront of fossil cliffs intersected by

some water lines such as the Arade River, the Ria de Alvor or the marina and salt pans of Lagos; and the Sotavento, a landscape strongly dominated by the lagoon system of Ria Formosa with long sandy beaches along the barrier islands, and coastal agglomerations such as Faro, Olhão, Tavira and Vila Real de Santo António at the mouth of the Guadiana River.

The **Azores Region** has an estimated population of 243 thousand inhabitants (INE, Pordata, estimation for December 31st, 2019), a slight increase of 0.4% since 2001. In 2018, the GDP per capita recorded was €17,513, representing a 60.4% increase since 2001.

The region is in a key geostrategic location in the middle of the Atlantic Ocean. The nine islands are clustered in three groups: the Western Group, integrating the islands of Corvo and Flores; the Central Group, with the islands of Faial, Graciosa, Pico, São Jorge and Terceira; and the Eastern Group, with the islands of Santa Maria and São Miguel.

The volcanic formation and the geological and morphological characteristics dictate a coastal urban system in view of the most advantageous locations. Urban development is concentrated along the seafront and on the southern slopes, connected by circular access infrastructures also along the coast. Major urban agglomerations are located on three islands: Ponta Delgada, Ribeira Grande and Lagoa in the island of São Miguel; Angra do Heroísmo and Praia da Vitória in the island of Terceira; and Horta in the island of Faial.

The **Madeira Region** has an estimated population of 254 thousand inhabitants (INE, Pordata, estimate for December 31st, 2019), increasing by 3.3% since 2001. In 2018, GDP per capita was €19,243, 67.6% higher than in 2001 - the highest increase among the Portuguese regions.

The archipelago is located in the subtropical region of the North Atlantic, in the Macaronesia region. Apart from the inhabited islands of Madeira and of Porto Santo, the archipelago also comprises three islands called Desertas (desert islands) and sixteen called Selvagens (savage wild islands).

As in the Azores, urban areas are concentrated in the lowlands along the coast. In Madeira, Funchal is the biggest city, with 41% of the total population. Other low-density urban areas are supported by a coastal road infrastructure.

2. Administrative and territorial organization

2. 1. Territorial organization of the Portuguese State

Portugal comprises a “**historically defined territory**, part of the European continent, and the **archipelagos of the Azores and Madeira**”. The Portuguese territory is subject to constitutional liability and administration, a fundamental task of the State, namely by:

- “e) Protecting and enhancing the cultural heritage of the Portuguese people, defending nature and the environment, preserving natural resources and ensuring a proper spatial planning; (...)
- g) Promoting the harmonious development of the entire national territory, namely taking into account the ultra-peripheral character of the archipelagos of Azores and Madeira”.

The Portuguese Constitution establishes a **unitary State**, recognizing the insular autonomy and the principles of subsidiarity, autonomy of local authorities and decentralization of public administration. The Constitution also establishes the right to housing and urbanism, as well as to a decent quality of life and healthy living environment. The democratic planning of economic and social development is also a key constitutional principle.

To this end, the complex organization of the Portuguese territory has undergone some changes over the past few years.

As a country with a **long municipal tradition**, the last definition of municipal boundaries dates back to 1964. In 2012, an administrative reorganization took place and consequently led to an amalgamation of parishes. Today, the country encompasses **308 municipalities**, 278 of which are located on the mainland, 19 in the Azores and 11 in Madeira; and **3091 parishes**, 2881 on the mainland and 210 in the autonomous regions.

Districts were created in 1865 as administrative units that group several municipalities. For more than a century and a half, they were endowed with an intermediary government role between the central and the municipal tiers of government. Nevertheless, over the last decades districts have somehow lost a great deal of their administrative duties, namely due

to a double transition process: the so-called Europeanization of public policies; and the still incomplete process of institutionalization of administrative regions, as foreseen in the Constitution, as well as the rise of Intermunicipal communities.

The **Europeanization process** started in 1986, with the establishment of the **Nomenclature of Territorial Units for Statistics** (NUTS) in 1998. These were established to facilitate the comparison between statistical data and allow for the evaluation of the European Union cohesion policy. At this level, Portugal accounts for three NUTS I - mainland Portugal and the two autonomous regions; seven NUTS II, five of which are located on the mainland; and 25 NUTS III, 23 of which on the mainland.

Mainland Portugal is further divided into **five planning regions**, corresponding to areas of jurisdiction of some decentralized Central Government's services. These include the Regional Coordination and Development Commissions (CCDR), responsible for the implementation of spatial planning and regional development policies. After the **failure of regionalization**, when administrative regions were rejected in 1998 by referendum, **intermunicipalism arose** as a solution. The development of new intermunicipal bodies grew since then, with the creation of intermunicipal entities. These comprise: the two **metropolitan areas** of Lisbon and Oporto; the 21 **Intermunicipal Communities** (CIM). However, none of the intermunicipal bodies is subject to elections and public scrutiny.

It was only recently (2015), that coordination between the CIM and the NUTS III took place and they now have the same administrative boundaries. Nonetheless, some policy sectors continue to operate on the basis of the 19th century administrative districts.

For the past two decades, Portugal's spatial planning policy has been placed **under the governmental area of the environment**. Two main institutions head the implementation of this policy: The Directorate-General for Territory Development (DGT) – the Central Government agency responsible for spatial planning, land use planning and urbanism; and the Regional Coordination and Development Commissions (CCDRs) – responsible for the implementation at regional level of both regional development and spatial planning policies.

The promotion of **urban development** and the implementation of local urban policies, namely by means of municipal planning, is an effective **remit of the municipalities**, although recently the intermunicipal entities have gained prominence as their responsibilities increased, particularly in terms of economic, social and environmental development, as well as in terms of public transportation, mobility and services of general interest.

2. 2. The Azores and Madeira Autonomous Regions

According to the Constitution, the archipelagos of the Azores and Madeira are autonomous regions with a **political-administrative special statute** and **self-governing bodies**. They give their contribution to the integrity of the sovereign State namely through the principle of co-operation. As stated, “the autonomy of the autonomous regions envisages the democratic participation of citizens, the economic and social development and the promotion and defense of regional interests”, in respect to the specificity of their geographic, economic, social and cultural characteristics and the “**historical aspirations for autonomy of insular populations**”.

Among other reasons, autonomy is justified by the particularities granted by the outermost location of both the archipelagos, due to their insularity and isolation.

Awarded in 1976, when democracy and the first Portuguese Constitution were established, **regional autonomy is the backbone** of the political-administrative statute of the autonomous regions.

Autonomous regions have **legislative powers** in matters of specific interest, such as the ones defined in its political-administrative

statute. They are also endowed with autonomous regional bodies (regional legislative assemblies and regional governments) which superintend the regional services, public institutes and public companies, and exercise the supervision of local authorities.

In regard to territorial competences, spatial planning legal regimes are subject to **regional adaptation and adoption**, although under the scope of the Spatial Planning Framework Act (Law 31/2014 of 30 May). In Madeira, the Legal Regime for Spatial Planning Instruments (Decree-Law 80/2015 of 14 May) was adopted in 2017 (Regional Decree-Law 18/2017/M). In the

Autonomous regions have legislative powers in matters of specific interest, defined in its political-administrative statute.

Azores, the last adaptation to this instrument dates back from 2012 (Regional Decree-Law 35/2012/A).

Exceptions are awarded to military, maritime and aerial assets, both autonomous regions are **granted a regional public domain** covering several sectors. They hold participatory rights over the maritime zones, namely in regard to the definition of public policies directed at territorial waters, the exclusive economic zone and contiguous seabed.

In the **Azores**, the Regional Secretariat for Energy, Environment and Tourism is the entity responsible for territorial supervision. Administrative powers are granted to the Regional Directorate for the Environment, in particular to the Spatial Planning Division.

The preamble of the political-administrative statute of the Azores (Law no. 2/2009 of January 12) mentions the aspirations for autonomy to honor the pioneers and the legacy “of those who historically resisted isolation and abandonment, bad weather and other natural disasters, cycles of scarcity and a whole variety of setbacks”.

Among others, the law covers the **fundamental rights of the Azores**, including the principles of subsidiarity, cooperation with the Republic, national solidarity, continuity of outermost territories; financial and property autonomy; government bodies; legislative and executive powers, namely for environment and spatial planning; and the principles of public administration organization.

In regard to spatial planning, the Azores Region has a Regional Plan approved in 2010. The territorial model covers the entire archipelago and considers four structural systems (productive, environmental enhancement and protection, urban and rural, accessibilities and facilities).

In **Madeira**, the territory is under the supervision of the Regional Secretariat for the Environment, Natural Resources and Climate Change, while the Regional Directorate for Spatial Planning is the entity endowed with powers for public administration.

Its political-administrative statute dates back to 1991 and was reviewed in 1999 (Law no. 130/1999 of August 21). In terms of the territory, the law refers to the principles of territorial continuity, subsidiarity and the regionalization of services, as well as government bodies and public administration principles, including issues of specific interest. In terms of spatial planning, Madeira has a Regional Plan approved in 1997.

2. 3. Local authorities

Portugal is a country with a **long municipal tradition**. On the one hand, the medieval roots of municipalism are usually highlighted under historical arguments. On the other hand, the reference to Napoleon's Civil Code from the early 19th century, is commonly recognized in the literature: “*La commune parait sortir directement des mans de Dieu*” (the municipality seems to be created by the hands of God) is an expression used by Alexandre Herculano quoting Tocqueville, in his mid-19th century History of Portugal. He intended to demonstrate how the municipality and the parish followed the natural order of things, and that somehow it was an extension of the household and the primary administrative linkage between communities and the territory.

In Portugal, **municipal administrative boundaries** have not been static and have changed over time. In 1836, an administrative reform reduced the number of municipalities to a half - from 796 to 351. In 1964, another reorganization took place and established the municipal borders that still stand today.

Local authorities, like the municipalities and the parishes, have been playing a growing role in Portugal. According to the Legal Regime of the Local Authorities (Law no. 75/2013 of September 12), the range of **municipal assignments and tasks is broad**: rural and urban equipment; energy; transport and communications; education; heritage, culture and science; leisure and sport; health; social action; housing; civil protection; environment and basic sanitation; consumer protection; promotion of development; spatial planning and urbanism; municipal police; and external local cooperation.

These responsibilities are complemented by other specific tasks delegated by the Central Government, as part of the **process of decentralization** undertaken in recent years. After the refusal of administrative regions in the referendum of 1998, local powers have been reinforced since 2002 as an alternative to the proposed regionalization. This has been undertaken through a twofold process: the direct **empowerment of municipalities and parishes**; and

the **fostering of intermunicipal entities**, such as the metropolitan areas and the intermunicipal communities (CIM).

The **municipal organization** is supported by two elected bodies: the municipal assembly, with powers for appraisal and inspection; and the city council, that includes the mayor and councillors from all the elected parties, with executive powers.

The **parish** is the level of public administration that is closest to the people. Like the municipalities, the tasks of the parishes are either consecrated by the law or assigned through specific delegation contracts with the municipalities. After the administrative reorganization of 2012, the number of parishes was reduced from 4259 to 3091 – 2881 of which were located on the mainland and 210 in the autonomous regions. It is worth highlighting that the nature, size and budget of parishes vary, especially depending on whether parishes are comprised by urban or rural areas.

The **organization of the parishes** considers: a parish assembly, the single directly elected body at this level, with powers of appraisal and inspection; and the parish council, elected by the members of the parish assembly, including the president and members, with executive powers.

2. 4. The intermediate levels of planning and administration

As previously noted, the **intermediate levels of planning and administration** in Portugal, are still in need of further development when compared to the strength of the well-established central and municipal administrations. Nevertheless, aside from the specificity of the autonomous regions of the Azores and Madeira, mainland Portugal has three different administrative sub-

Figure 6 - Intermediate levels of planning and administration
Source: DGT, 2020



divisions following autonomous processes that have only recently converged paths: planning regions, intermunicipal entities and the territorial organization for statistics (NUTs).

The **planning regions** in mainland Portugal were created in 1969, with the so-called Regional Planning Commissions as advisory and monitoring bodies, under the scope of national Development Plans (*Planos de Fomento*). In 1979, the transition to democracy brought these agencies a new technical mission: to support municipalities by means of the creation of the Cabinets for Technical Support (GAT – *Gabinetes de Apoio Técnico*). This decision came to meet the immediate needs of municipalities, thus beginning a tradition of collaboration at the intermediate level between the central government and the local authorities.

In 1986, following the European integration, these regional entities were strengthened in their mission to promote regional development, namely through the management of national and European structural and investment funds. In 2003, their field of action was broadened to include environmental and spatial planning policy issues, while a new designation was adopted - **Regional Coordination and Development Commissions** (CCDR – *Comissão de Coordenação e Desenvolvimento Regional*).

In 2003, a new legal regime for the **Metropolitan Areas** (AM) and the **Intermunicipal Communities** (CIM) was established, defining their powers, tasks and operational entities. There are two types of municipal association: the CIM, for general purposes; and the municipal associations for specific purposes. The latter came to regulate an already existing practice among some sectors such as the basic sanitation or water supply systems. At that time, the law allowed contiguous municipalities to come together voluntarily, declining any top-down organization. As such, no territorial relation was established with the delimitation of the NUTs III. The match between the delimitation of both the CIM and the NUTs III was finalized in 2015, through a top-down decision-making process carried out under the scope of the ongoing decentralization process.

In regard to **NUTs III**, the country holds 25 NUTs III, 23 of which on the mainland, coordinated with the intermunicipal system. The delimitation of the five mainland **NUTs II** is also adjusted to the jurisdiction areas of the de-concentrated Central Government services, namely the CCDR. Nevertheless, due to the European convergence process, some adjustments were introduced leading to misalignments in the Centre, Lisbon and Alentejo regions, namely in relation to the following NUTs III: Oeste, Médio Tejo and Lezíria do Tejo.

3. Territorial dynamics and development trends

This chapter briefly presents the characterization and diagnosis, namely trends and challenges, from the National Spatial Planning Policy Programme (PNPOT) Diagnostic Report “Organization, Trends and Performance of the Territory”.

3. 1. Natural resources and environmental sustainability

Nature conservation and biodiversity

The **National Network of Protected Areas** (RNAP) includes 32 national areas, 14 regional or local areas and 1 private area, covering around 793,000 ha. Within its Natura 2000 Network, Portugal has 42 Special Protection Areas and 62 Sites of Community Interest (SCIs) in mainland Portugal; these correspond to a total land area of approximately 1.9 million ha (about 21% of the mainland territory), to which around 2.9 million ha of marine area must be added to.

It is important for Portugal to position itself at the forefront of the economic valuation of geodiversity, biodiversity, and ecosystem services as a factor means to promote sustainable development, while contributing towards halting the loss of biodiversity.

Soil conservation and combating desertification

Soil is a non-renewable natural resource and is an essential component of ecosystems and natural processes, being the physical support of all uses in the territory. Land use decisions and land management practices are crucial for **soil conservation** and combating **desertification**. Areas with arid, semi-arid and dry sub-humid characteristics (Figure 7) are located in a significant part of the northern and central interior of mainland Portugal. The south of the mainland, as a whole, and part of the Autonomous Region of Madeira (coastline and east and

Figure 7 - Susceptibility to desertification (1989-2010)
Source: ICNF (2017) in PNPOT, Jul 2018, p. 29



southeast of the Island of Madeira and the Islands of Porto Santo, Desertas and Selvagens) also share these characteristics.

Contamination, sealing, intensive land use, fragmentation and unsustainable land use degrade fertile soils with repercussions on global food security and the conservation of biodiversity. To this extent, it is important to ensure an integrated and territorial vision of the soil conservation process.

Water resources, Protection and enhancement of the coast area

With regard to **water resources**, the areas with the highest agricultural/animal intensity or population density, and the most industrialized ones, have surface water bodies with the worst water quality classification.

Sustainable use of water is a real challenge for the management of surface and groundwater resources when taking into account current and future uses, and when these are then combined with climate change scenario projections.

One of the strengths of the Portuguese territory is the extension of its **coastline**, as well as the multiple uses and opportunities it offers. On the mainland, the coastline stretches for about 950km; about 75% of the national population is concentrated on this strip of the territory and it is responsible for generating 85% of the gross domestic product.

Studies on the impacts of **climate change** in Portugal have noted that it directly affects the biophysical systems, and trends illustrate that these will enhance or accelerate some of the existing hazards, particularly where natural and anthropogenic factors such as coastal erosion,

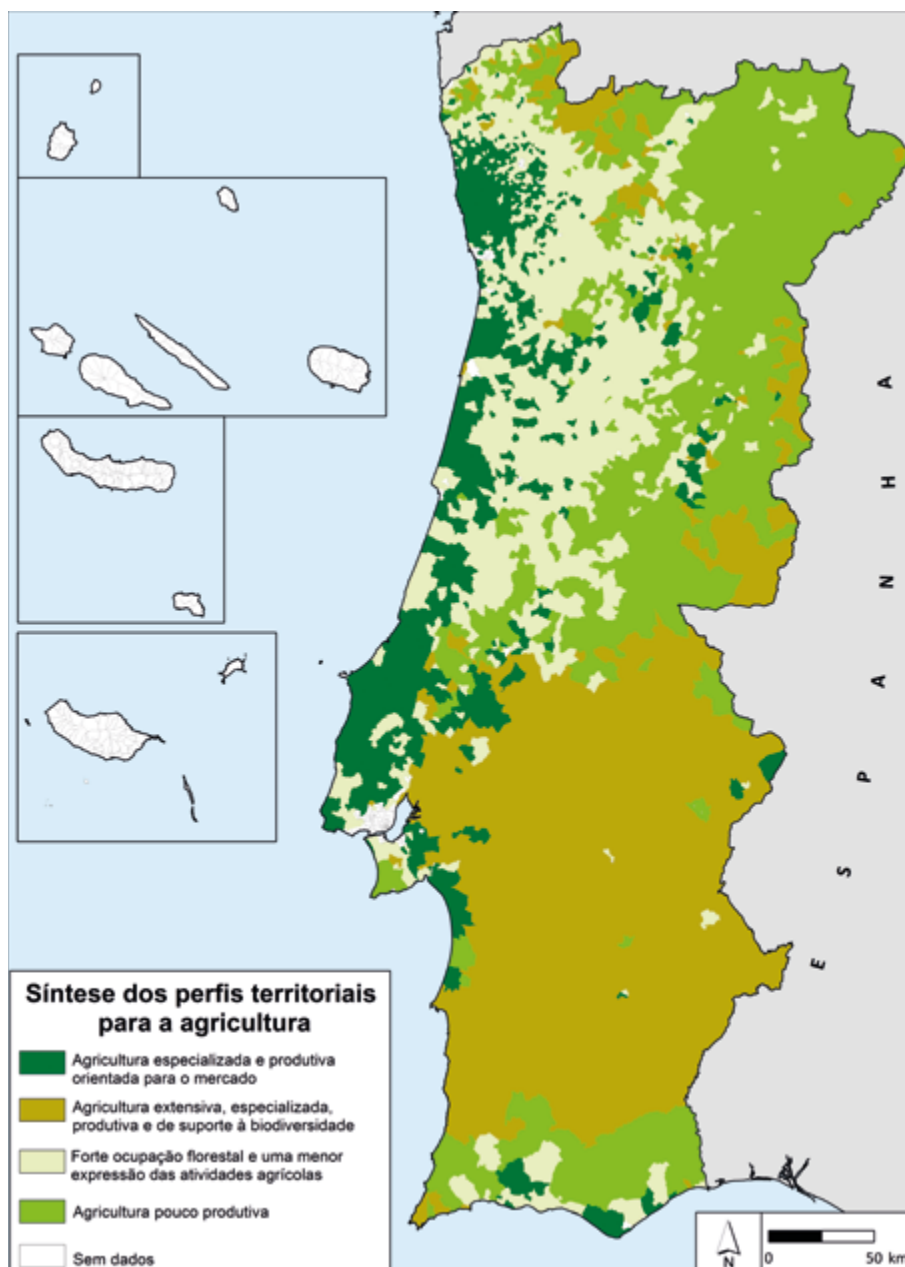


Figure 8 – Agriculture territorial profiles
Source: GPP/CEGOT.UP, 2018 in PNPOT, Jul 2018, p. 43

flooding or rural fires intersect.

The **natural resources and environmental sustainability** diagnosis shows that the integrated consideration of the water, soil and biodiversity triangle is today even more crucial in approaches to sustainability and territorial development, because of the value intrinsic to each of these resources but above all because of their high interdependence.

3. 2. Agriculture, forestry and rural activities

Rural areas represent a significant development potential for the country, on the one hand from the perspective of specialized production in the agricultural, forestry, energy, geological and tourism sectors, including ecosystem services; on the other hand from a perspective of multifunctionality.

The **structural diversity of rural territories** and the social changes that have taken place in recent decades are associated with the structural and cultural diversity of agriculture.

According to the structural, economic and social characteristics of the agricultural sector, Portugal has four territorial profiles:

- Market-oriented specialised and productive agriculture
- Extensive, specialised, productive and biodiversity support agriculture
- Strong forest cover and minor agricultural activities
- Low productivity agriculture

The lack of economic dimension remains as one of the main economic problems of most farms

on the mainland, either because this does not allow them to reduce costs through economies of scale, or because it leaves them with a weak bargaining power in the value chain.

Portugal has a significant **forest area**, where native species dominate. Altogether, wilderness areas cover about 70% of the country (35% forest, 32% woodland and 2% unproductive), with 92% of this forest area in private ownership

Recently, there has been an increase in forest area without active management given the ongoing process of “forest transition” (depopulation and the coastalisation of the population, with a consequent abandonment of agricultural and forest areas). Biotic risks (pests and diseases) and abiotic risks (fires) are the main threats affecting forest systems, as discussed in the National Forest Strategy.

From the **multifunctionality perspective of rural areas**, there are currently a number of activities that are of extreme relevance to the development of rural territories, namely: tourism, hunting, inland fishing, renewable energy production, biomass production and the exploitation of geological resources..

The existence of rural areas on the mainland, that are under threat from depopulation and abandonment of agricultural activity, and that are increasingly occupied by forests largely lacking active management of the economic and/or environmental valorisation of such areas, is, in itself, a factor that fosters forest fires. The challenge of adapting to climate change is especially relevant for agriculture and forestry. The availability and regularisation of water, greater efficiency in its use and increasing adaptation to soil and climate conditions are of decisive importance to reduce the vulnerability of production systems, particularly agricultural activity where only 15% of the Utilized Agricultural Area (UAA) is irrigated. Rural areas also play a key role in mitigating climate change, as a net sink for greenhouse gas emissions.

3. 3. Land use and landscape

The social, environmental, economic and cultural expression and dynamics of the country are reflected in the **use of the land and the landscape**.

Artificialized areas represent a small percentage in relation to the national whole, taking into account that about 73% of the mainland territory is allocated to forestry, agricultural and agro-forestry uses. If areas of scrubland and pastures are added to this, the figure rises to 92% of the mainland territory. Such high numbers demonstrate the country's high potential for forestry and agricultural production, and for enhancement of its natural capital and landscape.

The pattern of land use transformation over the last ten years shows an increase in artificial territories, albeit at a comparatively slower rate than in previous decades. This transformation has mainly resulted from land use and land use changes in agricultural land near urban areas, where highly fertile soils are fundamental for food security and local supply.

In a context of demographic regression and infrastructure containment, the need to limit artificialisation and strengthen the logic of land economics that increases the reuse and regeneration of artificial areas, has gained relevance, while highlighting the importance of the morphological and functional complementarity of urban tissues.

In view of the changes that have taken place in recent decades, and in the quest for greater territorial cohesion, the diversity of rural territories and the development of endogenous resources is seen as a potential that benefits the rural world, linking rural development processes with the regions' capacity for innovation.

The national territory presents a remarkable **landscape diversity**, with different mosaics and patterns, which translates into a wide variety of characteristics and trends. Portugal has more than a hundred landscape units, associated with circa two dozen landscape groups. Among the most valuable landscapes (and notwithstanding other classification stemming from European directives and other land use restrictions) is the National Network of Protected Areas characterised in chapter 3.1. In the Azores, there are 50 classified areas and Madeira has 7 protected areas. In the archipelagos, categories differ according to the cases (Figure 9).

Regarding the national system of cultural heritage, in 2017 Portugal had 16 sites registered in the UNESCO World Heritage List; 12 were located on the mainland, 2 were in the Azores and 1 in Madeira. There are also approximately 4000 protected properties, 22% of which were classified after 2001, most of which refer to domestic and religious architecture, or to archaeological monuments.

The **main drivers of the transformation of Portuguese landscapes** are depopulation, abandon-

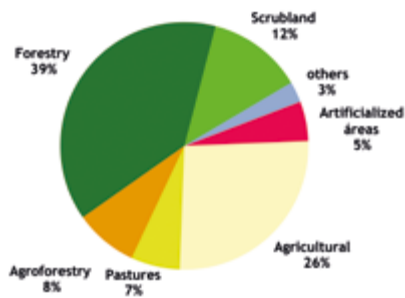
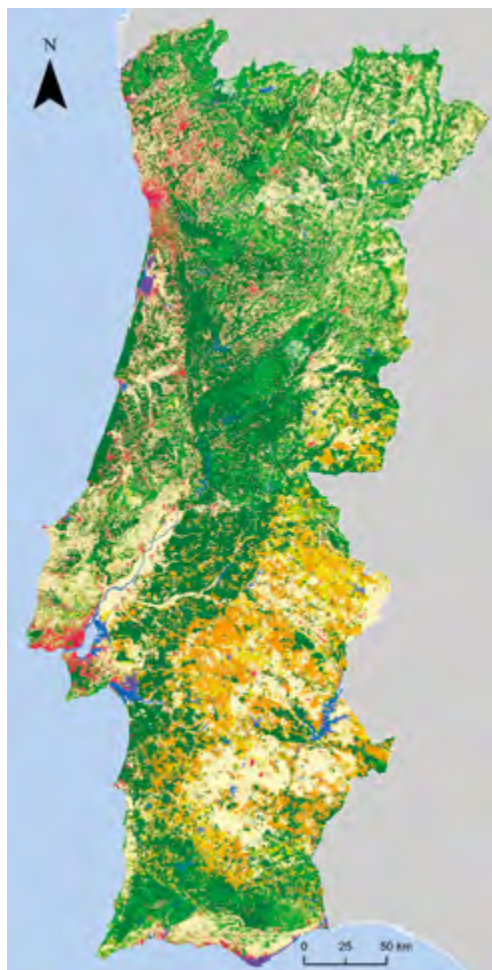


Figure 9 - Use of Land, 2018
Source: DGT, 2020

ment of small family agriculture and small forest areas, afforestation with mono-specific stands, namely with eucalyptus, forest fires, as well as inadequate use of land for urbanisation, construction, irrigation and large infrastructures.

The simplification and homogenization of the landscape caused by depopulation, abandonment of certain activities on the one hand, and agricultural intensification on the other, affect the supply of goods and services provided by ecosystems.

3. 4. Population, housing and services of general interest

At an almost continuous rate of growth, which only came to a halt in the sixties due to large emigration movements, Portugal stabilised its **resident population** at 10 million inhabitants. INE projections for the next few decades show a change in this trend, with a slight decrease in the resident population (with a scenario estimate of 9.5 million inhabitants in 2040). The negative natural growth is associated with the negative migration balance since 2011, where 86.8% of the population that left Portugal was under 44 years of age (according to Eurostat data). In fact, following the financial crisis and consequent increasingly precarious living conditions, there was an increase in the emigration figures, particularly of young qualified individuals moving to England, Germany and Brazil.

In the first decade of the 21st century, territories with population loss (Figure 11 and Figure 12) increased, and only the Lisbon Region, the Algarve, some municipalities of the Metropolitan Arch of Porto, some municipalities in Madeira and the municipalities of Vila Real, Viseu and Leiria, had positive growth rates in the 2001-2011 intercensal period.

With a significant increase in life expectancy, older people represent a greater share of

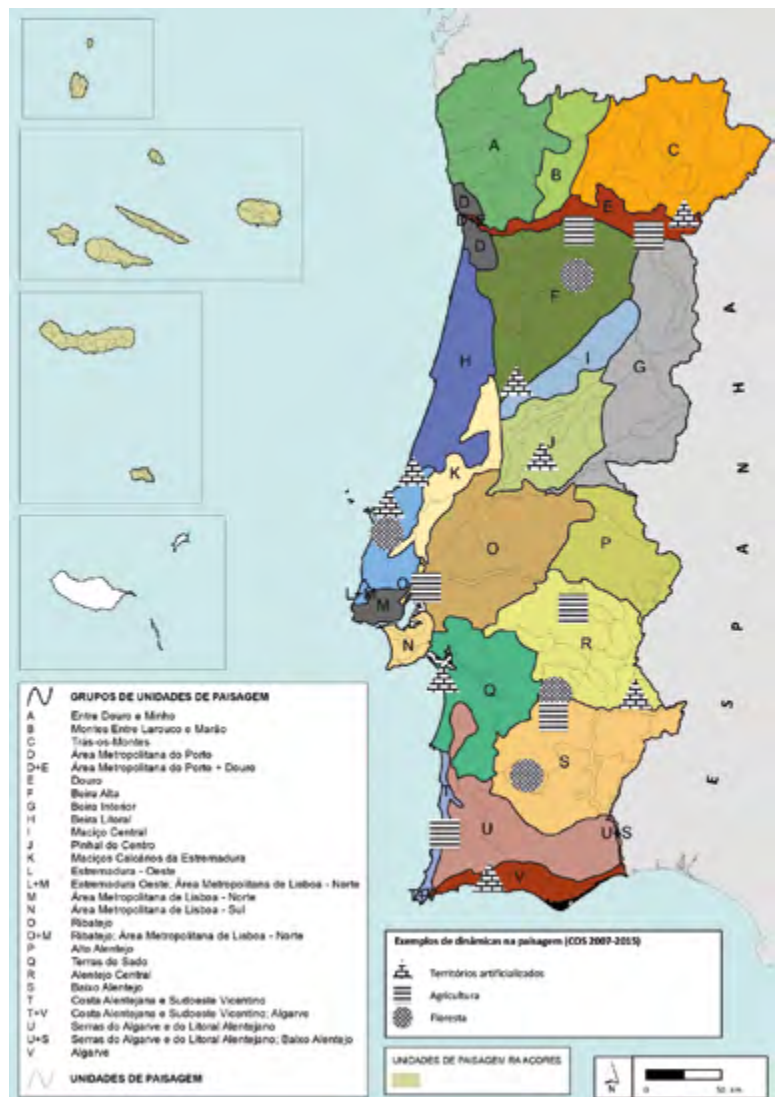


Figure 10 - Landscape Units
Source: Universidade de Évora/ DGOTDU (2004); Universidade de Évora/Secretaria Regional do Ambiente dos Açores (2005)

family and social life (20.7% of the resident population is over 65 years old), and it is estimated that they will account for 32.7% of the total population by 2040 (INE). Ageing in itself does not symbolise a problem, but when combined with certain social or economic problems, it becomes one of the factors that makes individuals most prone to vulnerability and social exclusion.

The **demographic dynamics** of recent decades will not be easily reversed, particularly as trends show continuing declines over successive decades in areas with limited capacity to attract new people or even in retaining their local population. To address the current demographic context, it is important to consider all instruments, from traditional and innovative birth incentive policies, to promoting the return of young emigrants and, above all, to consider potential contributions from immigrant communities.

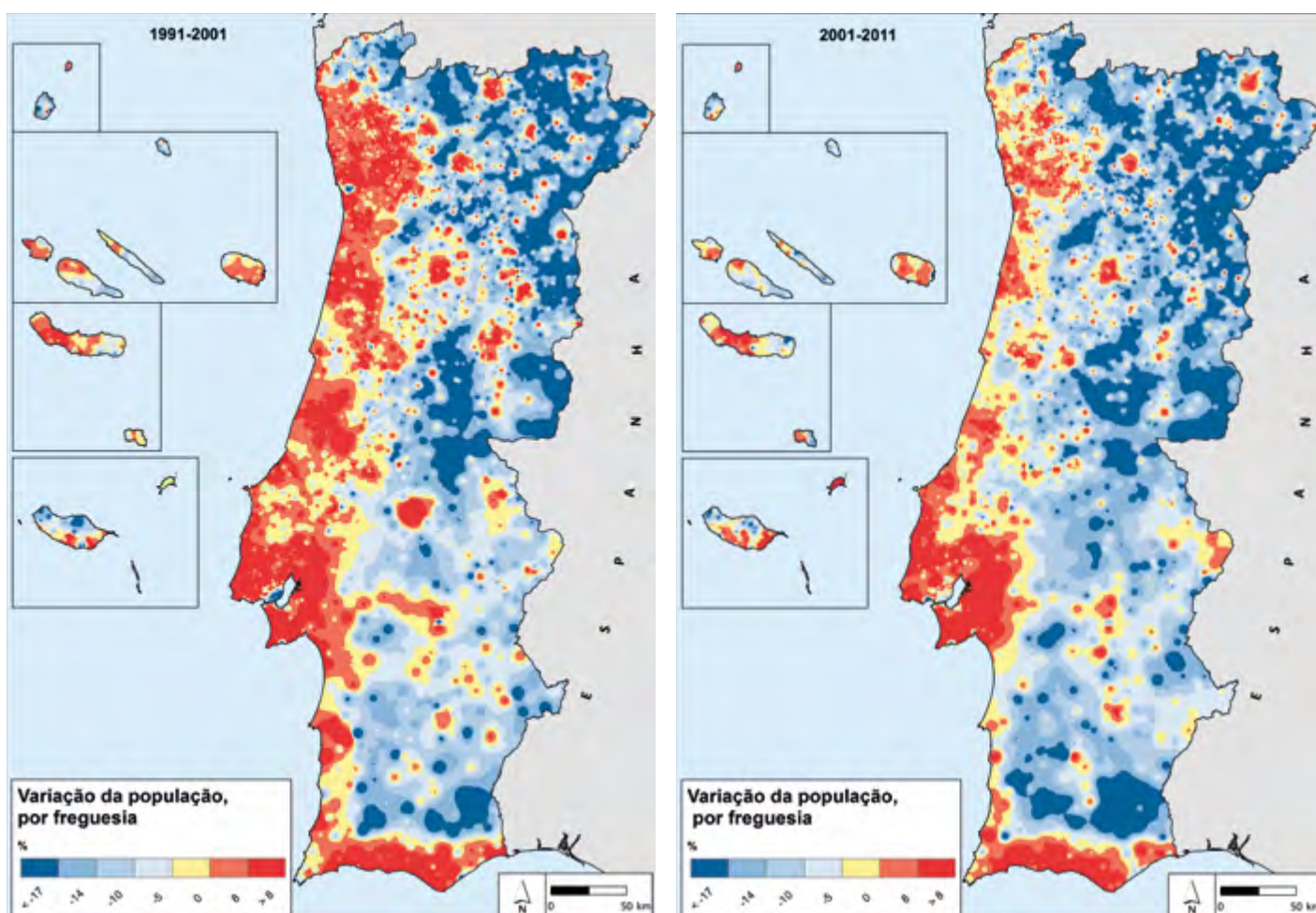
Over the last 20 years, Portugal has made very significant progress in terms of the **education levels of its resident population**. In 2001, only 6.5% of inhabitants had higher education degrees, and these were mostly located in metropolitan areas and medium-sized cities. In 2011, national improvements were evident throughout the country. Nonetheless, despite significant improvements over the last few decades, Portugal still has overall low levels of education and qualifications, when compared to other European countries.

With the economic crisis of recent years, **unemployment** is possibly the greatest social concern of the last decade and that which cuts across a larger section of the population, across most age groups and social groups. The recovery of the economy in the post-crisis period has been reflected in the decrease of unemployment, thanks to the important contribution of services (such as tourism, business services or ICT), but also of industries (textiles, clothing and footwear, wood, cork and furniture) or even of the agriculture and agri-food sector.

The **portrait of territorial profiles of social vulnerability** in Portugal shows the plurality of existing situations and the different geographies associated with various social problems (ageing, unemployment and precarious employment, low income, risk and marginal groups). It is thus necessary to envisage spatial planning policies of a demographic and social nature to respond to the dynamics underway and to resolve or mitigate situations of social vulnerability and territorial injustice (Figure 13 and Figure 14).

Figure 11 – Population variation rate (1991-2001), per parish
Source: CEGOT.UP; Data source: INE, Censos da População (1991, 2001 e 2011) in PNPOT, Jul 2018, p. 59

Figure 12 – Population variation rate (2001-2011), per parish
Source: CEGOT.UP; Data source: INE, Censos da População (1991, 2001 e 2011) in PNPOT, Jul 2018, p. 59



Housing is essential for the economic growth of countries and for the quality of life of citizens, and is also a fundamental right enshrined in the Constitution.

The evolution of housing and households points to a growing discrepancy between the number of housing units and the number of conventional households in Portugal. This trend suggests the existence of a housing market very much geared towards the construction of new housing, an increase in the number of vacant dwellings and the existence of non-family dwellings.

Households play an important role in housing production and there is a clear predominance of owner-occupied housing, justified by the channelling of households' savings into the purchase of first and second homes, and by the ease of access to credit that triggered a trajectory of indebtedness of Portuguese households. According to data from INE, the median value of the prices of housing units sold (new and used) in the country in 2017, was 932 euros/m², a 7.6% increase when compared to 2016. This rise in value diverges sharply from the evolution of disposable income of Portuguese households, a situation that has been exacerbated by the recent economic crisis. The increase in prices is associated with the recent market recovery, much at the expense of foreign investment.

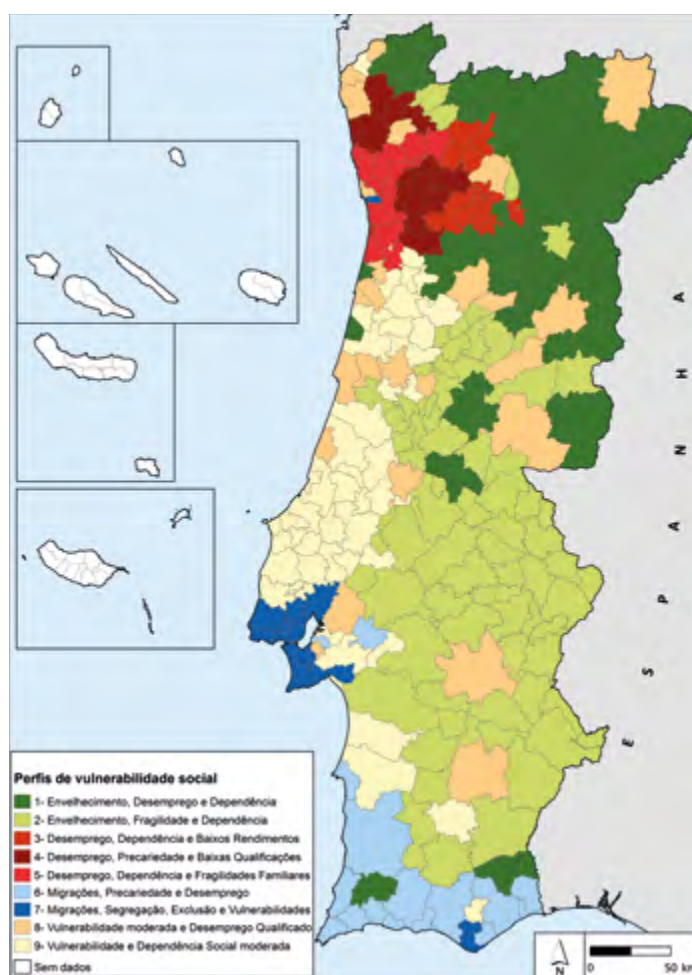
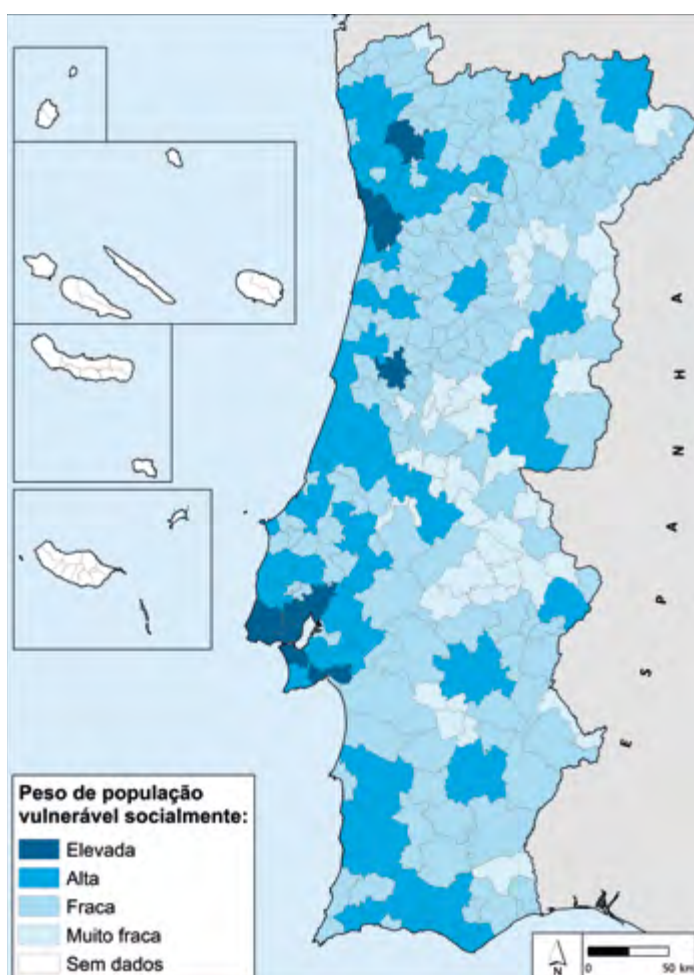
For owners and investors, the prolonged freeze on rents has created a perception of low profitability in this market, and has contributed to an increase in rental values and a fall in the supply in the rental market. In addition to this, there has been a progressive disinvestment in the maintenance of buildings and dwellings, leading to degradation in the rental stock. In terms of the rental market, it is also important to refer to the impact of the recent growth in tourism demand for short-term accommodation, especially in Lisbon, Oporto and the Algarve.

Furthermore, demand from young people from lower-income brackets and, with some sort of disability, has not been fully met due to either the reduction in the stock of affordable rental housing or of the insufficient supply of public housing.

The **challenges facing housing** are thus the result of demographic dynamics, in particular those resulting from changes in the size and type of households and the increase in the elderly population with less mobility; the thermal comfort of homes in the context of climate change; the supply of affordable housing for the most vulnerable population; and the pressure of foreign property investment on housing market prices.

Figure 13 - Degree of socially vulnerable population
Source: CEGOT.UP; Data source: INE, ISS, MTSSS, IEFP, INSA (2017), PNPOT, Jul 2018, p. 62

Figure 14 - Profiles of social vulnerability
Source: CEGOT.UP; Data source: INE, ISS, MTSSS, IEFP, INSA (2017), PNPOT, Jul 2018, p. 62



Public housing policy must have as its main objective the resolution of people's problems, in a broader context of City and Spatial Planning Policy, in which physical interventions are an instrument at the service of building urban spaces of social cohesion, but also of environmental quality.

In Portugal, **the network of public facilities** have experienced a remarkable development in the last few decades, as a result of increased social concerns, investments made by central and local government, and the significant financial support made available by the last Community Support Frameworks. This means that overall, much progress has been made in social cohesion and territorial equity in health, education, social support, culture, sport and administrative services.

However, there are still shortcomings, mismatches in the networks or in the quality of services, given the demographic, social and economic structures and the population of the territory. Health and social support services tend to be under heavy pressure from an increasingly older population. In the future, peripheral urban areas will require a denser supply of services, taking into account current settlement models.

Major socio-demographic changes are bringing new territorial challenges which the supply of facilities and services is seeking to meet. We are moving towards service models supported by digital accessibility, such as telehealth, e-learning, cyber security, and smart government, among others. Home-based services are also increasing in some areas, notably health, given the physical fragility of older populations and the low density levels in some territories. Overall, there are still weaknesses in intersectoral linkages, notably in social services and health care for the elderly, with a view to greater social equity in the access to services of general interest.

3. 5. Economic activity and innovation

In the post-crisis period (from 2014 onwards), Portugal has shown a positive performance in several **economic indicators**. Between 2013 and 2015, GDP reversed the 3% decline trend between 2007 and 2013, surging by 5.4%, showing that the country was beginning to show signs of recovery in its capacity to generate wealth prior to the crisis resulting from COVID-19. In regional terms, between 2007 and 2015, it was the Northern region that recorded the strongest growth, having generated 29.5% of national GDP in 2015. The sub-regions of Ave, Alto Minho, Cávado, Douro and Tâmega e Sousa grew the most at national level. In the most recent period (post-2013), there has been a recovery of active personnel mainly in business services, tourism, textiles, clothing and footwear, wood, cork and furniture industries, collective services and retail and catering, agriculture and agri-food sectors and ICT (industries and services). These sectors continued to generate jobs, with tourism acting as a crucial sector in the reduction of the unemployment rate in Portugal in recent years.

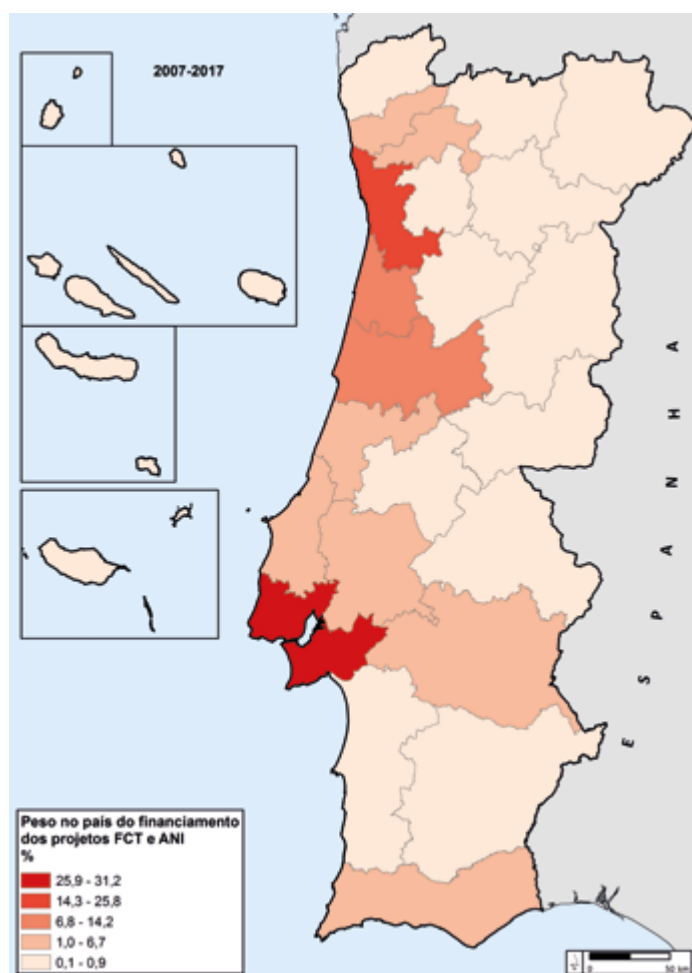
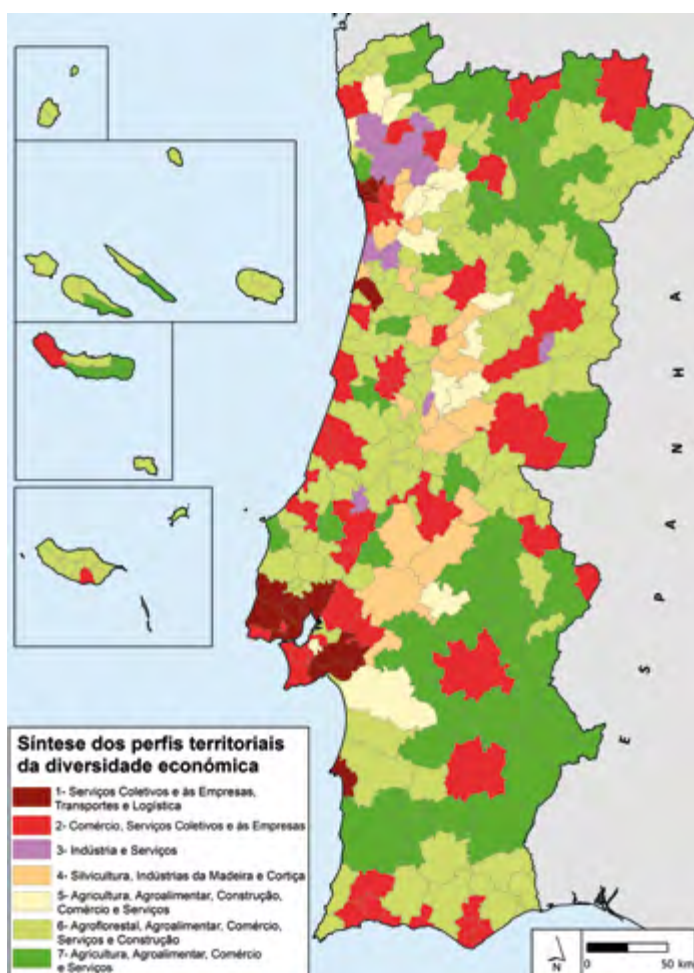
Territorially, there is a strong **spatial segmentation** with about 30% of the municipalities (mostly in high-density areas) concentrating over 80% of the active population, highlighting the importance of medium-sized cities in anchoring employment in low-density areas.

According to INE (2014), the proportion of workers in unskilled occupation, while holding with secondary or higher education, is 21%. This demonstrates the weak capacity of the nation's business structure to absorb existing human resources. In view of this context, education and training should be targeted as an important asset for the promotion of economic and social convergence and for the development of innovation processes (academic skills, vocational training and lifelong learning). On the other hand, there is a need to increase organisational capacity, particularly of companies, through the incorporation of highly qualified human capital, viewing it as one of the main organisational assets to overcome the challenges of innovation and of the industrial revolution 4.0.

Taking into account a wide range of economic indicators, eight **territorial profiles** can be identified in Figure 15 and Figure 17.

The **national innovation system** shows collaborative networks mostly involving organisations from the institutional sphere of companies and universities/scientific research institutes. The health, energy, agri-food industry and industrial machinery sectors have attracted about one third of total funding. The geography of innovation processes is essentially structured around three regional innovation ecosystems in Lisbon, Oporto and Coimbra.

Circular economy has been presented as a path for a paradigm shift, assuming that the more circular the economy the less natural resources will be used and consequently less pressure will be placed on the environment. Despite a clear commitment to renewable sources, Portugal



still produces and mostly runs on fossil fuels, with a high dependence on foreign energy (in excess of 70%) while having an enormous potential for producing clean energy from renewable resources.

The capacity of **tourism** to transform the economy, society, culture, territory or environment over different time scales and horizons, is generally accepted. The increase in tourism activity in Portugal has played a very significant role in the economic recovery of the country and in the revitalisation of the older quarters of urban areas. This has been the case particularly in Lisbon and Oporto through the recent significant increase in short-term rental housing available, directed mostly at tourists.

3. 6. Infrastructure, transport and communications

In recent years, EU funds have encouraged significant investment in the country's **infrastructure**, which has helped to improve the quality of public water supply, wastewater sanitation and urban waste management services. In 2015, the water supply service rate was 96% and wastewater drainage 87.2%.

In the field of transport, Portugal has seen significant investment in the overland accessibility system, especially in the road network. As far as travel is concerned, the strong development of road infrastructures, associated with difficulties in developing collective road transport and lower investment in the railway system, have contributed to a "car culture" and less use of public transport. Even so, rail transport has established itself as a competitive alternative, especially at an urban and suburban scale in Lisbon and Oporto.

In the logistics field, national ports have assumed an important role in international maritime connectivity, with the aim of positioning Portugal in the international logistics chains, through the development of the "Smart Port" concept. However, there is still a need to improve the organisation of logistics chains.

With the intensification of tourism flows and socio-economic relations at European and global level, national airports have experienced remarkable growth in demand, leading to their greatest affirmation within the Iberian Peninsula and internationally.

In terms of the **communications and digital infrastructure sector**, the increasing availability of

Figure 15 - Territorial profiles of economic diversity
Source: CEGOT.UP; INE, Sistema de Contas Integradas das Empresas (2017) in PNPOT, Jul 2018, p. 69

Figure 16 - Level of financing of research projects
Source: CEGOT.UP; INE, Sistema de Contas Integradas das Empresas (2017) in PNPOT, Jul 2018, p. 69

high-speed electronic communications networks (tending to be higher than the EU28 average) is noteworthy. In recent years, there has also been a significant increase in the number of fibre optic network-supported accesses and in mobile internet access. In contrast, there has been a sharp decline in the annual volume of postal mail and consequently a decrease in the density of this network.

3. 7. Urban system

As far as the **urban system** is concerned, Portugal is characterised by a predominantly fragmented, dispersed or linear urban structure, built mainly over the last few decades and composed of new buildings and urban spaces of an often poor architectural, urbanistic and environmental quality. Urban expansion processes and urbanisation models have not always contributed to ensure equitable access to facilities, economic activities and services (Figure 17 and Figure 18)

In general terms, the urban system has maintained its configuration over the last decade. The metropolitan regions of Lisbon and Oporto have shown a strong dynamism, intensifying their dimension (population, economic and functional) and increasing the contrast with the less dense and more depopulated areas. Their major national importance contrasts with the insufficient international projection. The Centre's system of polarities and the linear urban structure of the Algarve have been maintained. However, the less dense territories have lost population and the medium-sized cities have reinforced their functional centrality.

Given Portugal's territorial dimension and the distances separating urban centres, close relationships have built very strong functional relationships (interurban and/or urban-rural). Thus, the Portuguese urban system has organised itself more into subsystems (functional areas or regions) polarised by various urban polarities, which organise a diversified offer, enhancing interurban and urban-rural complementarities and interactions, and contributing to greater territorial equity.

It is necessary to promote urban nucleation and structuring and the filling of gaps in urbanized spaces, making the connectivity of ecological systems and of urban systems compatible, stabilizing some interstitial rustic spaces and seeking to integrate agro-environmental activities in urban economies. This means deepening functional complementarities, while addressing and enhancing differentiated soil values.

The structuring of urban contexts also involves improving the conditions for sustainable mobility and developing and strengthening urban centralities, taking into account functional profiles and ensuring accessibility to services of general interest.

In the end, territories are visualised according to the living conditions and livelihood opportunities offered to its residents, which means that the country offers differentiated conditions in terms of habitability, access to public facilities and services, accessibility, employment, environmental health and security. These differences must be reflected in public policies across the different scales of intervention.

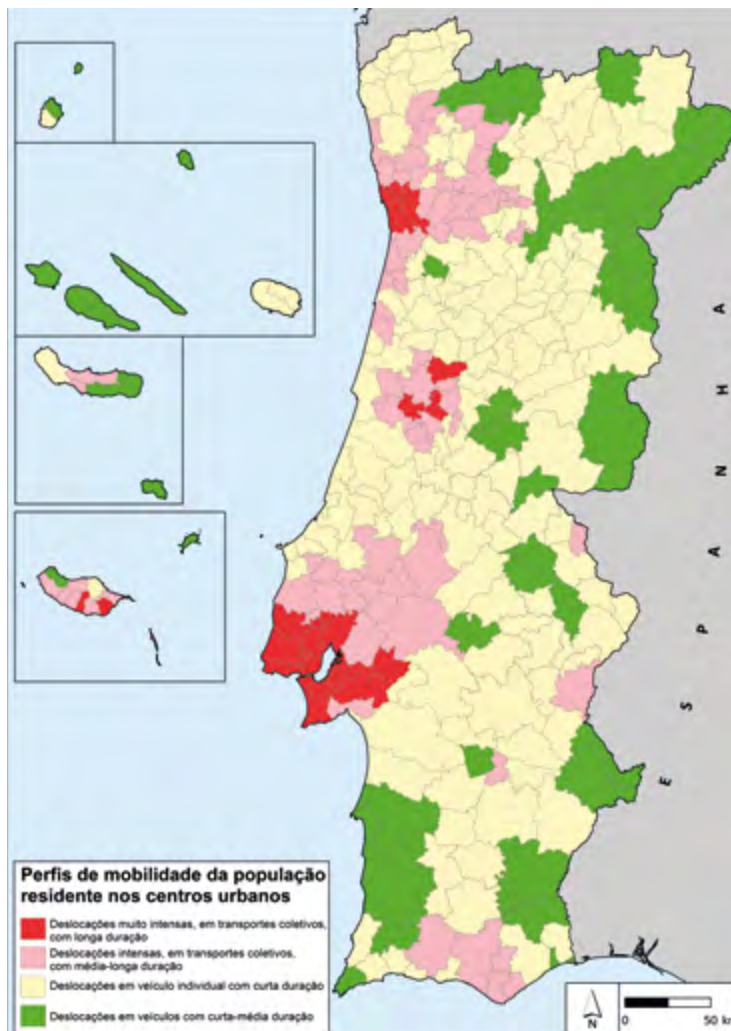


Figure 17 - Mobility profiles of the population living in urban centres
Source: CEGOT.UP; Data source: INE, Censos da população (2011) in PNPOT, Jul 2018, p. 126

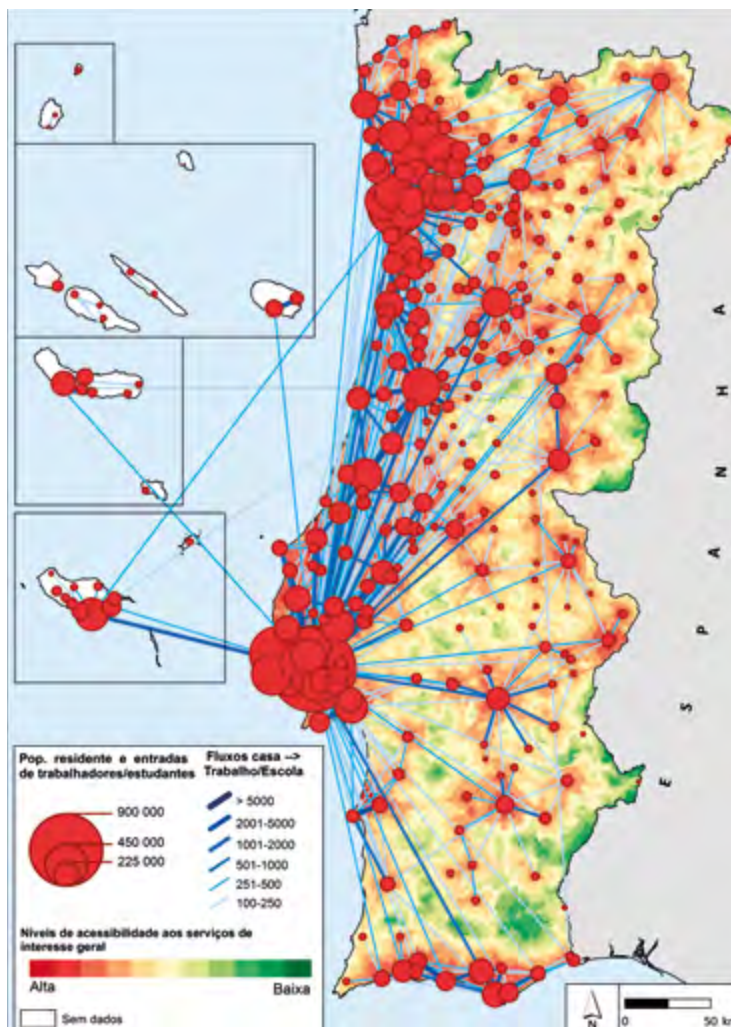
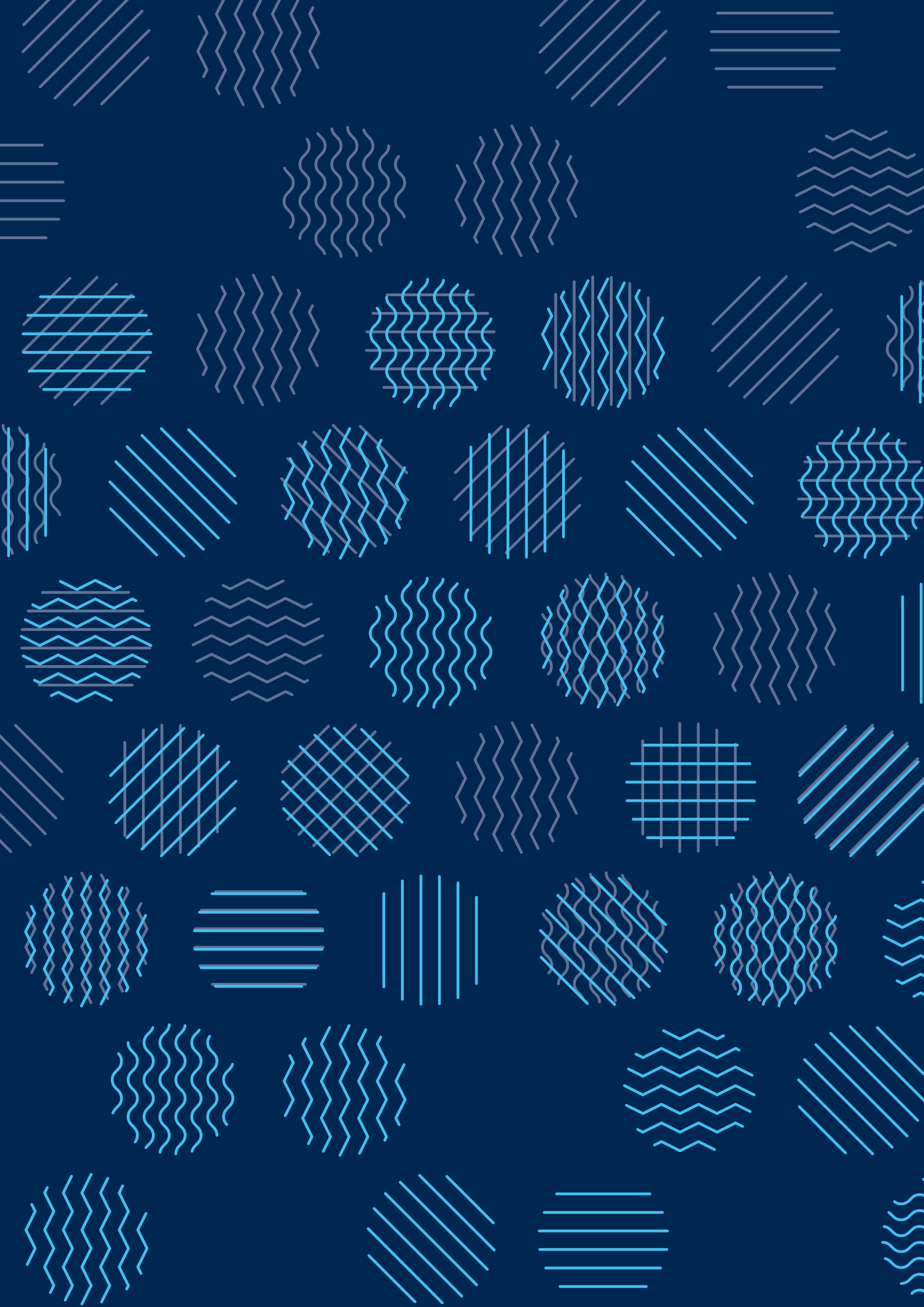


Figure 18 - Municipal attractiveness, commuting and accessibility
Source: CEGOT.UP; Data source: INE, Censos da população (2011) in PNPOT, Jul 2018, p. 126



The background is a dark blue field filled with numerous overlapping circles. Each circle contains a different geometric pattern of lines. The patterns include straight lines at various angles, wavy lines, zigzag lines, and combinations of these. Some circles are empty. The lines are primarily light blue and white, with some circles featuring a mix of both colors.

Part II Spatial Planning in Portugal

4. Concepts and principles of spatial planning

4. 1. Spatial planning and development concepts

Over the past decades, concepts such as **spatial planning**, **territorial development** and **territorial cohesion**, have become part of the Portuguese planning lexicon. The entry of Portugal into the European Union (European Economic Community) in 1986, as well as the launch of a number of European mainstream documents (e.g. the European Spatial Development Perspective – ESDP; the Territorial Agendas) have played a part in the making of a national spatial planning policy agenda and the consolidation of a spatial planning conceptual framework among practitioners, academics and decision-makers.

Nevertheless, there is no exact correspondence between the Portuguese and English terms and several issues might be lost in translation. The Portuguese concept that has been agreed on as equivalent to **spatial planning** is **ordenamento do território**. According to national official records, *ordenamento do território* means the science, policy field and administration technique that, based upon an integrated and cross-sectoral approach, addresses the spatial organization and development of cities, regions and territories in general. It refers to the coordinated action of economic, social, environmental and cultural policies with a view to fostering a balanced territorial development.

Common definitions were also agreed upon at the 14th European Conference of Ministers responsible for Spatial/Regional Planning (CEMAT), held in Lisbon in 2006. Spatial planning was defined as “the methods used by the public sector to influence the distribution of people and activities in spaces at various scales as well as the location of various infrastructures, recreation and nature areas”.

In Portugal, as established by the Constitution and the national legislative framework, it is the duty of the State, including of the Autonomous Regions and the Local Authorities, to promote a spatial planning policy and guarantee a balanced territorial development, in deference to the principles of equality, sustainability and public accountability. The planning and programming of land use and activities, as well as the adequate programming of infrastructures, amenities, collective facilities and green areas are therefore a responsibility of the public sector. As an ultimate goal, the quality of life in a sustain-

able and healthy living environment is considered as a constitutional right of all citizens.

In such a framework, the term *ordenamento do território* (spatial planning) comprises two different dimensions that are part of the national spatial planning system. The first refers to the **territorial development** of the national territory and its several regions. Based upon a comprehensive strategic-oriented approach taken at different scales, from the national to the municipal level, it envisages the establishment of territorial visions or models with a view to the protection of natural resources and assets, the structuring of urban systems and settlement patterns, and the definition of major strategic and investment options with a spatial impact. Considering sustainable development, spatial planning fosters integrated policy-making by bringing together economic, social, environmental and cultural issues.

Linked to territorial development, the concept of **territorial cohesion** became an integral part of the national spatial planning policy agenda after it was adopted at the European level as a third dimension of the EU Cohesion Policy, as well as a key principle and objective for Europe's territorial development. Regardless of the territorial differences and specificities of each region, which should actually be promoted and enhanced, people should not be limited in their right to have equal access to common goods and services of general interest, where jobs and housing, as well as collective facilities and amenities are included.

The second dimension of the Portuguese *ordenamento do território* is the regulation and management of land-use change. Directed at physical-led **land-use planning**, it addresses spatial organization and territorial management of resources, uses and human activities by means of zoning and implementation of a rule-bound coding system that does not grant, but rather regulates, the allocation of development rights.

Whereas the concepts of territorial development and territorial cohesion have been added to na-

Ordenamento do território means the science, policy field and administration technique that addresses the spatial organization and development of cities, regions and territories in general

tional policy as an important dimension of spatial planning in the follow-up of the process of Europeanization, land-use planning is particularly anchored to the domestic planning tradition. It draws on the legal and administrative Napoleonic roots characterized by a rigid legally binding nature and a strong linkage between central and local levels of government, and has usually been associated to the family of urbanism/land-use regulatory planning styles.

Like other southern European countries, the term **urbanism** (*urbanismo*) is another important concept that has been a part of the Portuguese planning lexicon since its early stages. Often considered as a direct translation to the English term **urban planning**, it specifically addresses the planning and design of cities, towns and neighbourhoods. If in the beginning the term was mainly associated to urban design and morphology of urban areas, where architecture and building control also had a role, its scope has now broadened to cover the economic, social and environmental development aspects of urban areas, including municipalities and the metropolitan areas.

4. 2. Aims and principles of spatial planning

Covering all the aspects of territorial development, land policy and urban planning, the Spatial Planning Framework Act (the latest version of which was approved by Parliament in 2014) sets up the **general aims and principles of spatial planning in Portugal**. Regardless of whether it is the central, regional or local tier of government that is being addressed, or the planning scale at stake, general aims and principles are common and should be taken into account by every authority or public entity with spatial planning duties and responsibilities.

The law establishes that spatial planning policies shall therefore comply with the following **principles**:

- **Intergenerational solidarity:** Spatial planning is a long-term approach. It deals with present circumstances to envisage better futures. Today's planning options and actions shall thus guarantee conditions for a decent quality of life and a balanced socio-economic development, for both present and future generations.
- **Accountability:** Public accountability is one of the seminal principles that spatial planning authorities need to consider. In view of this, any action with significant territorial impact shall be evaluated in advance, whereas any possible damage to the environment, cultural heritage or landscape must be either corrected or offset.
- **Efficiency:** Natural and cultural resources represent essential, although finite, territorial assets. Thus, they are to be used in a rational and judicious way. Spatial planning shall therefore provide for sustainable land use and development options, looking at both the environment and the financial sustainability of planning measures.
- **Coordination:** Spatial planning deals with a number of divergent interests, public and private, as well as with competing objectives that must be brought together for the sake of a common good. To accomplish this, efforts must be made to foster the articulation, coordination and compatibility between several public policies, namely the spatial and territorial-focused policies, as well as those directed at socio-economic development.
- **Subsidiarity:** Decision-making is to be exercised as close to the citizen as possible. To this end, adequate coordination is required between the different government and planning levels to guarantee that planning decisions are taken at the most suitable scale and that the necessary independence of local powers is ensured.
- **Equity:** Development and land use planning options have always been the subject of discretion and a source of territorial inequalities. In view of this, a fair and equitable sharing of burdens and benefits shall be ensured, namely under the application of spatial planning and land policy instruments.
- **Participation:** The involvement of citizens as well as of other legal persons and non-governmental organizations in planning procedures and decisions is a fundamental right laid down by the law. To this end, planning authorities shall guarantee broad access to adequate means of information and participation, thus allowing for an open participatory process throughout the different stages of the planning cycle.
- **Concertation practices and contracting processes:** Both public and private interests are present whenever planning decisions are at stake. Although spatial planning is a prerogative of public administration, engagement with the private sector is a matter of the utmost

importance for the achievement of a good compromise between the two. Partnership and contractual mechanisms for mutual binding and commitment are therefore required for a successful delivery of spatial planning instruments and goals.

- **Legal certainty:** As in every legal regime, but with special emphasis on land use binding regulations and associated development rights, legal stability is a fundamental issue to protect people's legal rights and to foster confidence building. Accordingly, the spatial planning policy will be committed to a stable legal framework with the capacity to provide certainties and securities to citizens and institutions.

While considering the environment, additional principles such as the user and polluter-pays principle are also established, aiming for the achievement of sustainable development based on the conservation of natural resources, the safeguarding of biodiversity and the general balance between human life and the environment.

Under such general principles, the **aims** of the spatial planning policy are as follows:

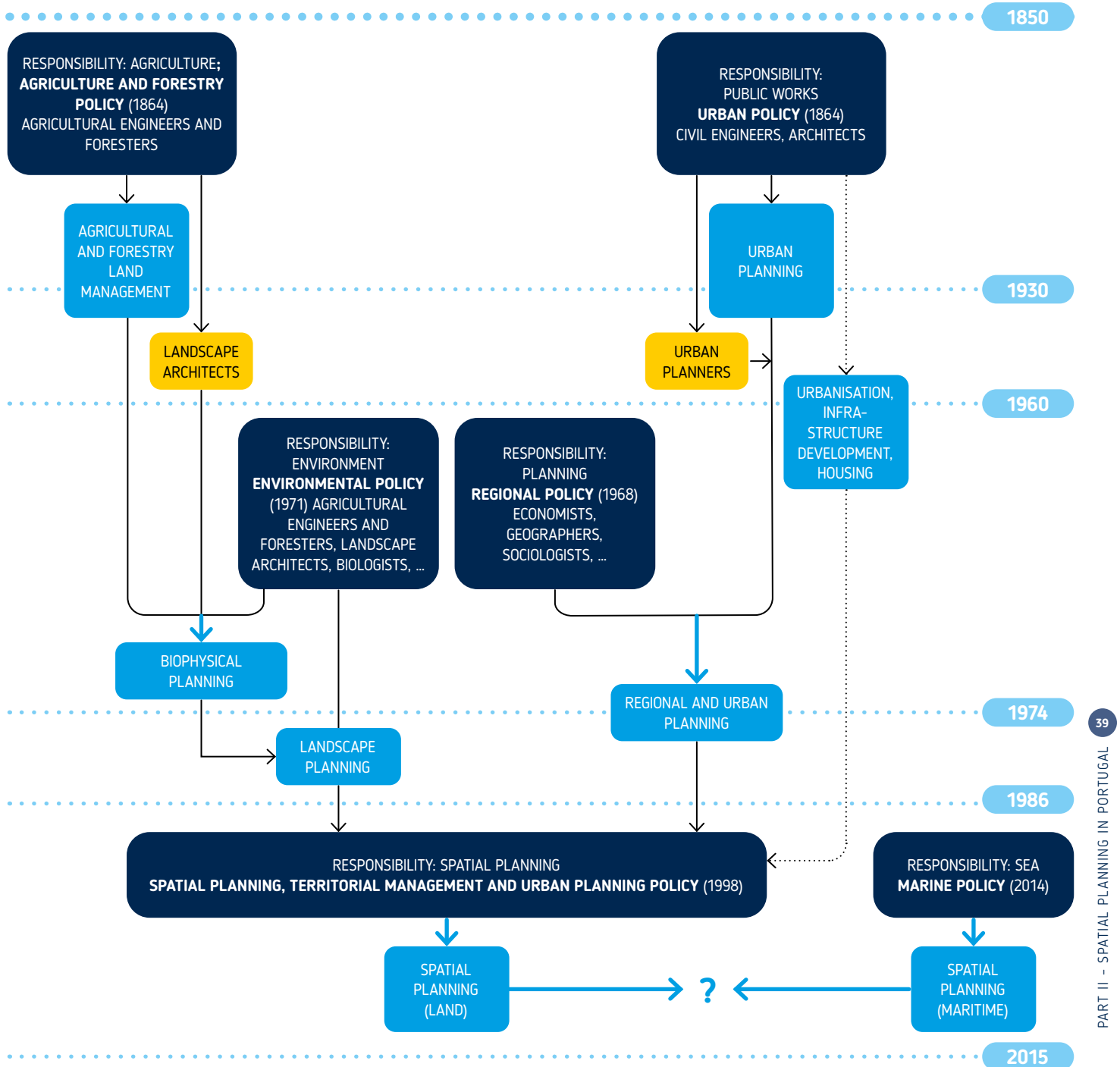
- **Enhance land value:** Land is considered as a key resource and physical support for human activities, delivering a wide range of environmental, economic, social and cultural functions. Spatial planning policies shall contribute not only to the preservation of the quality of land and its resources, but also to the enhancement of their inherent potential and value, namely by providing for an efficient and rational exploitation of land resources.
- **Look for sustainable development and economic territorial competitiveness:** The classic definition of sustainable development is that of satisfying present needs without compromising the ability of future generations to meet their own needs. Spatial planning policies shall guarantee the conditions for a sustainable development, namely by preventing property speculation and managing the real estate market in an efficient and harmless way, with a view to economic competitiveness and a balanced territorial development.
- **Strengthen national territorial cohesion:** Access to infrastructures, collective facilities and services should be as equal as possible regardless of whether people live in an urban area or in a rural low-density region. Spatial planning policies shall make a meaningful contribution to overcome regional disparities and development asymmetries, and guarantee equal opportunities for all citizens, with special attention being paid to households and the elderly.
- **Prevent risks and increase territorial resilience:** Spatial planning policies shall help to mitigate territorial vulnerabilities and reduce the exposure of people and goods to risks, in particular those caused by extreme weather events and climate change. Increasing energy efficiency and minimizing greenhouse gas emissions are also targeted as important objectives of spatial planning policies.
- **Protect heritage and value national territorial identities:** Natural, cultural and landscape heritage assets shall be protected and enhanced, whereas territorial diversities are to be preserved and strengthened.
- **Drive the development and regeneration of urban and rural areas:** Special attention shall be given to the rational development and regeneration of urban areas, with an eye to the revitalization of deprived districts and illegal zones, as well as to the development of potential and the enhancement of agricultural and forestry areas, with respect to the urban systems they are part of.

Aside from these general principles and aims, spatial programmes and plans define their own principles and strategic objectives in more precise terms. These are established according to the scope and scale of each planning instrument, taking into consideration the specific natural and territorial assets of the targeted areas, as well as the coordination and harmonization of the different interests at stake.

5. History of spatial planning in Portugal

Since the first legal initiatives to regulate the spatial organization of the national territory in the 19th century, spatial planning policy in Portugal has gone through a number of upgrades and **periods of change**. Such transformations are both a **sign of the times** and an **expression of deeply rooted cultural values and practices**. While major tendencies coming from outside the country have contributed to the transfer of knowledge and the modernization of policy initiatives, ingrained values have played a crucial role in the configuration and implementa-

FIGURE 19 - THE EVOLUTION OF THE SPATIAL PLANNING POLICY IN PORTUGAL (CAMPOS & FERRÃO, 2015)



tion of nation-wide planning policies, such as the powers to address private land ownership, a tradition that stems from medieval lineage.

Two different policy fields have been acknowledged as laying the foundation for spatial planning policy at the end of the 19th and beginning of the 20th centuries: the **agriculture and forestry policy tradition** that gave rise to a number of plans for irrigation and afforestation, as well as for the restructuring of rural land, with a crucial impact on the principles that guided land ownership and use; and the **urban planning policy tradition**, which began with a set of administrative codes that allowed municipalities to regulate building alignments and permits, and the launch of a first legal framework (*Lei dos Melhoramentos Urbanos*, 1865) for the planning and modernization of cities, namely in terms of infrastructure, land parcelling and construction.

The different phases and traditions of the Portuguese spatial planning policy help to understand why the national system has been associated, in several European comparative studies, to **different planning families**, such as urbanism, land use planning and the regional economic approach. Furthermore, it helps to better understand ongoing trends and policy arrangements that are currently in force.

5. 1. The setting-up of a legal basis for urban planning

Despite earlier attempts to regulate and control urban development, the effective **birth of urban planning policy** in Portugal dates back from the **1930s**. Due to political instability and the limited capacity of public authorities, former planning initiatives did have little expression in the country. Not only did it take several decades to achieve effective implementation, they were also circumscribed to the cities of Lisbon and Oporto.

After the inception, in 1933, of the authoritarian regime of the Estado Novo, a new modern doctrinal basis for urban planning was initiated, carried out by Duarte Pacheco as Minister for Public Works (1932-36 and 1938-43). In 1934, the elaboration of **town-planning schemes** (*Planos Gerais de Urbanização*) for every city or town with more than 2.500 inhabitants was made mandatory by law, following the example of other European countries (e.g. the Netherlands, England, France, Austria) that had already adopted new housing, town planning and building codes. The main objective of these plans was to regulate spatial organization and expansion of urban settlements in a period when urbanization started to grow and cities were experiencing a housing shortage.

The new town-planning schemes adopted a **physical-led planning style**. Based on detailed zoning schemes and regulations, the plans established the urban design for further developments, namely in terms of the division of the land, the layout of streets and public spaces, and the location of major public buildings and green areas. Rules for building alignments and sizing, as well as maximum height thresholds were also established, together with aesthetic standards for architectural design. Health, comfort and security were generally considered as underlying principles to guide urban development, in line with the modern spirit of the times.

Apart from these planning schemes, other important measures were taken to support the planning reform. On the one hand, resources from the unemployment fund were used to finance site development works, with a view to increasing jobs and reinvigorating the economy through investment in public works, while helping the municipalities to carry out the works. On the other hand, a new public institute – the Directorate-General for Urban Development

Figure 20 – Master Plan of Oporto City, 1962, by Robert Auzelle
Source: DGT, Historical Archive



(*Direção Geral dos Serviços de Urbanização* - the predecessor of the current DG for Territorial Development) was created to guide and supervise urban development under the watchful eye of the central government. Municipalities had a limited role in the process. Not only did they have no political municipal autonomy, but planning policies and decision-making processes were also centralized at the national tier of government.

Knowledge exchange with other European countries (e.g. France, Italy and England) was also promoted to overcome the lack of expertise in the field, namely with the coming of foreign experts to guide the elaboration of the plans and Portuguese urban planners went abroad to receive training.

In regard to **land policy**, compulsory purchases in the public interest were the main mechanism that granted the State the ability to implement planning options. This had a special impact in Lisbon where more than a quarter of the city's land was seized by the municipality to allow for new developments and public urban enhancements.

At this time, urban planning was a privilege of the public authorities who were in charge of the definition of public policies and the execution of site development works. Nevertheless, private stakeholders were strongly encouraged to participate, namely in the building process and in the development of the real estate market. This became particularly evident from 1944 onwards, following the death of Duarte Pacheco and the end of World War II. In a period of economic recovery, urban planning policies changed course, partly due to pressure from land-owners and the construction industry. A new phase then began with a new relationship with the private sector. Compulsory purchases became more favourable for the owners while private stakeholders won surreptitious control of the development process. In the face of growing urbanization and housing shortage, coupled with the low technical and financial capacity of the municipalities, the participation of the private sector became a vital expedient to supply the increasing demand for housing.

The gradual loosening of the authoritarian state-led urban planning policies was made clear in the following **amendments and revisions of the legal framework**. Firstly, in 1946, a new de-

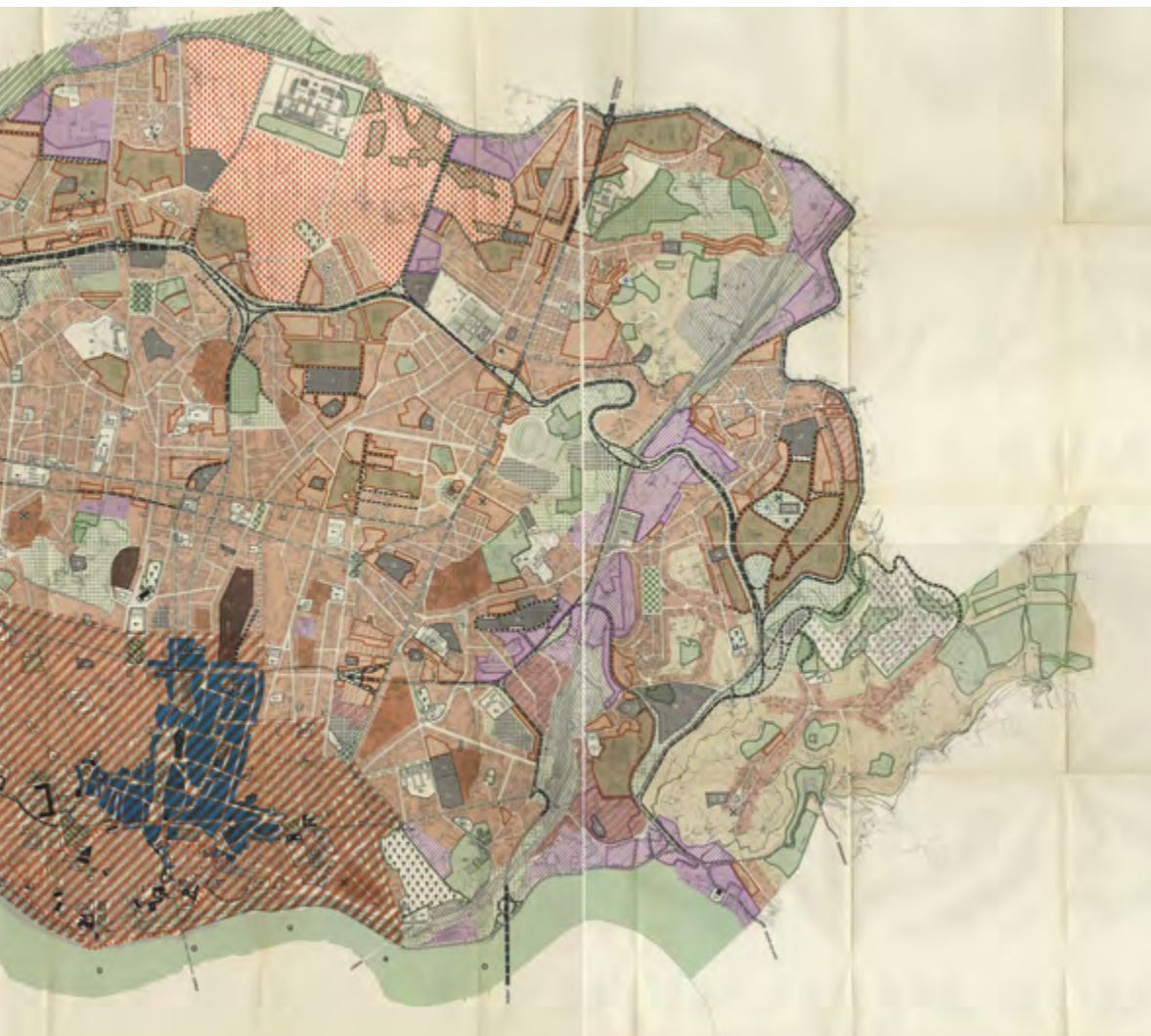
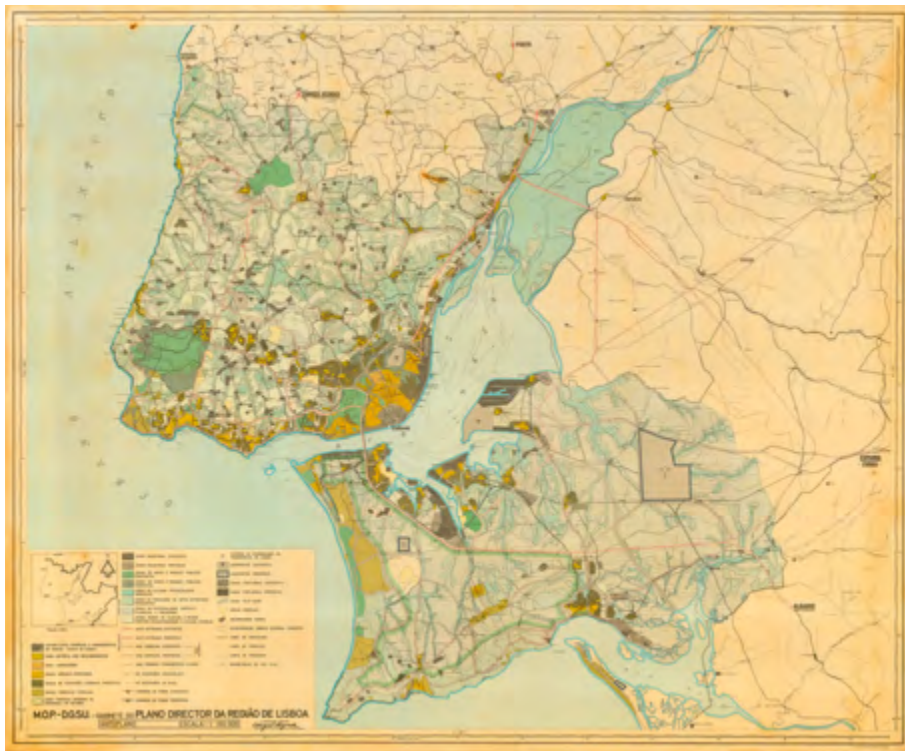
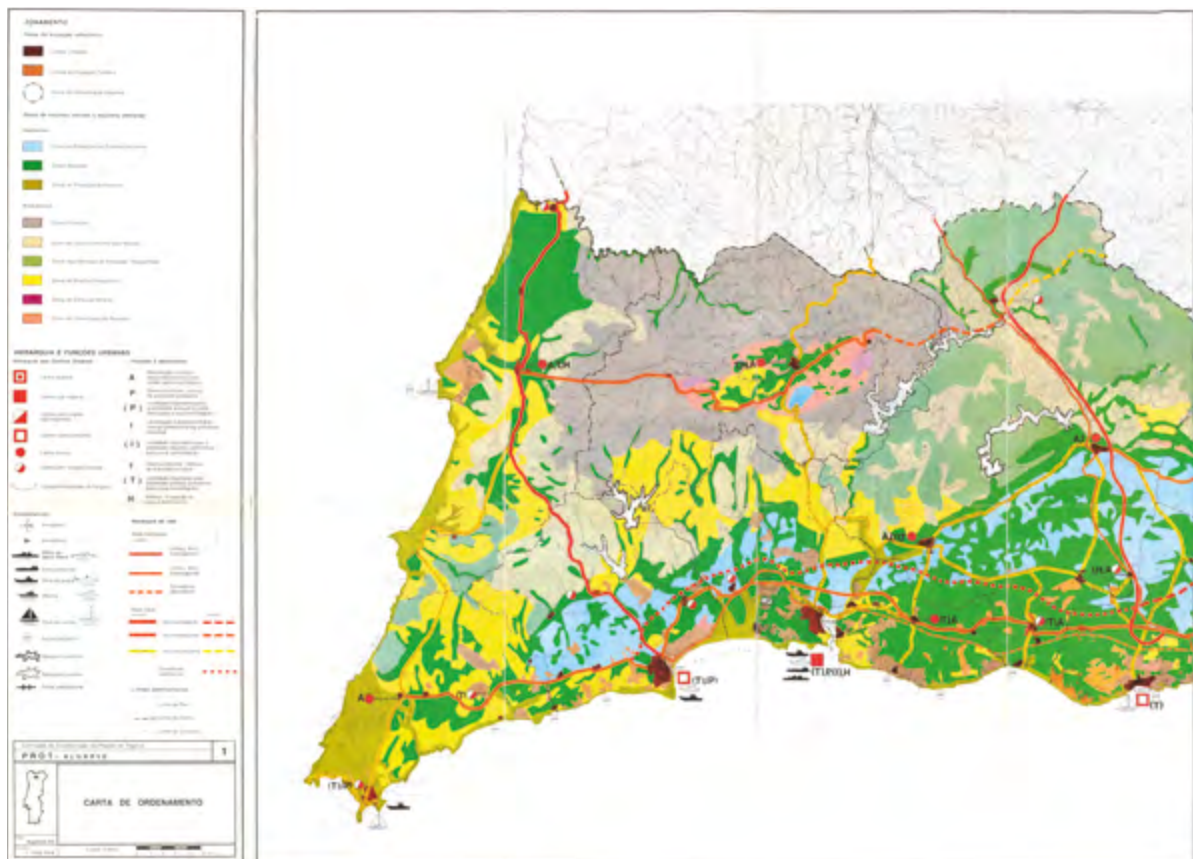


Figure 21 – Master plan for the Region of Lisbon, 1964, by Miguel Resende
Source: DGT, Historical Archive



the 1976 Urban Planning Law allowed for the replacement of formal town-planning schemes through non-binding preliminary blueprints (*Anteplano de Urbanização*) that became the rule in almost every city and town all over the country. Secondly, in 1948, a new law bringing together housing and land policy instruments came to open the door for a much freer participation of private stakeholders into site development. Finally, in 1965, urban developments were definitely opened to the private initiative. To this end, a new urban policy mechanism was created—the *loteamento urbano*, a type of land allotment scheme based on plot division for construction, site infrastructure development and real estate purposes—to overcome the lack of effective formal plans and as a way of responding to the rise in illegal settlements. In the following years and decades, private plot division schemes, led by private stakeholders, became the standard approach to site development, while urban planning entered a regressive and powerless phase.



5. 2. The rise of regional development and planning

Despite the climb of the private initiative, the progress of industrialization and infrastructure development of the country called for a far more decisive role for spatial planning as a way of guiding and regulating the territorial effects of increasing progress and urbanization. In the face of regional asymmetries and the need for broader and more systemic approaches comprising rural and natural areas, the **regional scale** started to emerge as an important dimension of the planning activity. This was particularly evident in Lisbon and Oporto, as well as in the Algarve, the regions most affected by urbanization and tourism.

In 1964, the Directorate-General for Urban Development prepared a **master plan for the region of Lisbon** (Figure 21), covering an area that broadly corresponds to the current Metropolitan Area. It envisioned the promotion of industrialization, regulating urban growth and creation of conditions for a global organization of the metropolis. Lisbon's master plan was the first spatial planning instrument that went beyond the administrative boundaries of the municipalities and presented a supra-municipal vision. A year later, in 1965, a **regional planning scheme for the Algarve**, as well as a **preliminary study for the management of the landscape** of the region, were drafted to address the rise of new tourist developments. Nevertheless, none were formally approved and the proposals had little impact on the territory.

These were times of economic recovery and greater openness towards Europe and the rest of the world. From the 1950s onwards, industrialization was in an upward direction and **economic planning** became a requirement after the accession of Portugal to the Marshall Plan (1948) and the European Free Trade Association (1960). A number of Development Plans (*Planos de Fomento*) were carried out considering the modernization of industry and agriculture as well as the reorganization of rural land. Greater emphasis was also placed on the territory as a crucial asset for social and economic development. The replacement, in 1968, of António Oliveira Salazar by Marcelo Caetano as the head of the government was a decisive turn in the authoritarian regime of the Estado Novo that led to a rather new development-oriented phase.

In 1969, six **new planning regions** (four in mainland Portugal and two in Azores and Madeira) and their respective regional advisory commissions were created with the aim of preparing regional development plans and contributing to mitigate regional asymmetries and to bal-

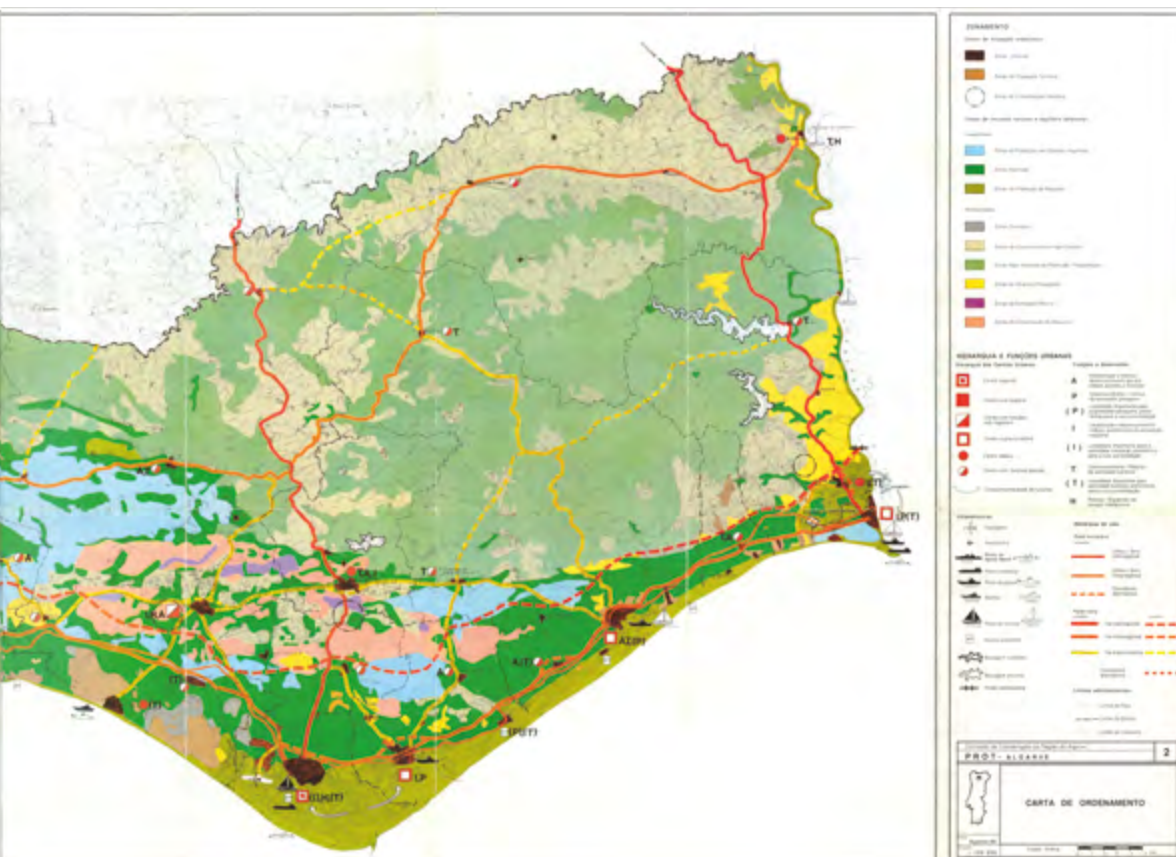


Figure 22 - First generation Regional Spatial Plan for the Algarve (PROTAL, 1988-91)
Source: DGT, Historical Archive

ance the disparities between the overloaded coastline and the hinterland regions that were lagging-behind at the time. Under the influence of the *l'aménagement du territoire* in France, the 3rd Development Plan (1968-73) placed emphasis on **regional development**. Planning regions were an instrumental basis, in spite of not having administrative autonomy and functioning as decentralized services of the central government.

Henceforth, **regional policy** became a clear State-led policy field oriented towards the management of resources and the programming of public investments in large territorial scales, though without explicit connection to spatial planning. In the 4th Development Plan (1974-79), spatial planning was, for the first time, considered as a means of handling regional disparities and development. However, it was set aside as a result of the Revolution of the 25th of April of 1974 that put an end to the dictatorship. Regardless of the regional insight, for a long time spatial planning remained focused on an urban and zoning-led approach.

Notwithstanding the yet limited scope of spatial planning, the period between 1968 and 1974 did represent fruitful times in terms of territorial policies. On the one hand, particular attention was paid to **housing policies**. After the creation, in 1969, of a Secretary of State for Housing and Urbanism, as well as a Housing Fund (*Fundo de Fomento à Habitação*), a number of integrated plans were developed to promote social housing together with the design of new neighbourhoods. On the other hand, a **new land policy regime** came into force in 1970, bringing forth innovative policy mechanisms (e.g. systematic compulsory purchases; preventive measures) that aimed at creating the conditions for both the execution of the plans and the development of public housing. The objective was not to hamper the private initiative, but rather to lessen the effects of real estate speculation and prevent that free private developments would undermine public-led planning options in the future. Yet, the taxation of capital gains was not regulated and the regime would soon been replaced by a new land policy framework (1976).

Apart from these advancements, **environmental policies** came into the light for the first time.

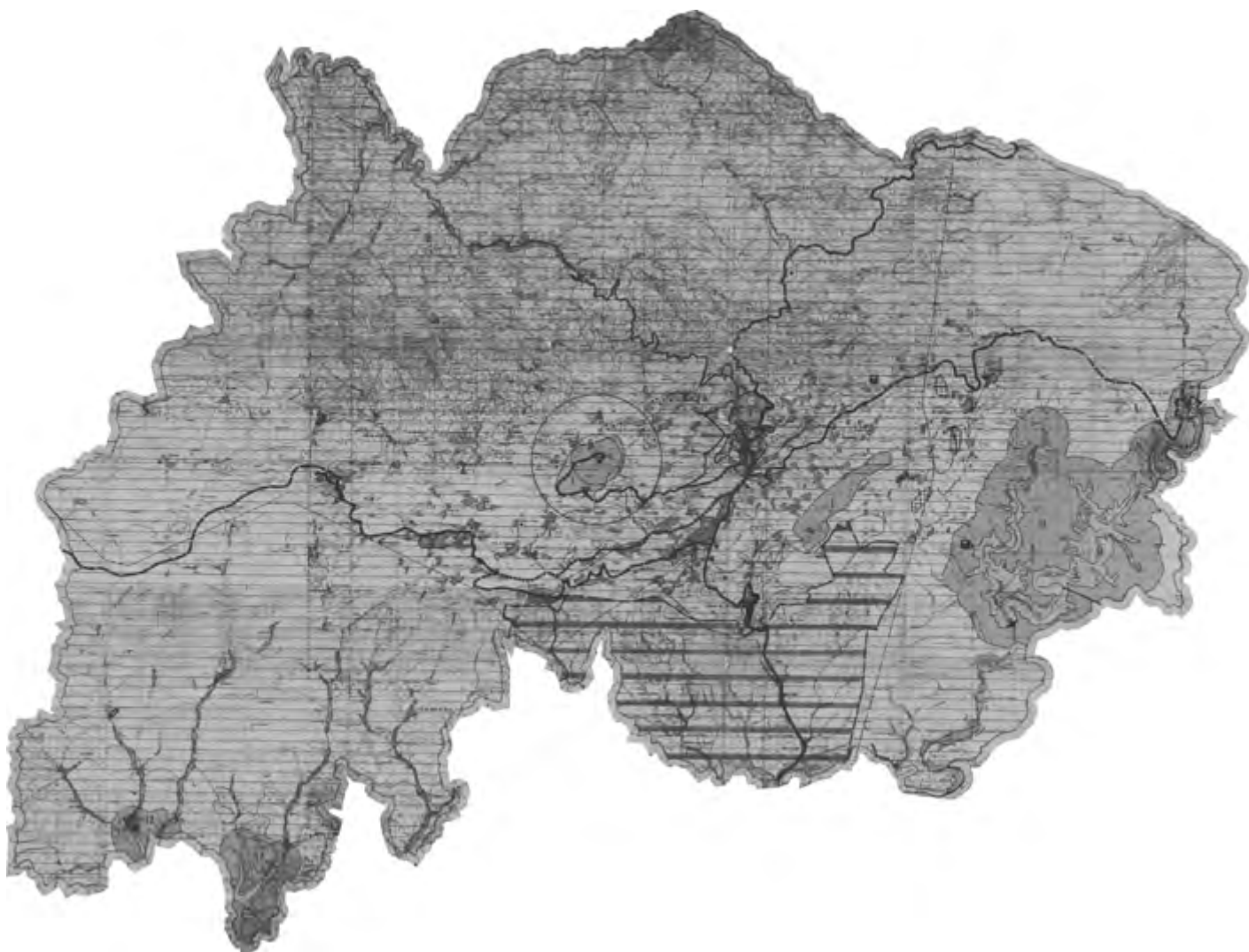
In 1970, a first law for nature conservation was put forward to establish the concept of a national park. A year later, the National Commission for the Environment was created, opening up pathways between the environment and spatial planning, while fitting-in with the United Nation's emerging concerns on the Human Environment. With the rise of the democratic regime, environmental policies would progressively assume a greater role and autonomy within the national political agenda. In 1987, the first Framework Act for the Environment was approved by the National Parliament.

As a response, **spatial planning re-emerged in the 1980s** bringing forth a new perspective of spatial development and territorial management that went beyond mere infrastructure works and urban development. Attention was paid to the environment and the protection of natural resources and cultural heritage. Several policy measures were put forward, indicating a significant step forward for spatial planning in terms of both scale and scope.

Firstly, two **new legal instruments** – the National Agricultural Reserve and the National Ecological Reserve – were created to provide for the safeguard of strategic areas for the development of agriculture, in the most productive soils, or for the preservation of natural ecosystems and habitats in view of a rational use of natural resources. These land use regulatory instruments (which are still in force today) did introduce restrictions in particular to urban development, in particular to urban sprawl, with a direct impact on private initiative.

Secondly, at the end of 1979, the former regional advisory commissions were replaced by new Regional Coordination Commissions (CCRs). Besides keeping a role on the implementation of regional development policies, CCRs were endowed with the task of coordinating the technical, financial and administrative support directed at local authorities, namely through the Cabinets for the Technical Support of the municipalities (GAT). In the following years, CCRs' responsibilities were progressively increased, namely in regard to the environment, nature conservation and spatial planning. The current Regional Coordination and Development Commissions (CCDRs) were finally established in 2003, merging the CCRs with the Regional Directorates for Environment.

Thirdly, in 1983, **regional plans** (Figure 22) were institutionalized as spatial planning instruments; that same year a new Directorate-General for Spatial Planning was created. Looking for a balanced and integrated development, together with landscape conservation of areas that



did not exactly respect administrative boundaries, regional plans established the general criteria and rules for the use of land and for the exploitation of natural resources. Nevertheless, only a few were elaborated. Moreover, the focus placed on land use regulation became a matter of conflict between the central government's regional bodies and the municipalities, which had gained additional powers and enjoyed full political autonomy at that time.

In 1989, spatial planning was finally introduced in the Constitution as a fundamental duty of the State, notwithstanding the pioneering perspective of the primary version of 1976 in terms of housing and environmental rights.

5. 3. The development of spatial planning at municipal level

After the democratic revolution of April 1974, **spatial planning at a municipal level** had gone through important changes. As a result of the **decentralization process**, a new law for local authorities was approved in 1977, establishing the powers and tasks of the municipalities. Land use change and regulation became a responsibility of the municipalities that were endowed with the ability to elaborate municipal master plans.

Nevertheless, the **transition towards a democratic regime** was followed by a period of great social and political instability and the effects of the decentralization process were not as immediate as expected. On the one hand, time and capacity-building would be needed to pass from a highly centralized state towards a new decentralized model anchored on rather feeble municipalities, especially in technical and financial terms. On the other hand, the capacity of the public administration to control land change and to guide new site developments was curtailed, namely in the face of rampant property speculation and increasing illegal settlements and ad-hoc private plot divisions in the outskirts of the major cities.

All the same, housing emerged as a major pillar of the new political strategy to address urban growth, foster better living conditions and curb real estate speculation. Issues such as land ownership and use were also given a prominent place on the national political agenda. In

Figure 23 - First generation Municipal Master Plan of Monchique, 1994 (DGT)
Source: DGT, SNIT

1976, a **new land policy law** entered into force, introducing significant amendments over the earlier version (1970). The objective was to provide the State with the necessary mechanisms (e.g. a portfolio of municipal land; preventive measures; surface rights, etc.) to support housing and urban development policies. However, the legacy of highly bureaucratic and centralized procedures, together with the lack of support to local finance, limited the practical achievements of the new legal framework.

It was only in 1982 that the **municipal master plan (PDM)** began to be regulated. The ambition was to transform the new planning instrument into an integrated device to deal with both spatial and land use planning and economic programming and development. For the first time, municipalities were given the opportunity to establish an overall development vision for their territories. Yet, regardless of the merits of the initiative, results were very poor. Only four PDMs were drawn-up in the years that followed the approval of this legal framework. The complexity of the formal procedures, the lack of means and technical knowledge, as well as the bureaucratic burden, are some of the reasons that have been pointed out to justify the limited implementation of this instrument.

The vindication of the PDM as a core planning figure nation-wide happened in the 1990s, after the entry of Portugal into the European Economic Community (EEC) in 1986. In 1990, a **political reform** was delivered by the hands of Luís Valente de Oliveira, then Minister for Planning and Territorial Administration, made the PDM process mandatory for every municipality. Aside from a number of procedural clarifications and simplifications, sanctions were announced for defaulting municipalities. These included the impediment to apply to European Structural Funds or of executing compulsory purchases in the public interest if no effective PDM was in force. Such measures had a significant impact on planning at a national scale. Within a decade, Portugal was overrun with municipal plans, reversing the former scenario of ad hoc planning.

Though it was the responsibility of the municipalities to elaborate and approve the municipal plans, central government also played its part. First, a monitoring commission, led by the central state's decentralized regional bodies, was in charge of coordinating the several public interests and sector wide approaches in view of delivering a binding opinion. Second, a final ratification by the government was needed to endorse the entry of the PDMs into force.

According to the new legal framework, the PDM could establish the spatial organization for the entire municipal territory, including urban and rural areas, and should lay down land use restrictions and regime, as well as the main urban parameters. Compared to the earlier version of the instrument, economic programming disappeared; in contrast, special attention was paid to urban perimeters in view of a continuous urban growth. A blueprint regulatory style was then generally adopted by the first generation of PDMs (Figure 23), whereas strategic development-oriented planning remained a mirage.

As a result, the government launched a second planning campaign – PROSIURB (a programme for the consolidation of the national urban system and to support the execution of the PDM) – aiming at medium-sized cities and complementary urban centres outside the metropolitan areas. The objective was to address the shortcomings of statutory planning by stimulating **strategic spatial planning** and socio-economic urban development. Given the emphasis put on strategic planning by several American and European cities in the 1980s and 1990s, and pilot experiments in Lisbon and Évora, Portuguese local authorities were challenged to test new integrated approaches for spatial planning and management. Two aspects need to be highlighted: on the one hand, the cooperation between several government levels and institutions; on the other, the consolidation of the national urban system through investment in pivotal social facilities, looking for complementarity between urban centres.

The PDM has now become the spatial planning instrument par excellence in Portugal, providing municipalities with a reference framework for the development of both urban development and detailed local plans (PU and PP). At a time when a second generation of PDMs is becoming the norm, the instrument now offers a broader approach, combining a strategic and development-oriented spatial vision with the traditional land use regulation framework.

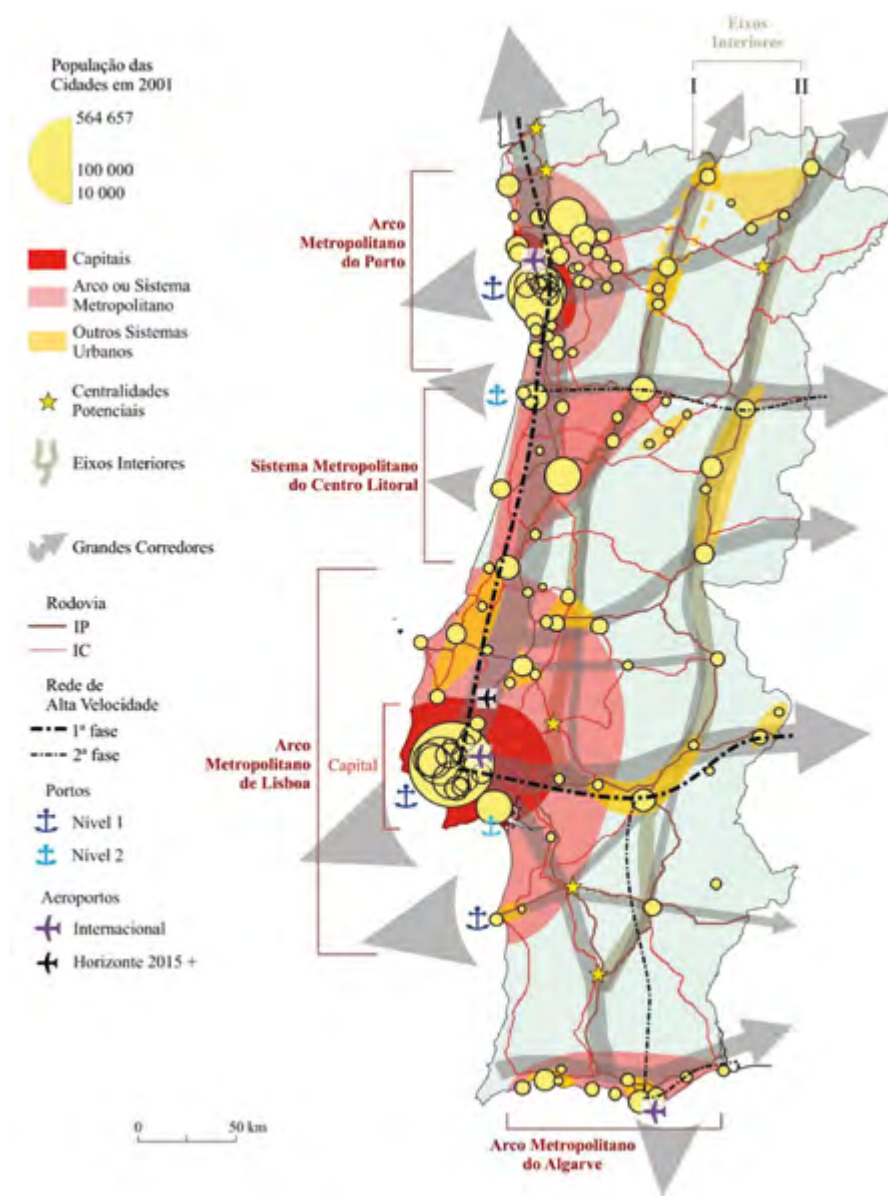


Figure 24 - Territorial Model of the PNPOT (2007)
Source: PNPOT, 2007

5. 4. The creation of an integrated national spatial planning system

In the years that followed the entry into the EEC, Portugal went through a period of deep transformation. The allocation of the European Structural Funds and the whole uptake of the European project played a decisive role. It not only boosted the national economy and leveraged a societal change towards a process of modernization, it also contributed to foster a deep territorial transformation, namely through public investment in territorial infrastructures and public facilities.

Although spatial planning is not a formal European remit, the **effects of the process of Europeanization** within the national planning system have soon come to light. The participation of Portugal in European cooperation for urban and territorial development had a significant influence on the definition of a national agenda for spatial planning. The elaboration of the European Spatial Development Perspective (ESDP, 1999) is acknowledged as one of the processes run at a European level that have most impacted the design of national policy arrangements. In 1998, an inaugural framework act was published establishing the legal foundations for urbanism, land-use and spatial planning policy (Law no. 48/98, of 11 August; and Decree-Law no. 380/99, of 22 September). For the first time ever, **spatial planning** was set-up **as an autonomous policy branch**, providing for an integrated hierarchical planning system.

In line with the European integration process, the framework act of 1998 came to trigger a **paradigm shift**. It not only looked for greater coherence and articulation between the several planning levels and sector wide approaches, but also aimed for better convergence and in-

An integrated hierarchical planning system at a national, regional and local levels was settled for the first time.

tegration between spatial planning and regional development. As such, a set of principles was drawn-up, ranging from the horizontal coordination of sectoral policies, to the vertical coordination of government levels under the principle of subsidiarity, the close concertation of public and private initiatives and the participation of civil society. Issues such as the protection of the environment and natural resources, the safeguard of cultural heritage and national cohesion and equity in view of a sustainable development were also given a special emphasis in this new legal framework. Furthermore, for the first time, a new decree-law settled a **an integrated hierarchical system of planning tools** (at a national, regional and local levels), distinguishing strategic, development-oriented spatial plans from regulatory, land use plans with a zoning-oriented nature. Building and urban development permits that grant effective development rights to individuals were also subjected to a revision and clarification of the legal framework.

Throughout the 1990s, the focus placed on spatial planning and territorial development was accompanied by the discussion on whether to set up a **reform of the State towards regionalization**. Autonomous administrative regions were foreseen in the Constitution since its very beginning in 1976. Nevertheless, they had never been implemented. In 1991, a framework act for the Administrative Regions was approved by the Parliament, though with no practical effects. After an in-depth debate, regionalization was put to the public through a public referendum in 1998 and subsequently rejected. This has, in part, limited the pursuit of the political agenda as foreseen under the framework act.

Notwithstanding the rejection of the regionalization process, decentralization continued, as well as the implementation of the planning instruments established by law. At a national level, the **National Spatial Planning Policy Programme (PNPOT)** was elaborated along with the National Sustainable Development Strategy (ENDS, 2007) and the National Strategic Support Framework for 2007-2013 (QREN). It was approved by the Parliament in 2007 and put forward a territorial model and a comprehensive place-based strategy for the entire country, mainland and islands included. In line with the ESDP reference framework, issues such as the strengthening of a balanced and polycentric spatial development model structured upon cities, the enhancement of the natural and cultural heritage as development assets, and the coordination between land-use, spatial development, transport and infrastructure policies came to light. The objective was twofold: guide transnational cooperation for the spatial development of the European territory; and steer domestic spatial planning practices at the lower tiers of administration. To this end, a programme of action with strategic objectives and policy measures was delivered for the following community programming cycle (2007-2013), covering a wide range of different sectors and policy fields. Besides the PNPOT, another highlight was the elaboration of a series of Special Plans for the protection of natural resources at national level.

At a regional level, **Regional Spatial Plans (PROTs)** were developed afterwards under the umbrella of the PNPOT. This was an important step towards the materialisation of the planning system. However, the process was not free of contentions. After an enthusiastic elaboration process, results were shaken by regional asymmetries during the approval and follow-up phases. Although concluded in 2010, two PROTs out of five (North and Centre) were not formally adopted by the Government. The revision of the PROT for the Metropolitan Area of Lisbon did not come to an end either, despite the existence of a former version approved in 2002, still in force.

With the aim of providing the system greater consistency and streamlining, additional regulations were put forward. First, in 2007, some amendments were introduced in the legal framework allowing for bureaucratic relief and the strengthening of municipal autonomy (e.g ratification of the municipal plans was substantially alleviated). The **Strategic**

Environmental Assessment (SEA) was also included as a mandatory elaboration procedure for every plan. Second, in 2009, a series of implementation decrees drew-up common criteria and harmonized standards to support the elaboration of the plans, namely in terms of spatial planning concepts, land-use regulation standard categories and cartographic norms.

In 2014/2015, a second wave of reforms of the spatial planning system took place.

5. 5. The reform of the spatial planning system in 2014/2015

The turn of the millennium brought significant changes to the Portuguese spatial planning scene. Firstly, in the second half of the 1990s and for the first time ever, the country was overrun by municipal master plans. Secondly, in 1998, spatial planning was finally established as an autonomous policy field, while a legal reform put forward a whole set of integrated regulations and planning instruments.

Nevertheless, throughout this period and the years that followed, the spatial planning system was still not prepared to deal with the dynamics of urbanization and urban growth that were taking place. On the one hand, at a time when the population growth rate was already slowing down, urban sprawl and private new green field developments had become commonplace. The Metropolitan Areas of Lisbon and Oporto, and the coastal strip of the Algarve, were the main hotspots. On the other hand, the delimitation, by the PDMs, of the urban perimeters within which urban developments were permitted, had been broadly oversized compared to the real economic and demographic dynamics. The administrative classification, on such unnecessary proportions, of rural areas as urban land use zones, had tremendous consequences in stimulating property and real estate speculation, and led to a fragmented settlement pattern of disperse leapfrog site developments. Moreover, the land policy regime dated back to 1976, and soon proved to be outdated for the emerging challenges.

The demonstration in advance of the economic and financial feasibility of land use planning decisions was made mandatory.

In 2008, the outburst of the global financial crisis raised awareness on the existing misalignments: a disproportionate amount of areas earmarked for future urban developments; a housing surplus; and increasing fallow land retained for speculative purposes. The available legal instruments were not adequate to regulate land use change, curb property speculation and foster a fairer distribution of capital gains generated by planning decisions.

After a first unsuccessful attempt to review the land policy regime in 2011, a **second wave of reforms of the spatial planning system** took place in 2014/2015. The framework act for spatial planning, as well as the legal regimes for both the planning instruments and the licensing of building and urban development operations were subject to revision.

The primary motive was indeed the need to **update the land policy regime**, for better coordination with the spatial planning system and to foster sustainable planning decisions, in environmental, economic and financial terms. To this end, a key amendment was introduced in the legal status of the land that entailed the elimination of the land use category “land for development” (*solo urbanizável*) – land that was earmarked for future urban developments and building development purposes. Additionally, the decision was taken to revert undeveloped urban land into rural land, including the expiry of development privileges in cases where expected works had not been carried out. To address further potential impairments and losses, a transitional period of five years (recently extended until the end of 2022) was given to the municipalities so that they can review their municipal land use regime accordingly.

On the other hand, a **new economic and financial regime** was foreseen to regulate the land value and to guarantee a fairer distribution of capital gains. Apart from the legal mechanisms for an equitable sharing of the burdens and benefits of urban development, the demonstration in advance of the economic and financial feasibility of land use planning decisions was made mandatory.

A special emphasis was placed on **urban regeneration** as an alternative to new green field developments. The objective was to contain urban sprawl and capitalize on the investments made for urban infrastructures.

Aside from the land use regime, changes in the planning system were also brought into force. First, a basic distinction was introduced between **spatial planning programmes and plans**. Whereas the former, strategic in nature, were endorsed by the central administration, the latter were of the exclusive domain of the local authorities. These are the only planning instruments able to regulate land uses and enforceable for individuals. Second, the **intermunicipal planning level** was reinforced, giving the municipalities the ability to jointly promote either supra-municipal programmes or plans.

The objective was to give municipal and intermunicipal spatial planning a push. On the one hand, the **PDM was strengthened** as the central vessel of the planning system, providing for

both a strategic vision and all the rules and restrictions regarding land use regulation. Rules with binding effects for individuals shall be gathered in the PDM, a decision that led to the revision of a number of special plans addressing the protection of natural resources containing land use norms. On the other hand, **detailed local plans** were given the prerogative of performing the transformation of land use from rural to urban land, including the ability to grant private stakeholders development rights.

At a time when a new community programming cycle (2014-2020) was starting, the **PNPOT was subject to its first revision**. This happened after an evaluation process that allowed for an assessment of both the achievements and shortcomings of the first programme of action (2007-2013). Besides the updated territorial diagnosis, the new version provides for a revised strategy and territorial model, as well as a new programme of action for the following decade. Compared to the earlier edition, this programme adds a model of governance and a monitoring system of indicators to promote the follow up of policy measures. Emerging issues such as climate change, demographic decline, ageing and the digital transition were given an emphasis that the earlier version did not consider.

This period of reforms has also brought to the table a new framework act for the planning and management of the **national maritime space**, approved by Parliament in 2014. Nevertheless, the political decision was to separate the two, although it is mentioned that a close policy articulation must be ensured.

6. Portuguese spatial planning system

6. 1. Spatial planning policy

The Portuguese spatial planning policy is framed by the **Framework Act - Law 31/2014, 30 May**.

It lays down the general principles and obligations for land and spatial planning policy, including territorial development and management, as well as urban planning and development (urbanism). As a framework act, it was approved by the Parliament, leaving the Central Government the task of enacting the further legislation that regulates the application of the framework principles, inherent duties and rights.

The spatial planning policy puts forward an integrated **system for spatial planning and territorial management** (*sistema de gestão territorial*). This is implemented through a set of hierarchical multi-level planning instruments and norms for their implementation, including the programming of territorial interventions and land use change.

To this end, the Portuguese spatial planning policy comprises a vast array of legislation and policy mechanisms. These range from the legal regime for spatial planning instruments (*Regime Jurídico dos Instrumentos de Gestão Territorial* – Law Decree 80/2015, 14 May and following amendments), including complementary norms, to the legal regime for urban development and building operations (*Regime Jurídico da Urbanização e Edificação* – DL 555/99, 16 December

FIGURE 25 - SPATIAL PLANNING POLICY FRAMEWOK

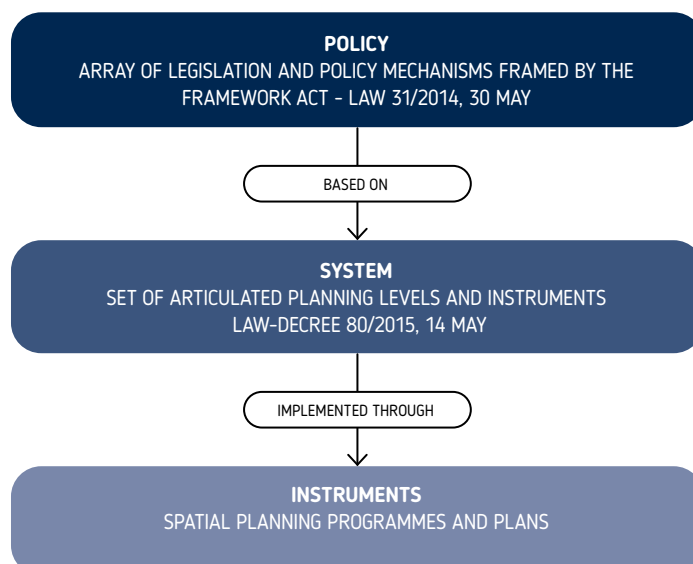


FIGURE 26 - TERRITORIAL PROGRAMMES AND TERRITORIAL PLANS

	Programmes	Plans
<i>Nature</i>	Strategic	Regulatory
<i>Type of Planning</i>	Strategic planning	Land-use planning
<i>Responsibility</i>	Central Government	Local Authorities
<i>Planning Levels</i>	National Regional Intermunicipal	Intermunicipal Municipal
<i>Binding Effects</i>	Public Entities	Public Entities Individuals

amended by the DL 136/2014, 9 September), the code for compulsory purchases and several other regulations (e.g. housing; urban regeneration; building codes; tax codes, etc.). With a view to achieving the general principles and aims established in the Framework Act (see Chapter 4.2.), one of the main challenges is to deal with the **right to private property** set up by the Constitutional Law - i.e., manage ownership and land development rights along with a just and sustainable territorial development in the public interest. In Portugal, the materialization of the specific substance and use of the land, including inherent restrictions, is addressed by spatial planning instruments. According to the Law, restrictions to the right of private property are subject to fair and just compensation. In parallel, spatial planning must provide the instrumental basis and spatial organization to meet fundamental rights such as the access to affordable housing, public transportation and facilities in a sustainable and healthy living environment.

6. 2. Structure of the spatial planning system

The Portuguese spatial planning system is an integrated system structured into **four main planning levels: national, regional, intermunicipal and municipal**. This provides the Public Administration with an articulated set of planning scales and instruments to establish the guidelines and rules for planning and for territorial management at the most suitable scale and level of decision. For each planning level, a set of **statutory planning instruments** are made available with different scopes and legally binding effects. Considering both the scope and enforceability, a basic distinction is set up between **territorial programmes** and **territorial plans** (Figure 26).

Programmes:

- Have a strategic and programmatic nature, establishing the main strategic framework for territorial development;
- Set forward the spatial framework of national policies to be considered in planning decisions at the different levels;
- Plan major public investments with a territorial impact;
- Are mainly endorsed by the central government (with the exception of the Intermunicipal Programmes);
- Are exclusively binding for public entities, which means they do not have a direct legal effect on property owners.

Plans:

- Materialize strategic development options into a specific spatial organization and territorial layout;
- Have a regulatory nature, establishing the land-use regime for a given area, including the zoning scheme and respective regulations and parameters;
- Programme/schedule the implementation of planning and territorial management options;
- Are exclusively endorsed by local authorities (municipalities), run either by each municipality individually or in association with other(s);
- Are binding for both public entities and individuals.

At **national level**, there are three different types of **territorial programmes** (Figure 27):

National Spatial Planning Policy Programme (*Programa Nacional da Política de Ordenamento do Território - PNPOT*):

- It is the umbrella and summit-like spatial planning instrument;

- Establishes major strategic options relevant to spatial organization and territorial development and cohesion of the entire national territory;
- Gives the lower tiers of planning a strategic reference framework and guidelines;
- Provides an instrumental basis for European territorial cooperation;
- Delivers both a territorial model and a comprehensive policy programme to drive public investments, guide the coordination of spatially relevant interventions and sector-wide approaches, and steer sustainable and balanced spatial development between regions.

Sectoral programmes (*Programas Setoriais* - PS):

- Materialize sectoral policy options relevant to the spatial organization of the territory in strategic programme-based planning instruments;
- Comprise a number of different policy sectors (e.g. national defence and security; risks prevention; environment; water resources; nature conservation; infrastructures; public transportation; energy and geological resources; health; culture; housing; tourism; agriculture; forestry; commerce and industry; among others with a territorial impact);
- May take different formats according to the sector at stake.

Special programmes (*Programas Especiais* - PE):

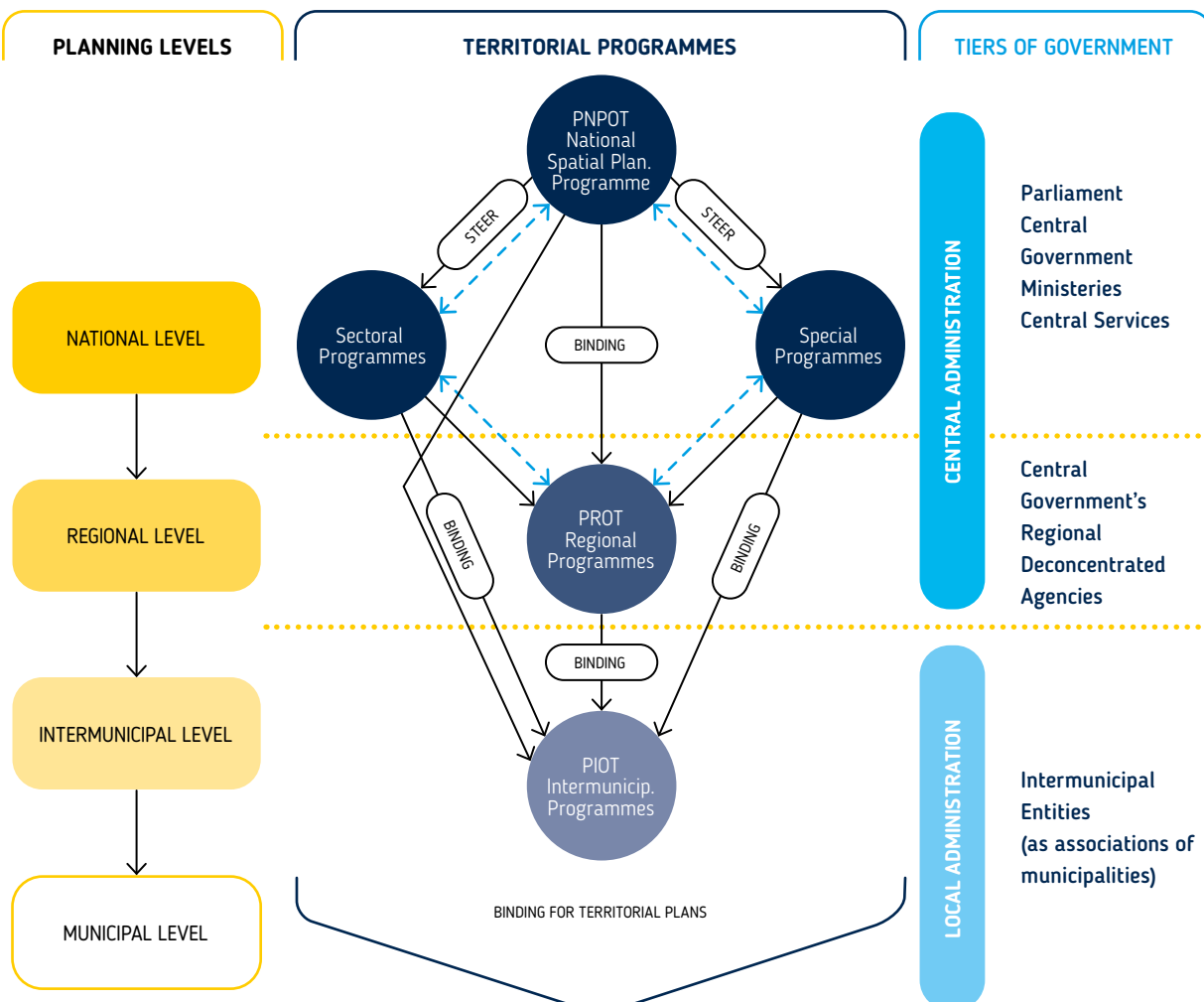
- Focus on the safeguard of highly relevant natural resources and assets;
- Establish guidelines, rules and management procedures to guarantee the protection of natural resources in the public interest;
- The focus areas of special programmes are: the coastline; protected areas; public water reservoirs; and river estuaries. Archaeological sites can also be the subject of a special programme.

At **regional level**, there is:

Regional Spatial Planning Programme (*Programa Regional* - PR):

- Delivers the regional spatial development strategy and model for the corresponding

FIGURE 27 - TERRITORIAL PROGRAMMES



planning region;

- Develops guidelines and planning options adopted by the national programmes at regional level;
- Establishes the urban system at a regional level;
- Gives the intermunicipal and municipal tiers of planning a strategic reference framework, namely in terms of nature conservation, public facilities, transportation and infrastructure;
- Provides a spatial framework and schedule for public investments and economic-social development, along with the regional programming of European Structural Funds.

Territorial programmes are also made available at **intermunicipal level**, as follows:

Intermunicipal Spatial Planning Programme (*Programa Intermunicipal - PI*):

- Optional planning instrument especially directed towards supra-municipal areas that, due to their specificities and needs (e.g. functional interdependency, shared vulnerability and risk, etc.), require the development of integrated strategies;
- Provides room for strategic articulation between the regional programme and territorial plans at both intermunicipal and municipal level;
- May comprise either the entire NUTS III geographic region (pre-established intermunicipal entities) or just the area of two or more continuous municipalities.

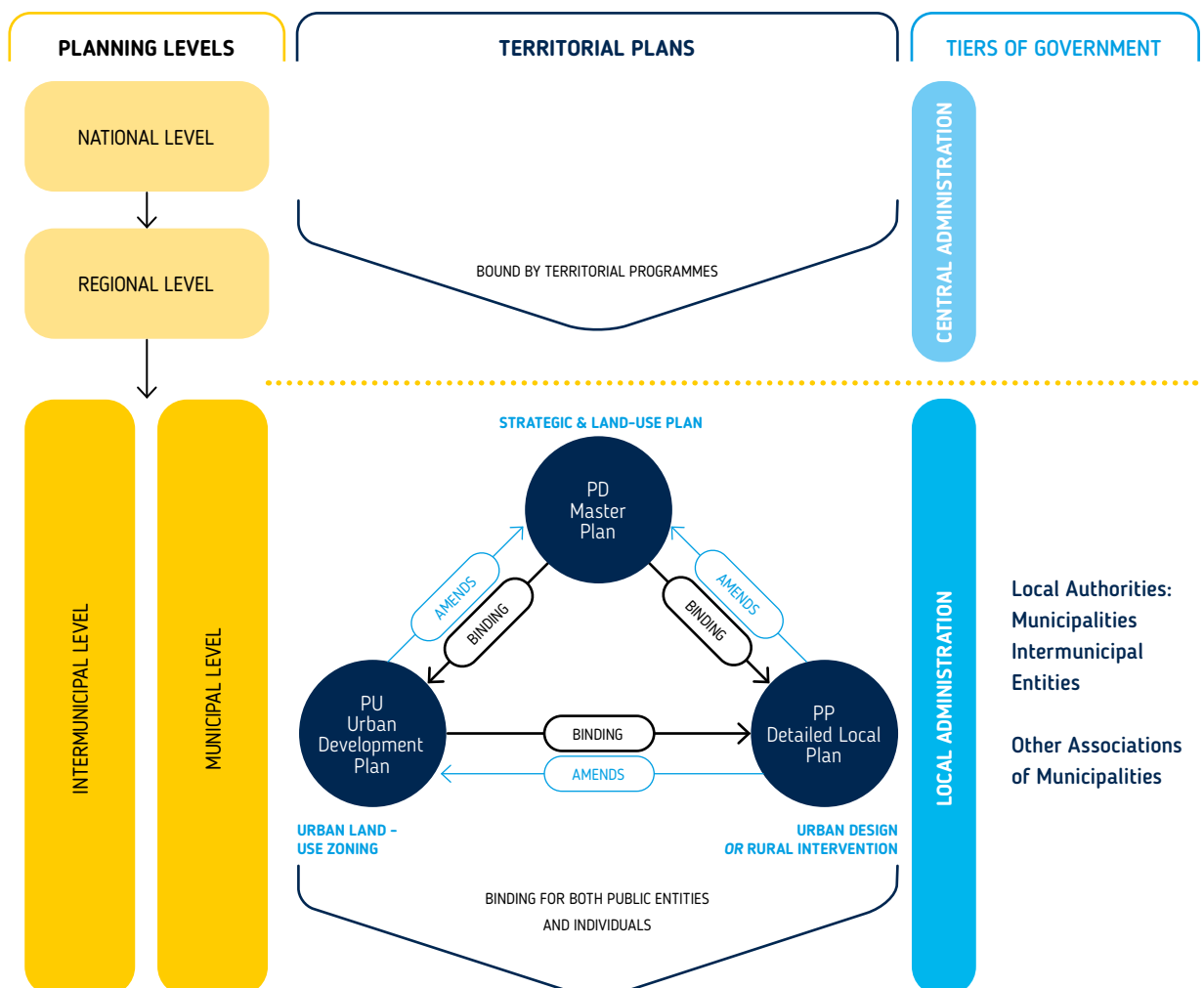
Territorial plans are foreseen either at **intermunicipal level** or at **municipal level** (Figure 28).

Three different types of plans are made available, as follows:

Master Plan (*Plano Diretor - PD*):

- Synthesizes the municipal spatial planning policy and development strategy for the entire municipality, at the local level;
- Provides an overall municipal territorial model taking into account issues such as the urban system, networks and infrastructure, social facilities, services and local amenities, as well as the natural, agricultural, forestry and cultural assets and risk areas;

FIGURE 28 - TERRITORIAL PLANS



- Coordinates the several sector-wide approaches and interventions at the local level;
- Establishes the municipal land use regime for the whole territory;
- Directs lower-scale plans based on a reference framework, as well as its parameters and guidelines;
- Municipal Master Plans are mandatory by law, although their replacement by a Master Plan at intermunicipal level is allowed.

Urban Development Plan (*Plano de Urbanização - PU*):

- Mainly addresses planning of urban areas that are on the urban perimeter, although rural areas providing complementary uses/services may be included, as well as other areas that have been earmarked as tourism, industry or business zones;
- Develops the structure and land use of urban areas, whether they include existing urban settlements or new urban developments;
- Places special emphasis on infrastructure planning and layout - road network and additional public infrastructure -, the location of urban uses, public facilities and services of general interest, as well as the public transportation system and the network of public urban spaces and green areas.

Detailed Local Plan (*Plano de Pormenor - PP*):

- Develops detailed solutions for specific intervention sites, whether they are in urban or rural areas;
- Provides urban design solutions and establishes rules for the design of public spaces and buildings, including the height and volume of buildings, and thresholds for built-up areas;
- Endorses solutions for the transformation of land ownership structure with potential legal effects to award development rights;
- In 2015, Detailed Local Plans were awarded the exclusive prerogative of delivering the transformation of rural land into an urban land use.

The **functioning of the spatial planning system** involves the articulation and coordination of several programmes and plans, as well as the identification and balancing between the various public and private interests at play. Nonetheless, not all interests or policy fields have equal weight. Areas such as national defence, public health, civil protection and security, and mitigation and prevention of risks are given priority over all others. Planning instruments have to establish the necessary measures to safeguard key public interests, including the identification of competent authorities and the effects of such measures over the territorial actors' sphere of action. Interested parties have the right to participate and to appeal against planning decisions, including taking any legal actions deemed necessary.

Currently, the implementation of the spatial planning system is going through a **transitional phase**. As the new legal regime entered into force in 2015, several planning instruments at different levels were subject to revision and adaptation to meet the rules and arrangements of the present system of law.

6. 3. Planning powers and remits

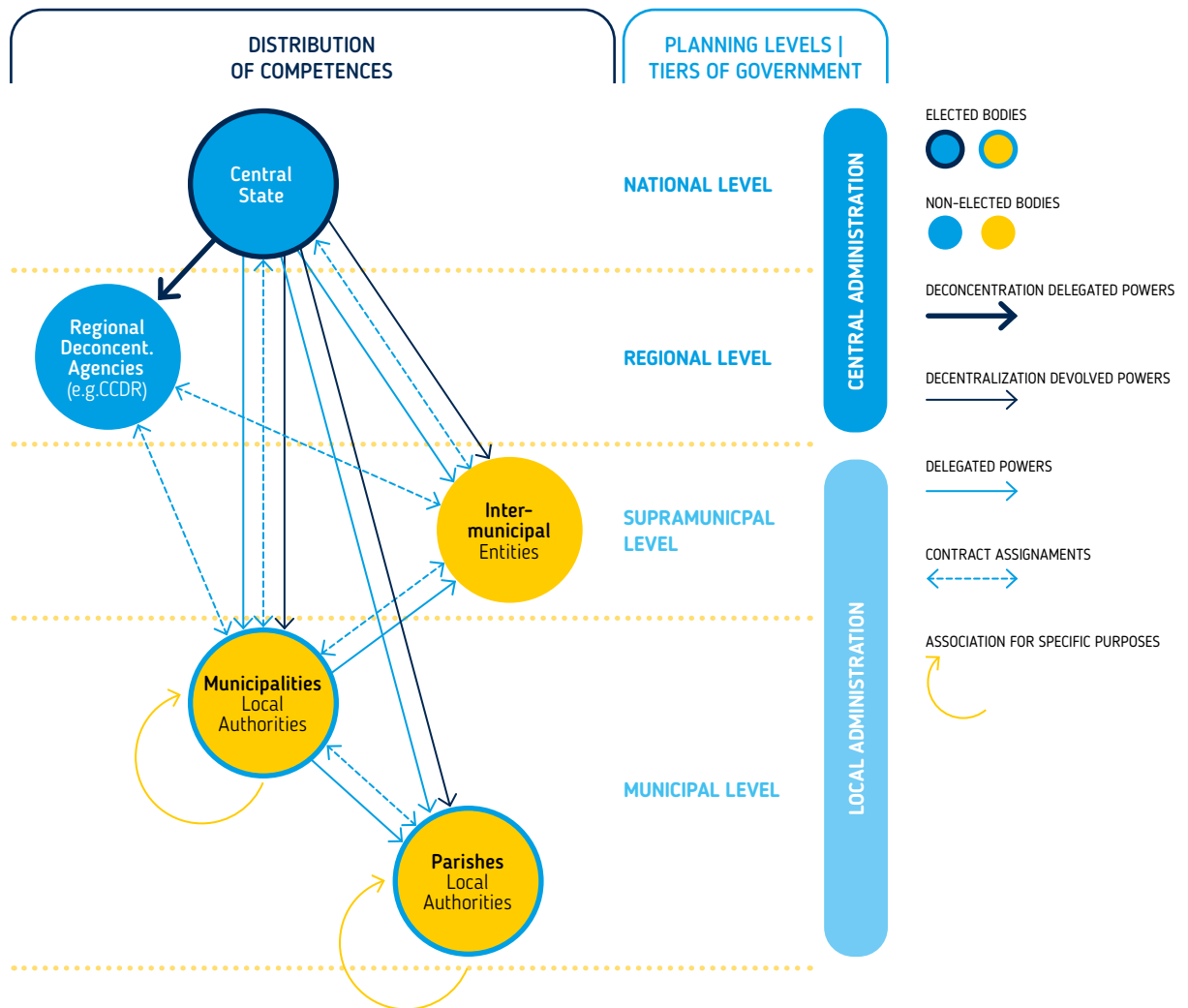
As laid down in the Constitutional Act, it is the responsibility of the Parliament to establish the baseline for the spatial planning policy legal framework. The **distribution of statutory spatial planning powers** is based on the principles of administrative decentralization, subsidiarity and local autonomy, and follows the territorial organization of the Portuguese State (see Chapter 2). This means that spatial planning powers are effectively implemented and enforced by legal public entities other than the central state, such as by the local authorities.

For mainland Portugal, **two main tiers of government** have responsibilities in spatial planning:

- **Central government** – Aside from enjoying from legislative powers, the central government is also endowed with planning powers at national and regional level;
- **Local authorities** – Although not awarded legislative powers, local authorities are endowed with political and administrative autonomy. Planning responsibilities at local level includes both municipal and supra-municipal planning and the ability to establish local regulations (regulatory power).

With the exception of the **autonomous regions of the Azores and Madeira** that benefit from a specific statute at regional level (including legislative powers for specific purposes), spatial planning at regional level has remained under the central government's purview, as adminis-

FIGURE 29 - REDISTRIBUTION OF COMPETENCES BETWEEN GOVERNMENT BODIES AND PLANNING LEVELS



trative regions have not been implemented, despite being foreseen in the Constitutional Law as a responsibility of the regional authorities.

All the same, in regard to a number of policy matters with territorial effects, the distribution of competences and remits among the several government bodies and planning levels is more complex than just a two-tier system (Figure 29). It comprises:

- **Devolution of powers and competences** from the central state to the lower tiers of government (local authorities and intermunicipal entities). This is a definitive transfer and has been a rising tendency over the past few years aiming at the strengthening of the autonomy of local powers;
- **Delegation of powers from the central state** either to the central government's regional deconcentrated agencies or to the local authorities and the intermunicipal entities;
- **Delegation of powers from the municipalities** upward to the intermunicipal entities (considering that intermunicipal entities are not local authorities with democratic legitimacy and therefore remain under the administrative supervision of the municipalities), and downward to the parishes;
- **Assignment of contracts** between these parties, as well as the **association of local authorities** for specific purposes, to carry out their tasks jointly (e.g. water management and sanitation; public transportation, etc.).

The distribution of statutory spatial planning competences is carried out as shown in Figure 30.

At **national level**, planning remits are shared between the Parliament and the central government.

In regard to legislation, whereas the Parliament is responsible for approving the baseline of the legal framework for spatial planning policy, the central government is in charge of enacting further legal regimes and regulations that allow for their development and implementation. With the exception of the autonomous regions that hold a special legal status, **legislative powers** are the exclusive responsibility of the national government.

FIGURE 30 - STATUTORY SPATIAL PLANNING COMPETENCES

TIERS OF GOVERNMENT	PLANNING AUTHORITY	LEGISLATIVE ROLE	PROGRAMMES & PLANS	PLANNING LEVELS
CENTRAL ADMINISTRATION	PARLIAMENT	FRAMEWORK ACT	PNPOT (APPROVAL)	
	CENTRAL GOVERNMENT Ministeries Central Administration Agencies	NATIONAL LEGAL REGIMES & REGULATIONS	PNPOT (ELABORATION) SECTORAL PROGRAMMES SPECIAL PROGRAMMES	NATIONAL LEVEL
	CENTRAL GOVERNMENT REGIONAL DECONCENTRATED AGENCIES		REGIONAL PROGRAMMES	REGIONAL LEVEL
LOCAL ADMINISTRATION	INTERMUNICIPAL ENTITIES METROPOLITAN AREAS INTERMUNICIPAL COMMUNITIES ASSOCIATIONS OF MUNICIPALITIES		INTERMUNICIPAL PROGRAMMES MASTER PLANS URBAN DEVELOPMENT PLANS LOCAL DETAILED PLANS	SUPRAMUNICIPAL LEVEL
	MUNICIPALITIES		MASTER PLANS URBAN DEVELOPMENT PLANS LOCAL DETAILED PLANS	MUNICIPAL LEVEL

Territorial programmes at national level are also a matter for the central government that is responsible for taking major political decisions and drawing-up policy guidelines. In the case of the PNPOT, whereas elaboration is the responsibility of the government, namely under the coordination of the Ministry responsible for spatial planning, approval is handed to the Parliament as an overarching policy framework. The delivery of both the sectoral and the special programmes is a matter of the responsibility of the respective policy sector. However, the final adoption of these instruments is carried out by the Council of Ministers.

At **regional level**, the elaboration of the regional programmes is awarded to the Regional Coordination and Development Commissions (CCDRs) - the central government's regional deconcentrated agencies. Nevertheless, formal coordination is a matter of responsibility of the Minister with the purview for spatial planning, and approval must be granted by the Council of Ministers.

At **local level** (municipal and intermunicipal), planning responsibilities fall to the local power, i.e., the municipalities and the intermunicipal bodies, for the latter as a delegated power. In the case of intermunicipal programmes and plans, elaboration and approval can be delivered either by the intermunicipal or municipal bodies, depending on whether the planning procedures involve the entire intermunicipal entity or only a few municipalities within the geographic area.

At the local level, a separation is also made between elaboration and approval. While elaboration is a matter of the responsibility of the executive bodies, either at the municipal (city council) or intermunicipal (metropolitan executive board or intermunicipal council) levels, approval is guaranteed by the local deliberative bodies (municipal and intermunicipal assemblies, and the metropolitan council), upon whom the duty of supervising and auditing the activity of the executive bodies lies. This is in line with the principle of independence between the several local government bodies, as stated by law.

Planning at local level respects the **principle of local autonomy**. Nevertheless, in exceptional cases, when master plans are to include provisions that go against a regional or national programme in force, **ratification by the central government** is required. In such an event, the confirmation of local provisions requires the repeal or amendment of the conflicting rules and the subsequent update of the programmes at a higher order.

7. Spatial planning instruments

7. 1. National Spatial Planning Policy Programme (PNPOT)

The National Spatial Planning Policy Programme (PNPOT) is the **highest-order spatial planning instrument** of the Portuguese system. It establishes the **major strategic and place-based policy options** with relevance to the spatial organization and development of the Portuguese territory – mainland and the Azores and Madeira archipelagos.

The PNPOT was first approved by the Parliament in 2007 (Law no. 58/2007). In 2019, a revised edition came into effect (Law no. 99/2019) after carrying out an assessment of the implementation of the former policy programme (2014).

Two **key components** of the PNPOT:

- The **report** - that offers an analysis and diagnosis of the current problems and trends, while drawing-up development scenarios and strategies for a mid-to long-term horizon. It includes the elaboration of a territorial model that outlines the organizational scheme and spatial vision for the Portuguese territory.
- The **programme of action** - that further specifies strategic objectives and policy measures to which public entities are committed to, so as to implement the strategic model.

Benefitting from the latest advancements in information systems and spatial data, the 2019 edition delivers an **updated territorial portrait and diagnosis** built upon the 2007 version. Covering different domains (e.g. natural resources; forestry and agriculture; social and economic dynamics; territorial infrastructures and services of general interest; national urban system; land use; etc.), it offers a complete survey, characterization and mapping of the current status of the Portuguese territory.

The territorial diagnosis identifies a set of **18 problems spatial planning needs address**. Among others, these include the exposure of people and assets to risks and climate change; the damage and loss of natural resources; the lack of affordable housing; ageing and the abandonment of inland rural areas; poverty and the existence of areas of social vulnerability and exclusion; the inefficiency and lack of articulation between transportation systems.

The **strategy and territorial model** were established with the year 2030 as the end of the time horizon. However, they also make reference to **major tendencies and expected scenarios** that were identified when considering a longer period of time (2050) when looking ahead for future critical issues and possible severe territorial impacts. Among these are:

- **Climate and environmental changes**, with the increase of average global temperature, the rise of sea levels and the changes in seasonal precipitation patterns;
- **Socio-demographic changes**, namely considering ageing and the demographic shortfall as a result of the falling birth rate and increasing migrations;
- **Technological changes** opening up new possibilities for the location and settlement of people and activities, but also leading to potential polarization and exclusion;
- **Socio and economic changes**, in the light of the changing patterns of globalization along with the growing environmental and ecological awareness and collective engagement.

Given the major tendencies and the recognition of these problems, **five main territorial challenges** are put forward as an anchor for the definition of a **place-based development strategy**: i) the sustainable management of the natural resources; ii) the strengthening of a polycentric urban system; iii) the enhancement of territorial diversity and inclusion; iv) the reinforcement of connectivity, both internally and externally; v) and the fostering of territorial governance).

The **territorial model** translates the political commitment into an organizational scheme, with an integrated and multidimensional development vision for the country. This aims to create the necessary resilience to face emerging transformations and challenges, and to generate new opportunities for national development and cohesion. In addition, it offers a spatial-oriented reference framework for the territorialization of public policies and the programming of public investments.

The territorial model is structured upon **five main systems** – the natural system, the urban system, the social system, the economic system and the connectivity system – while takes into account the identification and mapping of the most **critical vulnerabilities** and **exposed areas**.

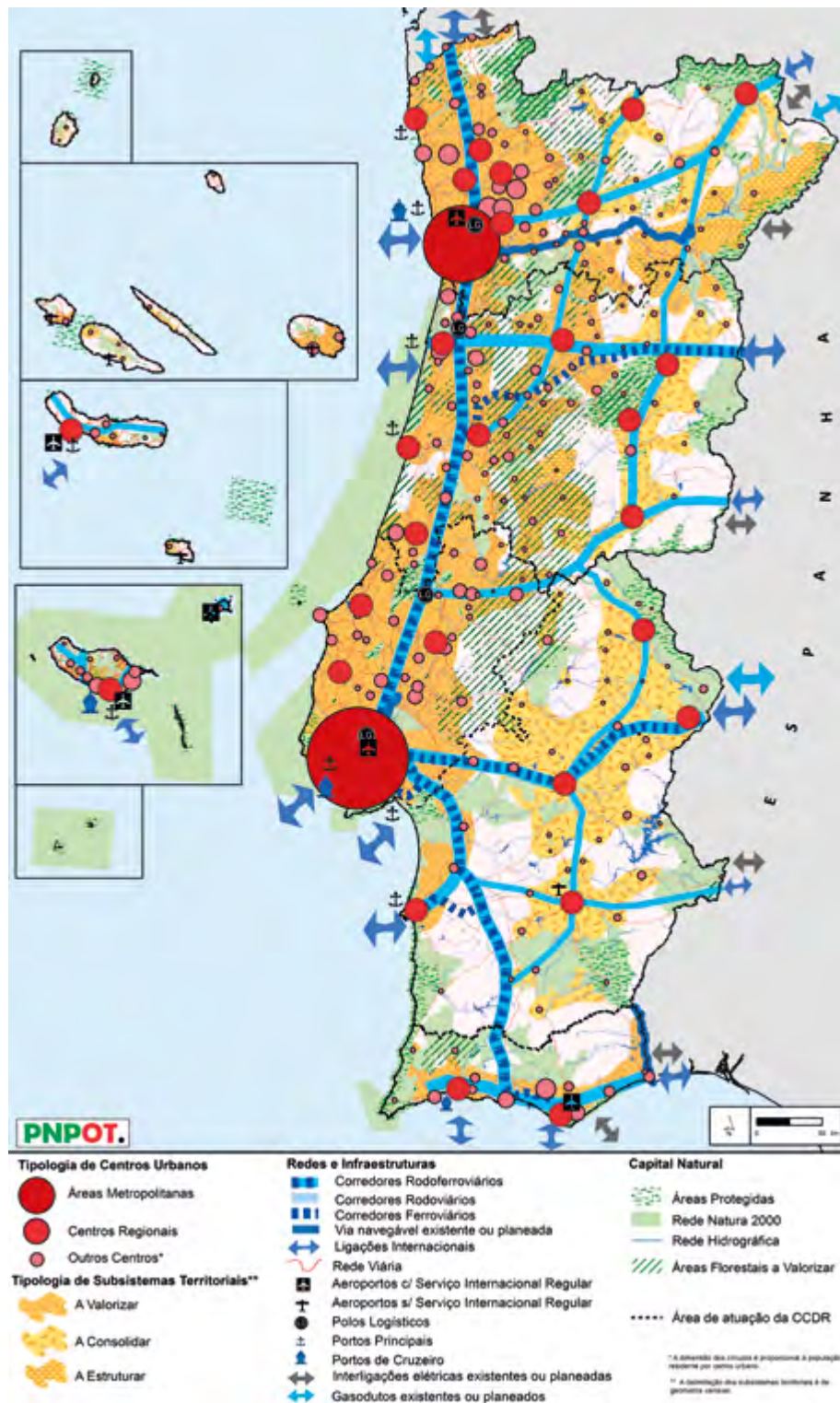


Figure 31 - Territorial Model of the PNPOT (2019)
Source: PNPOT, 2019

- The **natural system** maps the main and most strategic natural resources at national level (e.g. water and soil resources, protected areas, coastline areas, etc.) that play a key role in providing for ecosystem services;
- The **social system** maps the main social vulnerabilities (e.g. ageing, unemployment), socio-demographic dynamics (e.g. migrations, demographic decline) and the level of accessibility to services of general interest;
- The **economic system** maps the dominant economic profiles of the different regions, in connection with the identification of the main clusters of knowledge and innovation, as well as infrastructure and communication networks;
- The **connectivity system** maps the main networks of connectivity, be they ecological networks or networks of transportation and mobility, or of energy and logistics;
- The **urban system** maps the networked distribution and hierarchy of cities and urban areas (metropolitan areas, regional urban centres, other urban centres) considering the functional relationships between these and with the surrounding urban-rural areas, as well as their degree of specialization and complementarity in view of the services provided.

- The **critical vulnerabilities** include the identification of the main hazardous areas susceptible to phenomena such as flooding, coastal erosion, landslides, earthquakes, rural fires, severe drought, etc.

Finally, the PNPOT sets up a **territorial agenda** (programme of action) for the following years. Based upon 10 main policy commitments (objectives) and in line with the international agenda on sustainable development (Agenda 2030; Paris Agreement), the PNPOT sets up 50 specific policy measures to ensure the implementation of the strategy along with the envisaged model.

7. 2. Sectoral programmes by the Central Government

Spatial planning is a policy field whose mission depends on a number of sector-wide policy sectors; the Portuguese spatial planning system therefore foresees the elaboration of sectoral programmes. Nevertheless, sectors do not always use these statutory planning instruments. According to their nature and mission, sectoral planning assumes different formats and territorial coverage (e.g. national strategies, strategic programmes, plans, etc.). In this publication, some of the most impactful sectors were chosen to illustrate sectoral planning.

7. 2. 1. Forestry and landscape

Forestry is one of the policy sectors with greatest impact on spatial planning. Not only does it represent a significant part of the national territory (**70% of the national territory is covered with wilderness and forestry areas**), it also plays an important role in the provision of economic and environmental services. At the same time, forestry holds a high level of hazard-ousness in view of forest fires and the effects of climate change. An additional challenge is that Portugal has one of the lowest shares of public forestry areas worldwide, as over **90% of forestry area is under private ownership**.

In Portugal, forestry planning and management is organized in **three main levels** (national, regional and local).

At the **national level**, the **Framework Act for Forestry** (Law no. 33/96) establishes the main guidelines and principles for the management, conservation and development of forestry areas and related natural spaces. A **national strategy** also became available in 2006 (updated in 2015), providing for a number of strategic objectives, some of them with direct repercussion on spatial planning (e.g. mitigation of both biotic and abiotic risks and the rehabilitation of affected areas; territorial specialization based on macro zones of predominant uses and productivity; etc.).

National guidelines are developed at **regional or supra-municipal level** through the **Regional Forestry Programmes** (PROF). In line with the spatial planning system, these establish the general organization for forestry areas according to their potential productivity and predominant use (e.g. multifunctional systems; woody crops). Planning targets at regional level include: the establishment of forestry management models and standards of use and exploitation according to the characteristics and specificities of each region; the selection of preferred species to be used in case of afforestation; and the identification of critical areas (vulnerable to forest fires, erosion, ecological sensitivity, etc.).

PROF is to be implemented at the NUTS III level. Nevertheless, looking for efficiency gains, a second generation of PROF came into force in 2019 endorsing the amalgamation of planning units. Portugal's mainland is now entirely covered by seven updated PROF that have replaced the former 21.

Implementation takes place at the **local level**, namely through the development of **Forestry Management Plans** (PGF). Public and community woods are required, by law, to have a PGF, as are private forest holdings above a certain size. In total, almost 3000 PGF are currently in force nationwide.

To address vulnerable forestry areas, a new legal regime for landscape reconversion (Decree-Law no.28-A/2020) was created in 2020; it involved the development of Landscape Planning and Management Programme (PRGP) and the delimitation of Integrated Areas for Landscape Management (AIGP). The PRGP for the Monchique and Silves mountain ranges have been approved, with the aim to foster rural development and local economy, as well as preventing rural fires.

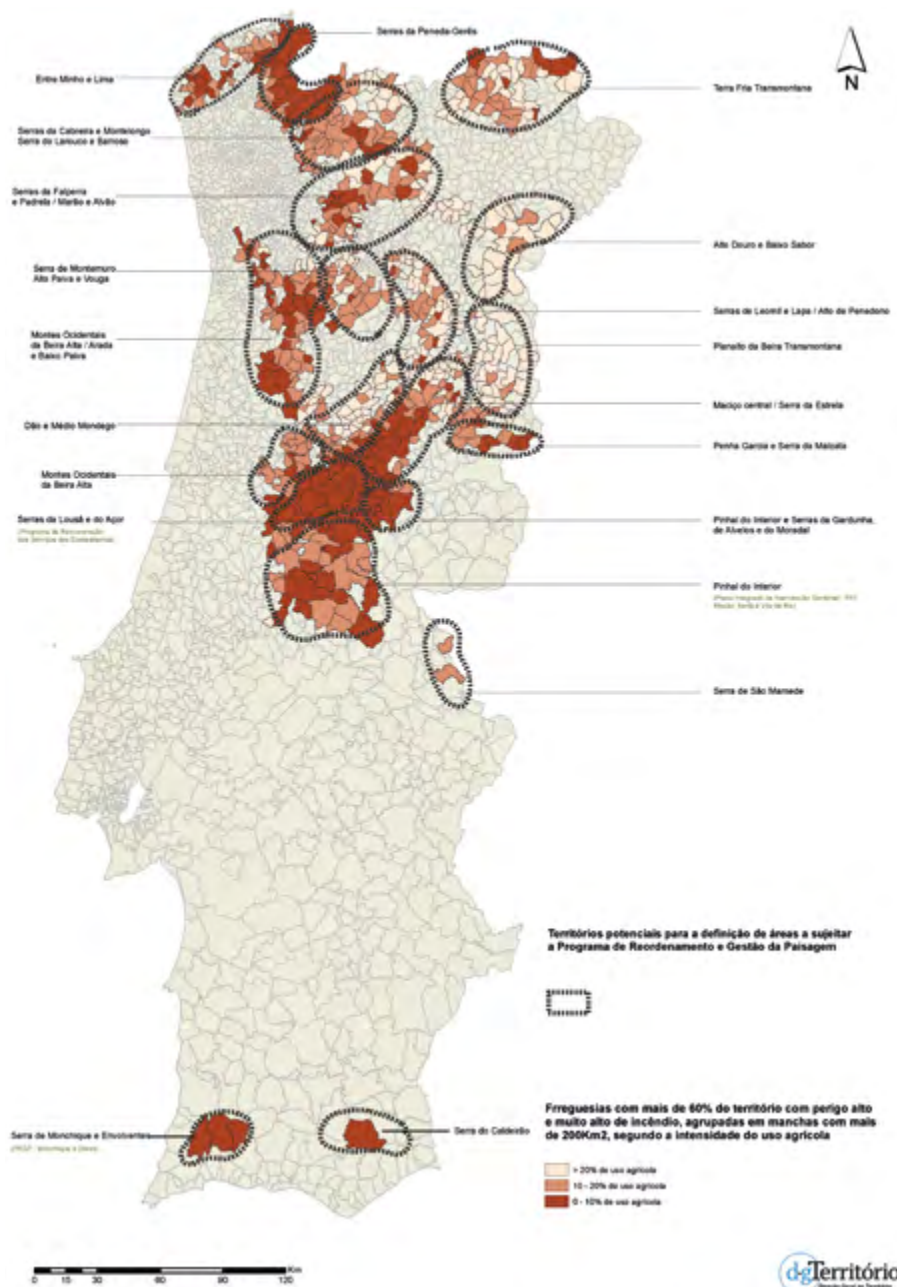


Figure 32 - Landscape Planning and Management Programmes (PRGP)
Source: DGT, 2020

7. 2. 2. Agriculture and Rural Development

Agriculture is a complex and multidimensional policy field with multiple connections with other sectors and significant effects on spatial planning. First, **rural areas are a basic fundamental piece of spatial and land use planning** vis-à-vis the settlement structure of urban areas and the growing tendency for rural abandonment and depopulation. Second, agriculture demands for essential natural resources such as the soil, water and biodiversity. Although it is a **backbone for nature conservation**, it is also a **stress factor for the environment**, particularly in the case of intensive farming. Nationwide, a huge contrast exists between the size and productivity of agricultural holdings, with **huge regional differences**. While small-sized holdings (with less than 5ha) are the majority (70%), larger holdings (with more than 50ha) represent more than 68% of the total utilized agricultural area.

In Portugal, the spatial planning of rural and agricultural areas is largely centred on the establishment of the **National Agricultural Reserve (RAN)**. The RAN is not a sectoral programme. Instead, it is a land use legal instrument with the aim of reserving land for agriculture, namely where the most suitable lands and soils are found, in agro climatic, geomorphologic and pedological terms. As such, it is, in itself, a spatial planning instrument and enforces restrictions on the use of such lands, in the public interest (Chapter 8.3.2). The delimitation of RAN areas is a procedure encompassed in spatial planning. As a constraint to land use, it becomes an integrated component of municipal or intermunicipal master plans.

The **restructuring of rural landholdings** is another important sectoral instrument with rel-



Figure 33 – Regional Forestry Programmes (2019)
Source: ICNF, 2020

advance for spatial planning (Law no. 111/2015). Under this legal regime, a number of policy instruments are made available (e.g. land consolidation operations; works for the enhancement of landholdings; creation of a national pool of available land for sale or rent) to guarantee a sustainable development of agriculture and forestry activities based on the management of rural landholdings in terms of size, use and configuration.

In line with water management policies, Portugal has seen consistent investment in the **development of land irrigation and hydro-agriculture projects**. The aim of these interventions has been to promote agricultural efficiency, respond to desertification and address climate change local impacts in view of droughts and water scarcity in Spring and Summer time, especially in dry inland regions such as Alentejo. In 2020, a new cycle of the National Programme for Land Irrigation was launched, aiming to intervene in 95 thousand hectares of irrigation land over three years, creating 54 new hectares and modernizing or rehabilitating 41 hectares. Approximately 95% of new irrigation land will be located in Alentejo as part of a plan to develop the potential capacity of the Alqueva Dam (a multipurpose project with a 250 square kilometres artificial lake).

7. 2. 3. Water Management

Water resources are a key factor for spatial planning. Not only are they a **vital asset** for the life of natural habitats and ecosystems, they are fundamental for agriculture and domestic water supply; they also represent a physical strategic **constraint** for human settlements and urbanization. For this reason, water management is a crucial part of the national environ-

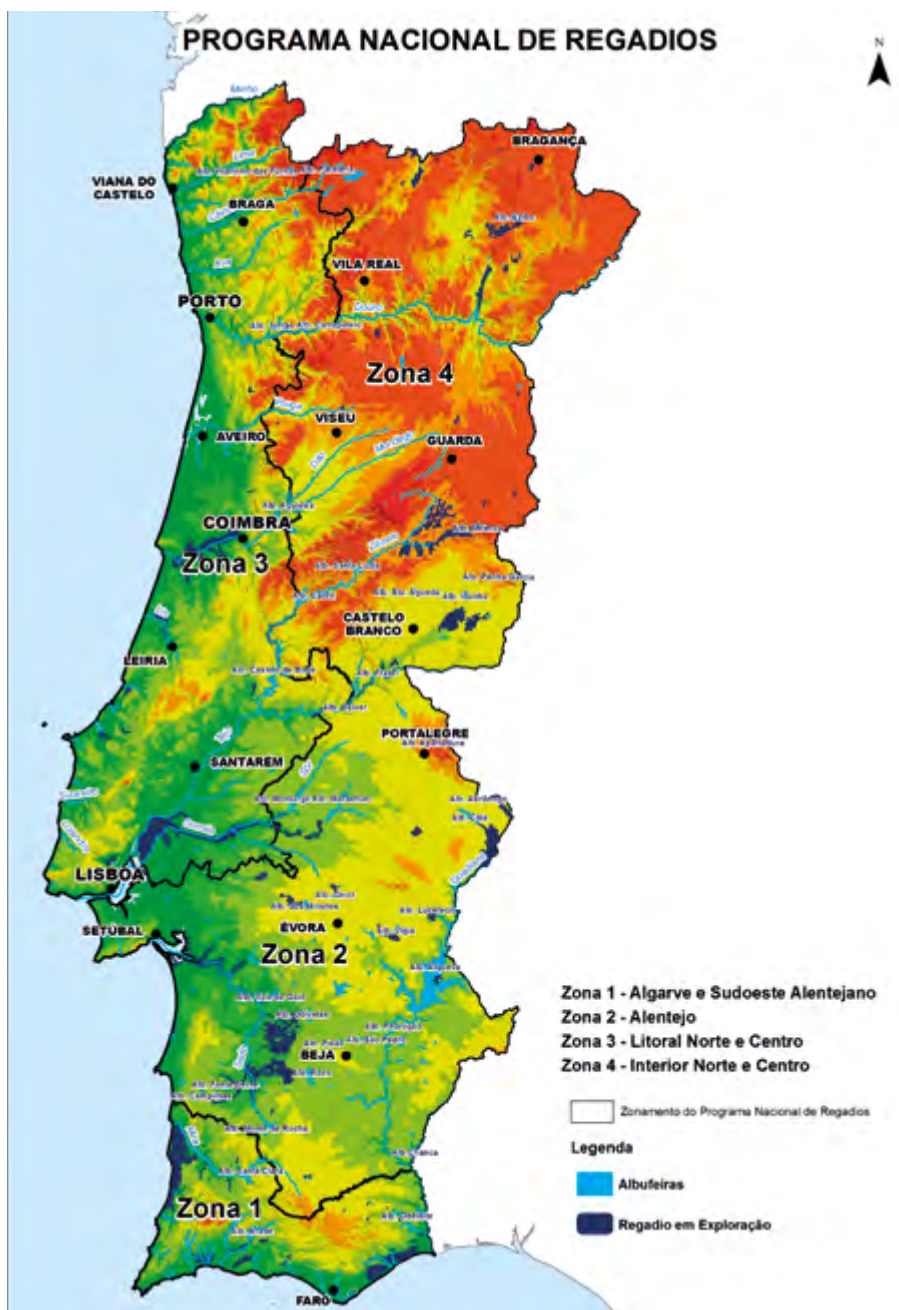


Figure 34 - National Programme for Land Irrigation
 Source: DGADR, 2021

mental policy. As water supply relies on bodies of water that do not follow the administrative boundaries of sovereign nations, water has had to be addressed at a higher level, through the **European Water Framework Directive**—WFD- (Directive no. 2000/60/CE). This has been transposed into the Portuguese legal system through the national **Law on Water** (Law no. 58/2005, updated in 2012). For the same reason, there is a strong **Iberian cooperation** at this level as Portugal shares a relevant number of water basins with Spain. Iberian cooperation is managed under the Convention of Albufeira.

In Portugal, the planning and management of water resources is implemented through **several planning instruments**. All together, these aim to administer the **availability** and **quality of water resources** (both surface and groundwater) and its sustainable and equitable **allocation to the different uses**. Both the user and polluter-pays principles are considered as a policy backbone to foster an efficient and responsible use of water considering environmental costs.

At a national level, the **National Water Plan** (PNA) meets the European goals laid down in the WFD. The national plan was first approved in 2002. Still, an updated version was released in 2016 (Decree-Law no. 76/2016) to reach the targets of the new legal framework, establish the main strategic guidelines for the second water planning cycle (2016-2021) and envision the preparation of the third cycle (2022-2027). Strategic objectives comprise: the protection and requalification of both aquatic and terrestrial ecosystems, including wetlands; the sustainable use of good quality water; and the alleviation of the effects of both floods and droughts.



Figure 35 - River basins of continental Portugal
Source: APA, 2021 in <https://snirh.apambiente.pt/snirh/atlasagua/galeria/mapasweb/pt/aa1002.pdf>. Access: 05 may 2021

The **River Basin District Management Plans** (PGRH) are the key tool for water management, in respect to the principle of subsidiarity and the distinctive features of national aquifers and coastal waters. In total, Portugal comprises **10 river basin districts**, two of them located in the Azores and Madeira archipelagos. Considering the different uses and the current and expected levels of consumption, the PGRH take stock of both the availability and demands of water, bearing in mind the storage capacity. The protection and enhancement of water bodies to reduce pollution and guarantee good water status, is also a goal. According to European guidelines, the PGRH are subject to a review every six years. The second cycle of PGRH are currently in force, and the third cycle plans are currently under preparation.

Water management also relies on other more specific planning instruments: the Nacional Programme for the Efficient Use of Water (PNUEA); the Strategic Plan for Water Supply and Wastewater Sanitation (PEASAAR), especially focused on urban water services; and the National Programme for Dams with Significant Hydroelectric Potential (PNBEPH). Public water reservoirs and river estuaries are also the subject of distinct special programmes directed at the safeguard of natural resources (Chapter 7.3).

7. 2. 4. Nature Conservation and Biodiversity

Nature conservation is a fundamental facet of spatial planning policy. Indeed, natural resources, as well as the habitats, ecosystems and the biodiversity they support, are **vital territorial assets** on which national territorial cohesion and development depends on. Yet, nature con-

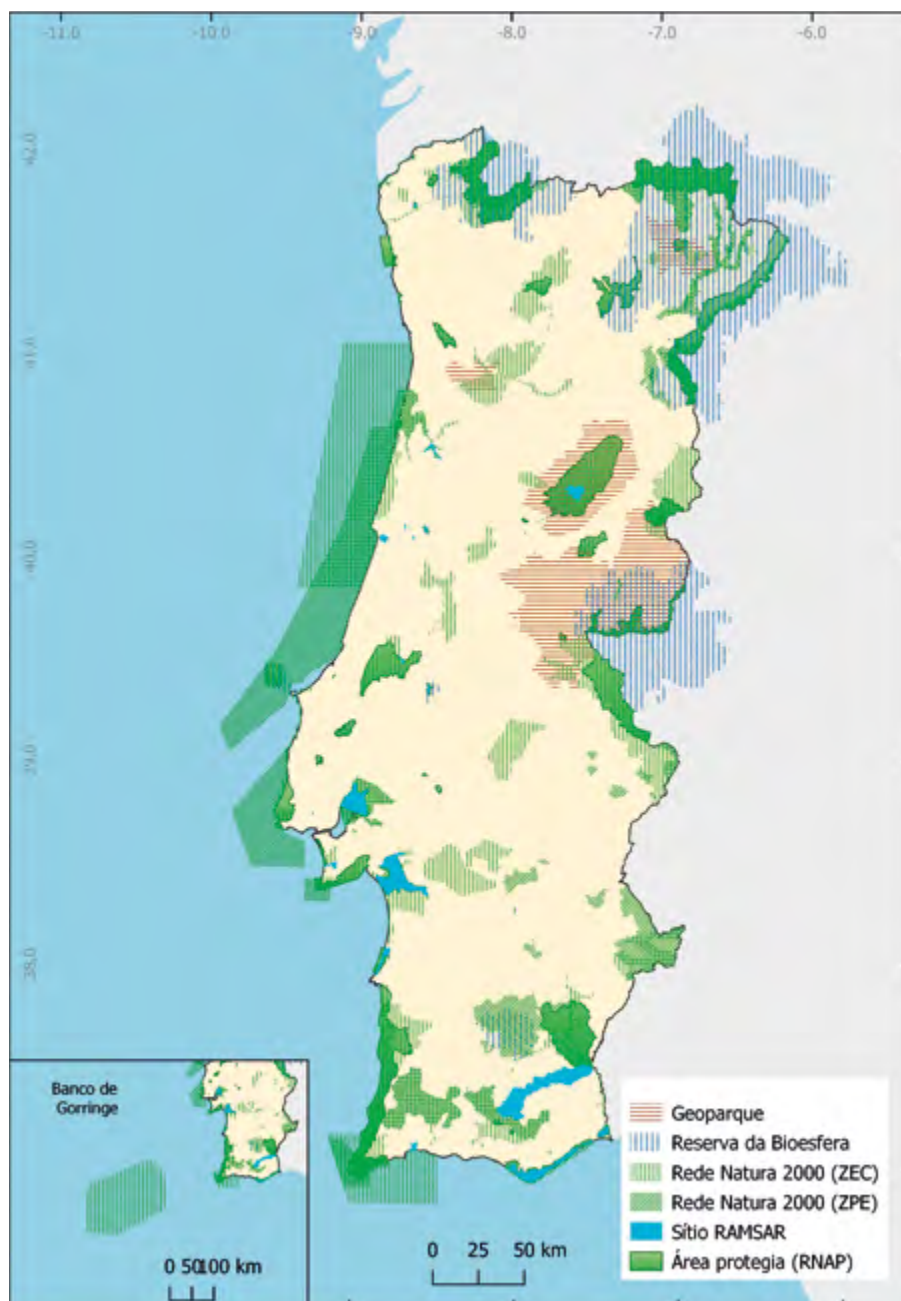


Figure 36 - National System for Classified Areas (SNAC)
Source: ICNF, 2021

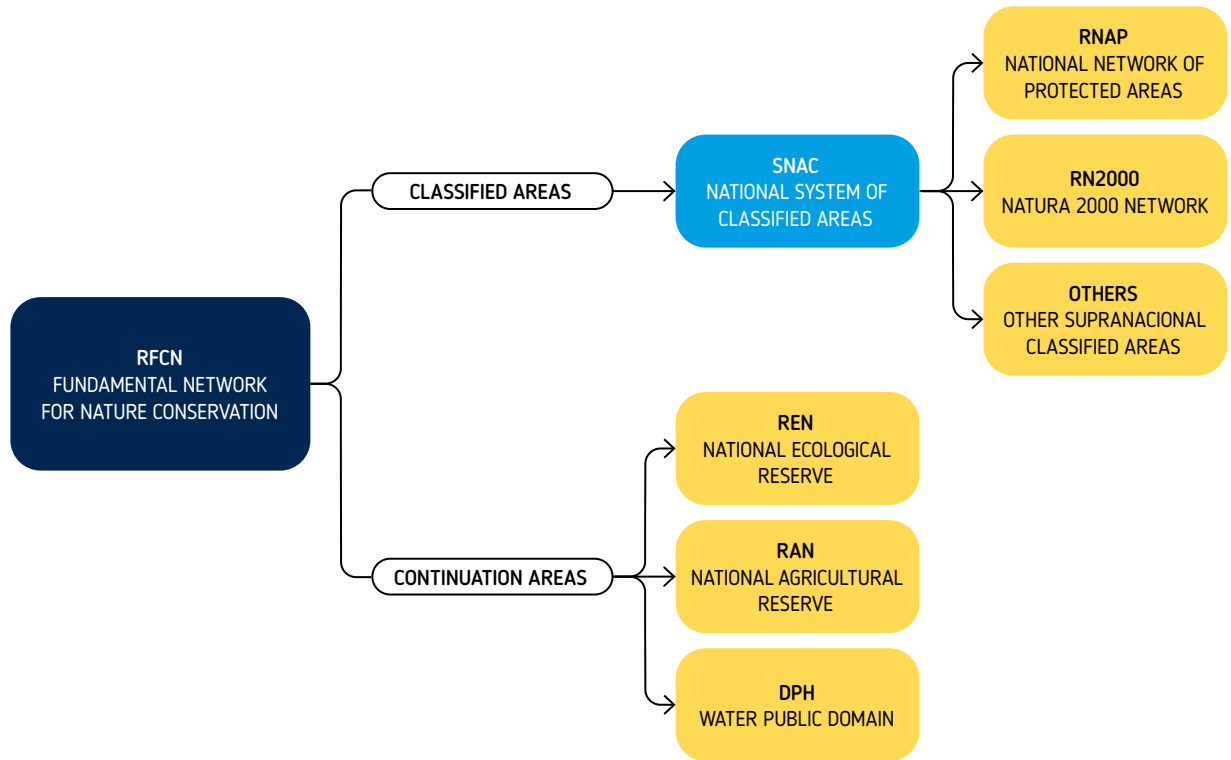
servation has a larger magnitude rather than just the space within national borders. The subsistence of the ecological networks and of natural heritage, both European and worldwide, necessarily lean on the local protection of ecosystems and habitats. This is the reason why the national policy for nature conservation and biodiversity is rooted in a set of **international and European conventions, networks and strategic frameworks**. Portugal is distinguished by its wealth of natural resources and biodiversity providing important environmental services at the European level.

The management of nature conservation is essentially framed under two policy documents: the **legal regime for nature conservation and biodiversity** (Decree-Law no. 142/2008 amended by Decree-Law no. 242/2015), which sets up the main policy principles, instruments and types of action; and the **National Strategy for Nature Conservation and Biodiversity 2030** (ENCNB 2030), which establishes national strategic guidance, as well as a number of concrete measures, inherent responsibilities and possible funding. Both documents consider nature conservation as a factor of national competitiveness and development, and look at means to attain international goals.

The two main **types of actions** considered under the legal framework are: **active conservation actions** which comprise direct intervention on species and habitats for preservation and recovery when necessary; other **support actions** covering actions regarding regulation, registration, monitoring and inspection.

The **identification and demarcation of basic infrastructure for nature conservation** becomes

FIGURE 37 - FUNDAMENTAL NETWORK FOR NATURE CONSERVATION



the essential piece for planning and management, given different levels of protection (international, European, national, regional/local) and the stakeholders involved (state, local authorities, private stakeholders).

This is called the **Fundamental Network for Nature Conservation (RFCN)** (Figure 37). It brings together a number of classified areas and adds other non-classified areas. The first are part of the **National System for Classified Areas (SNAC)**. It includes all the areas and sites subject to heritage classification, whether at national, regional or local level, that are under the **National Network of Protected Areas (RNAP)**; at the European level under the **Nature 2000 Network**; at international level integrated under other cross-border and transnational co-operation commitments (e.g. Ramsar sites; UNESCO Biosphere Reserve; etc.). Classification procedure allows for the award of a legal statute of protection and, therefore, looks for legal impacts and the ability to establish rules and penalties in the case of violation. The second are **continuation areas**. Although not provided with a formal label for heritage-protection, they play an important service to guarantee the continuity of ecological networks. All areas part of the **National Ecological Reserve (REN)**, the **National Agricultural Reserve (RAN)** and the **Water Public Domain (DPH)** are perforce included in the RFCN.

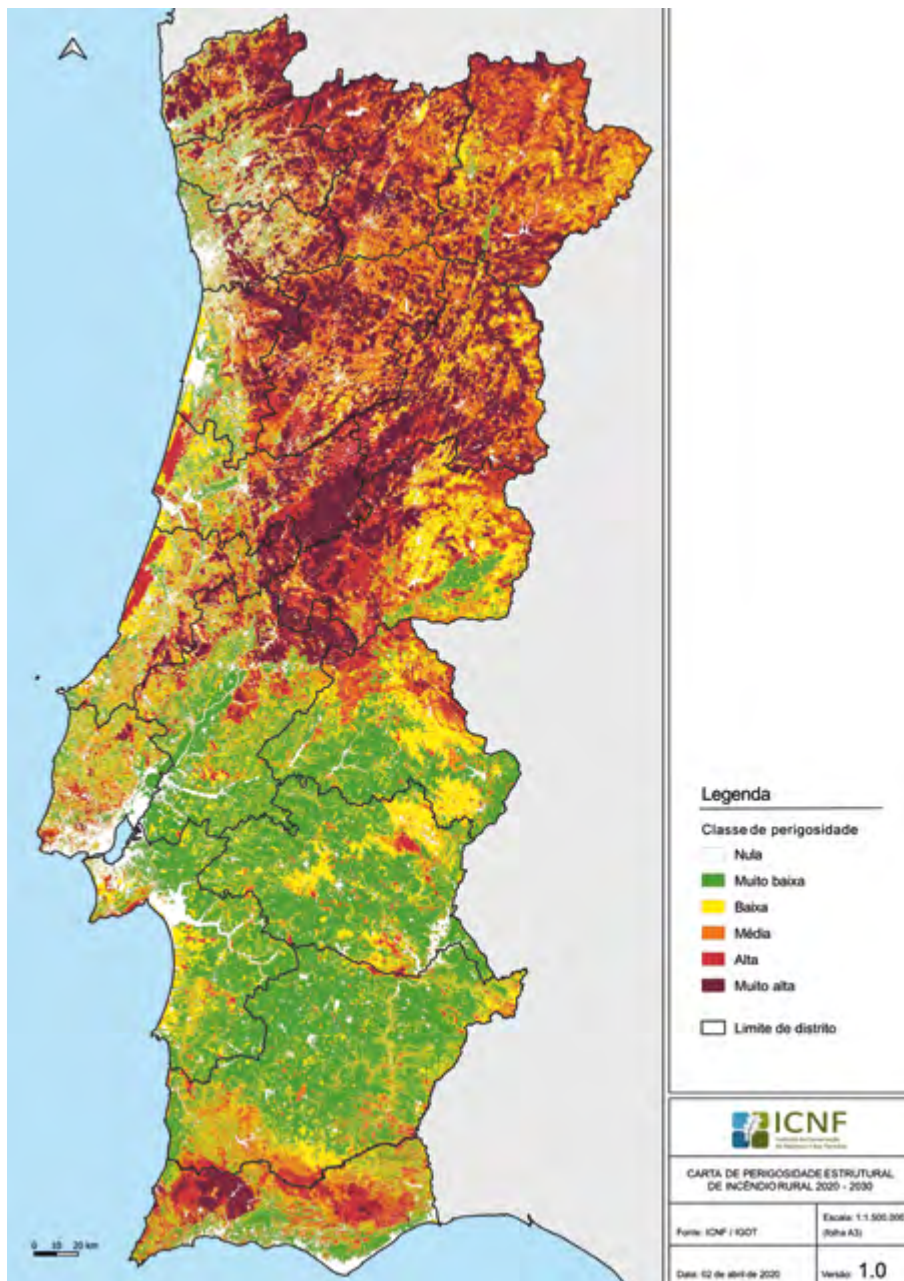
Planning for nature conservation is complemented with the elaboration of **special programmes for protected areas** (e.g. natural parks; national reserves), part of the spatial planning system (Chapter 7.3).

7. 2. 5. Risks and Climate Change

The **preventive management of risks** is ever more a concern and priority for spatial planning. Risk prevention acts as a **constraint** to the spatial organization of the territory and the settlement of people and human activities. This assumes growing relevance in face of a **backdrop of climate change**, when hazards increase in frequency and seriousness, and territories become more vulnerable. Due to its geographical location and climatic and geomorphological characteristics, Portugal is particularly exposed to different types of hazards (e.g. droughts, floods, heat waves, extreme precipitation events; rural fires, etc.). The settlement structure of the country, varying between highly agglomerated metropolises on coastline areas, and disperse rural territories, poses a major challenge for risk management in spatial planning.

In Portugal, **risk management** is not the subject of a single sectoral programme. Nor is it the target of a sole policy field. On the contrary, it springs from a **wide range of different sectors and**

Figure 38 – Structural hazard of rural fire 2020-2030
 Source: ICNF, 2021 in <http://www2.icnf.pt/portal/florestas/dfci/inc/cartografia/cartografia-perigosidadeestrutural-2020-2030>.
 Access: 04 may 2021



plans that provide strategies and policy measures to deal with hazards and climate change. In 2012, a Ministerial Order demanded the elaboration of an integrated sectoral plan for risk prevention and reduction. However, only a technical report came to an end. Notwithstanding, the National Spatial Planning Policy Programme (PNPOT) considers **critical vulnerabilities in a joint map** (Figure 39) coping with various hazards and vulnerable areas (Chapter 7.1).

Some available planning instruments addressing risks include:

Climate Change: Strategic framework for climate change includes both mitigation and adaptation. While the National Programme for Climate Change (PNAC 2020/2030) is focused on mitigation and the transition towards a low-carbon economy, the National Strategy for Climate Change Adaptation (ENAC 2020) aims to integrate adaptation into several policy fields. The development of municipal strategies for climate change adaptation is now the new battlefield. 27 municipalities have already developed one.

Coastline: In addition to the special programmes targeted at coastline areas (Chapter 7.3), the National Strategy for Integrated Coastal Zone Management (ENGIZC) runs an integrated vision for the coastline. Both natural hazards (e.g. coastal erosion, tsunamis, etc.) and anthropic activities (e.g. intense urbanization, tourism, etc.) are considered.

Floods: In line with the European Directive for the assessment and management of flood risks, Portugal provides a national legal framework to reduce damages related to floods (Decree-Law no. 115/2010). Planning for flood risks includes six different cycles, ranging from the identification of critical areas to the elaboration of Flood Risk Management Plans (PGRI). Continental river basin districts are now covered by a second cycle of PGRI (2016-2021).

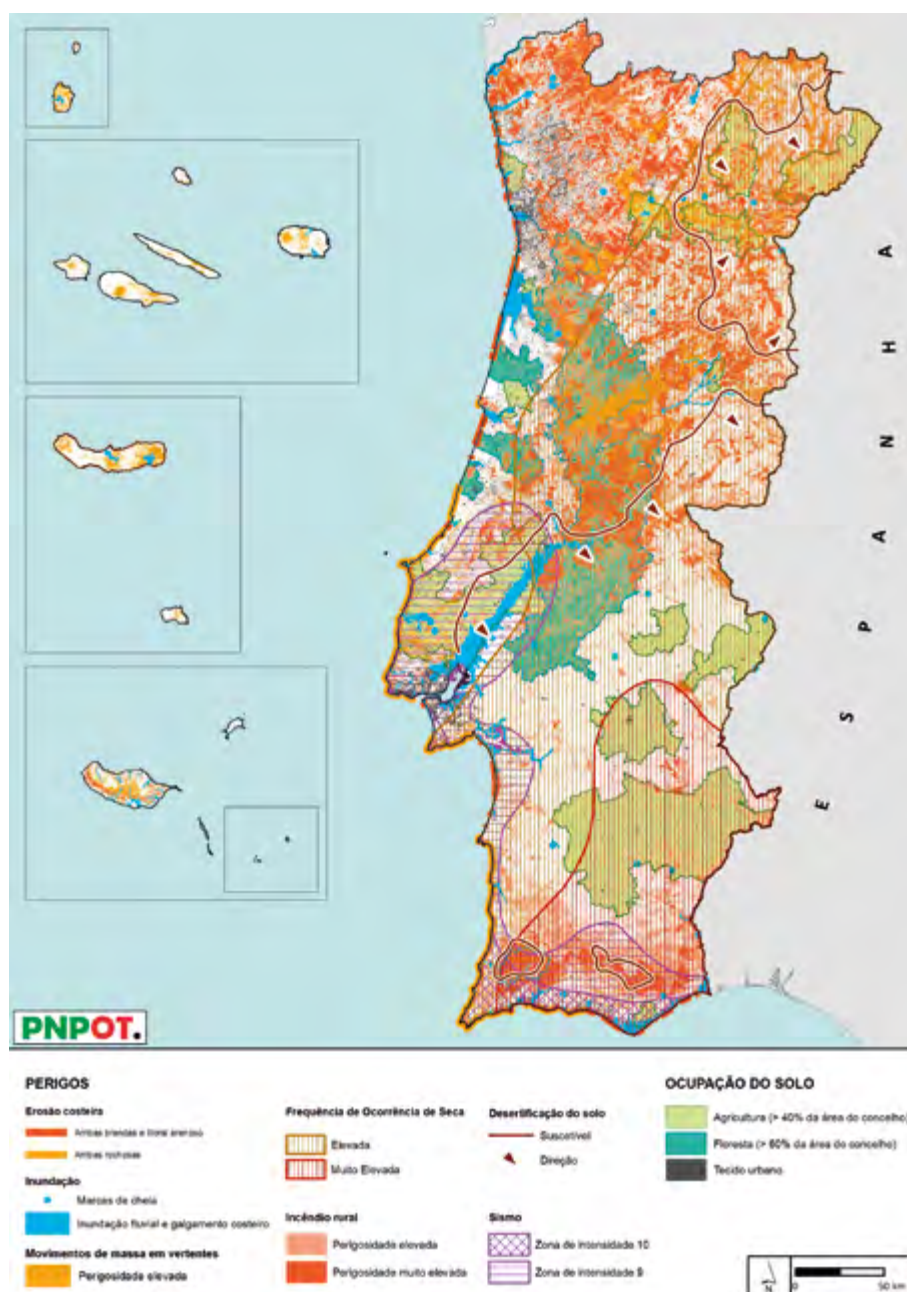


Figure 39 – Critical vulnerabilities constraining the territorial model of the PNPOT
Source: PNPOT, 2019

Rural fires: Several legal documents frame the national approach to fires, namely the Decree-Law no. 124/2006. Plans to Protect Forests from Fires at both national and municipal level are among these. One of the objectives is to carry out preventative measures to reduce fires and increase territorial resilience. Municipal plans aim to implement at local level national regulations and guidelines. Annual mapping of hazardousness is also available nationwide.

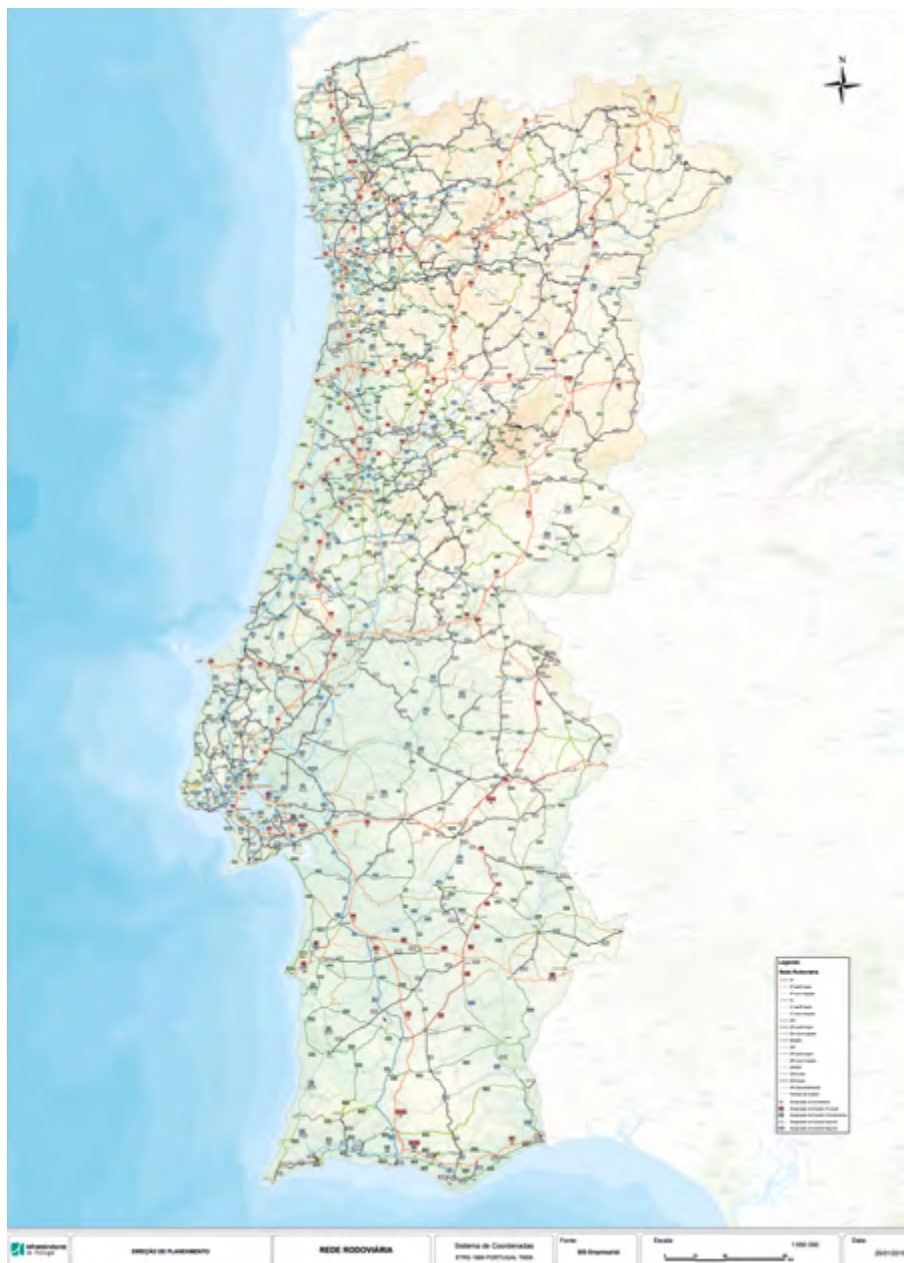
Desertification: Since 1999, Portugal is endowed with a National Action Programme to Combat Desertification in response to international obligations.

7. 2. 6. Transportation and Infrastructure

Transportation and infrastructure are key impactful sectors for spatial planning. They are a **pivotal factor of territorial cohesion**, namely in respect of connectivity and equitable access to services of general interest. Nonetheless, they also have hard territorial impact, demanding conciliation and compatibility between transport infrastructure and the network of green infrastructure that performs key ecological and environmental services.

The **Strategic Plan for Transportation and Infrastructure** (PETI 3+) synthesizes the national strategy for the sector. Four main areas (roads, railway, ports and airports) are included. Despite having 2020 as the time-horizon for its application, it foresees a longer-term vision (2050). Envisaged goals involve: the integration of national networks into the Trans-European Transport Network (RTE-T) and the Single European Sky; the entire coverage of the national territory with intermodal transportation systems and network infrastructure; the supply of efficient daily travel services and infrastructure; the supply of good public transportation

Figure 40 - National Road Plan
 Source: Infraestruturas de Portugal, 2021 in <https://www.infraestruturasdeportugal.pt/sites/default/files/files/Mapa%20Plano%20Rodovia%cc%81rio%20Nacional.pdf>.
 Access: 04 may 2021



at national, regional and local level, as a deterrent to the use of private vehicles; etc..

The **territorial model of the PNPOT** is the spatial reference, namely in regard to the identification of major corridors for internal and international connectivity. Along with the PNPOT, and building on the PETI 3+, a new multi-sectoral National Investments Programme (PNI2030) came to light in late 2020. It sets up the main structural strategic investments at a national level for the following decades and programming cycle. Apart from mobility and infrastructures, the PNI2030 also covers projects and investments on sectors such as the environment, energy and irrigation.

In addition, each sector has specific planning instruments.

Roads: The National Road Plan (PRN) (Figure 40) is the regulatory tool for national road infrastructure. It dates back to 1945 and has been subject to revisions, the last one from 1998 (PRN2000). The plan distinguishes between the fundamental network (main routes) and the complementary network and establishes criteria for the provision of national roads connecting urban areas. Roads that are not part of the national system are included in the municipal network.

Railway: The Railway Investment Plan 2020 implements PETI 3+ guidelines. Investments include the extension, modernization and electrification of the rail network. The elaboration of a new National Railway Plan (PFN) is currently underway, expected for March 2022. The objective is to have a medium, long-term planning instrument to place national railway centerstage as a high-capacity and environmentally-friendly mode of transport.

Ports and harbours: National trading ports (Sines, Lisbon and Leixões) are important hubs with-

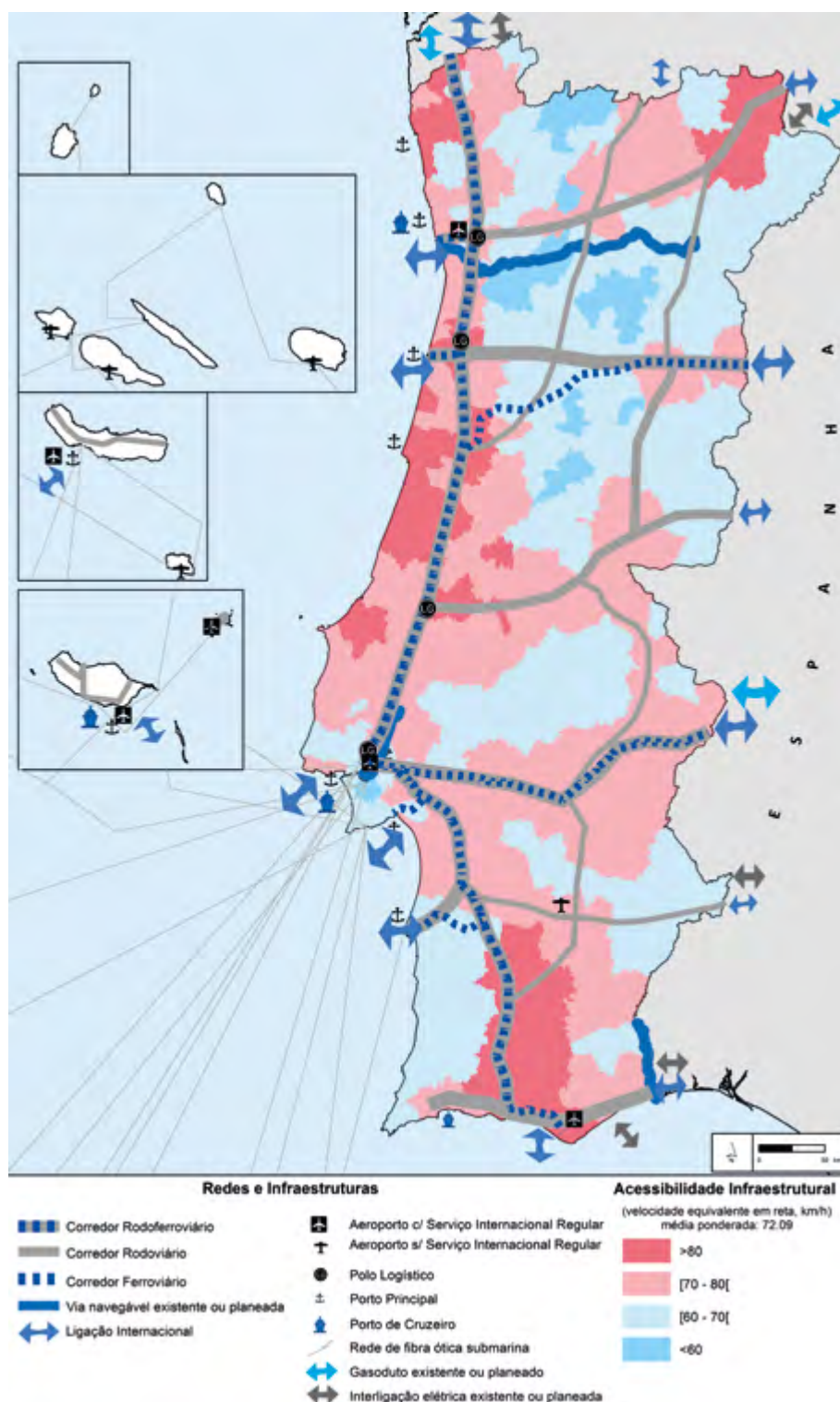


Figure 41 - Physical connectivity and infrastructural accessibility network
Source: Infrastructures of Portugal (2017) in PNPOT, Jul 2018, p. 82

in the RTE-T, to which complementary ports are added. Specific planning relies on the Strategy for the Growing Competitiveness of Continental Trading Ports 2026 and seeks to improve port infrastructures and facilities.

Airports and airlines: The strategic plan for airports is settled under the concession contract with ANA - the Portuguese Airports Enterprise, committing the firm to investments to improve airport infrastructures.

7. 2. 7. Services of General Interest

The distribution of and the access to **public facilities** and **services of general interest** is a key milestone in the spatial organization of the territory and the hierarchy of the urban system. The efficient and equitable access of people to health, education, social security, justice and to sports and recreational facilities, is a sign of social, economic and territorial cohesion and a path towards social justice.

To achieve this, the programming of services of general interest, in terms of **location, size, type** and **characteristics**, respects different norms that vary according to each sector. Nonethe-

less, there are common criteria that allow for an understanding of how public facilities and services of general interest are determined.

Population is one of them. Depending on the sector and type of facility, there is a **population threshold** beyond which a specific facility or service not only is functionally and socially requested, but also becomes economically viable.

Another criterion is **irradiation**. Irradiation is the maximum traveled time or distance users need to take to reach a selected facility departing from home and using a specific mode of transportation, be it by public transports, car or walking. Depending on the characteristics of transport infrastructures and the available transportation services, as well as the physical features of the terrain, irradiation results in an equally accessible surface area. This is called the **area of influence** of a certain facility. Therefore, the programming of facilities and services of general interest is not detachable from the networks of connectivity and accessibility.

Each sector is usually organized under a **hierarchical system of different categories of units and services**. The way each sector is spatially organized varies based on their respective functional and dimensional standards.

Functional complementarity is an important issue to foster territorial rationality and economy of the system. The selection of the most appropriate scale to organize functional units (e.g. regional, NUTS III/supra-municipal, municipal), the grouping of facilities according to their own specificities and the needs of the population, among others, are among the possibilities to promote a rational distribution and functioning of public facilities and services of general interest.

7. 3. Special programmes for the protection of natural resources

Special programmes are planning instruments aimed at **protecting natural resources and assets of national interest** within a circumscribed territorial area. The main objective is to guarantee that human activities do not jeopardize highly relevant strategic resources but, rather, that they coexist in harmony.

To this end, special programmes involve the setting of a safeguard regime namely through the **regulation and management of allowed, limited and prohibited actions or activities**. These may include access and movement of people and vehicles through the areas, as well as sports and other activities whenever use and behaviours can endanger the natural and cultural heritage. Penalties for failure are also established.

Nevertheless, **land use regulations are not included**. Instead, these are a matter of the exclusive scope of territorial plans. In 2014, when the new spatial planning framework act was approved, land use regulations were required to be transposed into the municipal or intermunicipal master plans; they would otherwise be at risk of being declared null and void. Since then, former special plans have been subject to revision to adopt the new legal guidelines and nomenclature (special programmes).

The **targeted areas** include the coastline, protected areas for nature conservation and biodiversity, public water reservoirs, river estuaries and archaeological sites. **Different types of special programmes** may be adopted according to the target area and type of resource under protection.

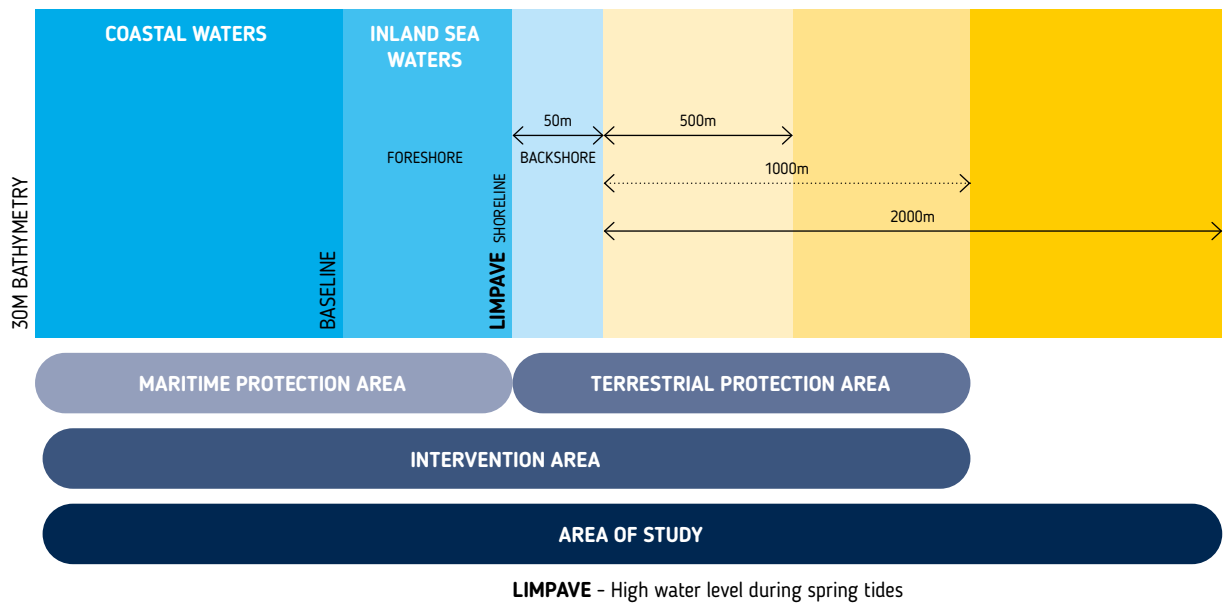
7. 3. 1. Programmes for the Coastline (POC)

The coastline, as well as its continuous coastal waters and inland areas, are of strategic importance not only from an environmental perspective, but also from a socio-economic, cultural and recreational point of view. As such, the POC aim to create the conditions for an **integrated management of coastal areas**. Apart from the safeguard and enhancement of coastal resources to maintain biophysical equilibrium as a valuable asset, the POC also looks at accommodating compatible uses and activities with an eye to the load-capacity of natural systems.

To achieve this, POC cover areas to include **two buffer zones** (Figure 42):

- The **terrestrial buffer zone** – a strip of land along the coastline, at least 500m wide (from the shoreline (backshore) towards the hinterland). The width of the strip can reach 1000m where this is deemed appropriate to protect coastal systems (e.g. dunes, fossil cliffs, coastal lagoons; wetlands, etc.) and inherent dynamics.
- The **maritime buffer zone** – the water strip that goes from the limit of the foreshore - i.e., the high-water level during spring tides - up to the 30m bathymetry line.

FIGURE 42 - BUFFER ZONES



Additionally, the **Portuguese coastline is divided into sections**, each of which has a specific POC.

Until the new legal framework comes into place, the continental coastline was divided into nine sections. In these second generation POC, some sections were grouped to reduce the number of continental POC to six. Two have already been reviewed (Ovar-Marinha Grande; Alcobaça-Cabo Espichel) (Figure 43), whereas the others are still under development (Caminha-Espinho; Espichel-Odeceixe; Odeceixe-Vilamoura; Vilamoura-Vila Real de Santo António).

Safeguarding norms include: the preventive **management of coastal risks** (e.g. erosion of sandy soils, landslides on fossil cliffs, floods and wave over topping, etc.); the **protection of natural assets** through the identification of different areas and levels of protection within the two buffer zones; and the **management of water**. The POC also include the development of **beach management plans and regulations**.

7. 3. 2. Programmes for Public Water Reservoirs (POAAP)

The POAAP act over **classified public water reservoirs** with the aim of safeguarding and enhancing water resources while ensuring their sustainable use. These include reservoirs of dams and other lakes or lagoons for public water services.

Classification of water reservoirs is a mandatory procedure under the responsibility of the central government. It comprises three different categories:

- **Protected use reservoirs** – those whose use or expected use is the supply of public water, as well as those included in a protected area under classification.
- **Conditional use reservoirs** – those whose inherent features (e.g. steep and sloping margins; flooded barriers; difficult access; location at international border; etc.) may demand for restrictions on use.
- **Free use reservoirs** – those without any specific restrictions and especially oriented towards tourism and recreation.

Currently, in mainland Portugal, there are **179 classified water reservoirs** (126 of protected use, 25 of conditional use and 28 of free use) and **44 POAAP** (first generation plans) currently in force (some of them may cover one or more reservoirs) (see Figure 44). Other POAAP are now under elaboration or revision in accordance with the new legal framework.

The **safeguard regime** establishes the uses that are permitted and not permitted, as well as rules for compatible activities (e.g. fishing, water sports or other recreational activities, etc.). It covers the water body and the **terrestrial buffer zone** - 500 meters wide (up to 1000m where deemed appropriate). Zoning also involves the delimitation of a **restricted area** 100m wide inside the buffer zone to avoid erosion, protect the surrounding plant cover and fauna, and preserve the water status. Other buffers for the exclusive protection and safety of dams can also be established.

Figure 43 - Territorial Model of the POC of Alcobaça - Cabo Espichel, 2019
Source: APA, 2020

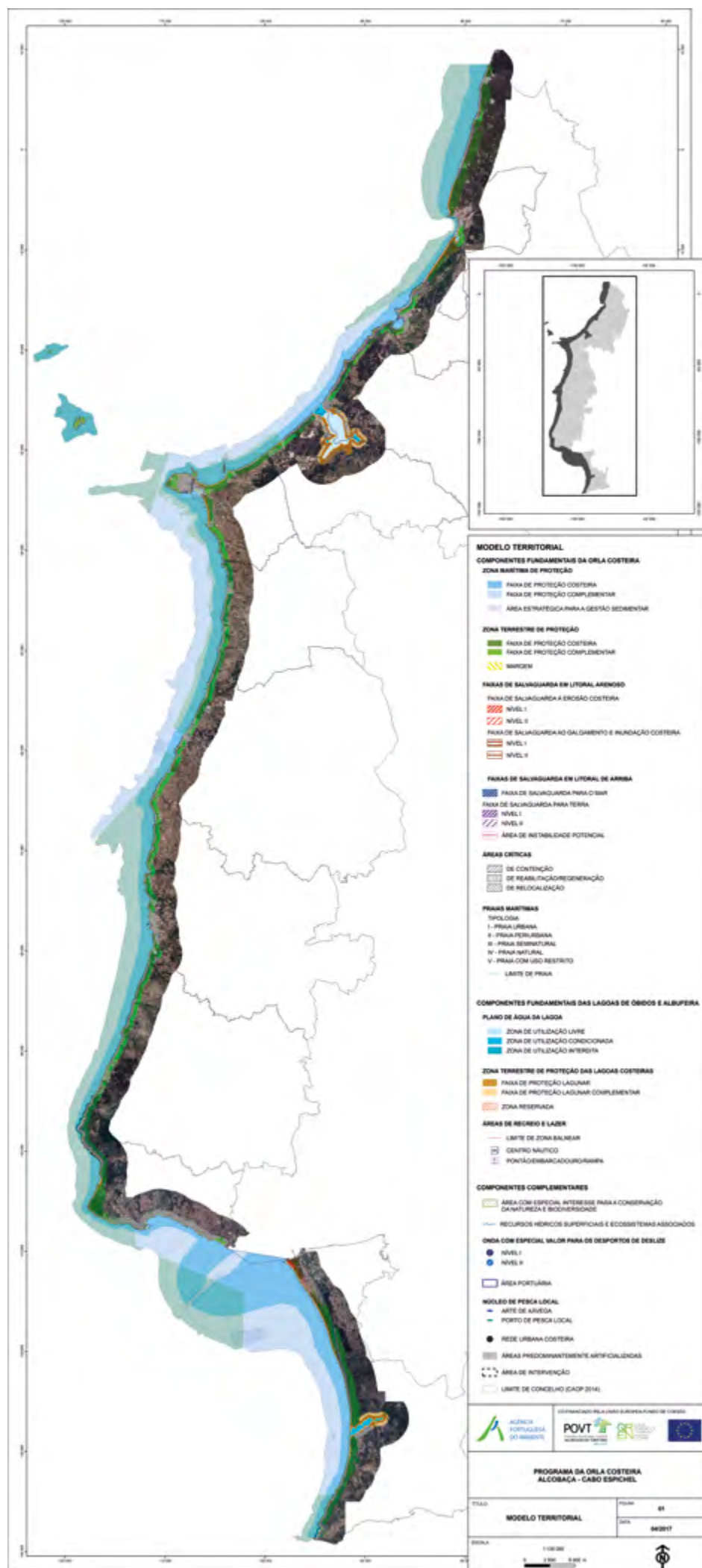


FIGURE 44 - CLASSIFIED WATER RESERVOIRS AND POAAP IN FORCE

	Water district administration North		Water district administration Centre		Water district administration Tagus & West		Water district administration Alentejo		Water district administration Algarve
Classification	Classified reservoirs	POAAP in force	Classified reservoirs	POAAP In force	Classified reservoirs	POAAP In force	Classified reservoirs	POAAP In force	Classified reservoirs
Protected Use	56	7	14	2	31	11	19	10	6
Conditional Use	11	0	10	0	4	0	0	0	0
Free Use	5	1	2	0	10	2	11	6	0
Total	72	8	26	2	45	13	30	16	6

7. 3. 3. Programmes for the River Estuaries (POE)

The POE act over the **river estuaries**. These include the bed and margins of the river, as well as transitional waters. Riverbanks are also protected under the establishment of a territorial buffer zone that goes up to a maximum of 500m.

The POE aim at protecting river waters and ecosystems through an integrated management that includes the river banks. Due to their location, estuaries are often very **complex systems** that act as interfaces of a number of overlapped distinct ecosystems (terrestrial and aquatic ecosystems) and activities (urban, industrial, port facilities, agriculture, forestry, recreational, etc.). This runs that the articulation with the other spatial planning instruments is of particular importance.

According to the law (Decree-Law no. 129/2008), four specific river estuaries were required to have a POE: the **Douro, Mondego, Vouga and Tagus** estuaries. Both POE for the Douro and Tagus estuaries have begun to be developed, however none have yet reached the final stage of approval.

7. 3. 4. Programmes for the Protected Areas (POAP)

According to the legal regime for nature conservation and biodiversity (Chapter 7.2.4), all the protected areas included in the National Network of Protected Areas (RNAP) and provided with a classification at national level are required to have a POAP. **Classification at national level** can be assigned to one of the following categories: **national park; natural park; natural reserve; or protected landscape**.

Within the protected area, the POAP are to regulate all the permitted and non-permitted actions or activities, as well as those dependent on compliance with certain conditions or standards. As land use regulations are an exclusive matter of the municipal and inter-municipal plans, the POAP (as are all the other special programmes) are limited to the prescription of management norms. These are included in an administrative regulation set aside. Following the guidelines and terms of the POAP, it is binding for both public entities and individuals.

Nonetheless, to establish the safeguard regime, the POAP can lay down different areas and levels of protection in view of the relative relevance of natural resources at play and respective ecological sensitiveness:

- **Areas of full protection** – those that include landscape and natural assets of outstanding value and therefore of high ecological sensitivity. Human activity is required to be reduced to a minimum.
- **Areas of partial protection** – those that include relevant natural landscapes and assets and where land uses and human activities need to adapt so natural habitats and biodiversity can be well-preserved.
- **Areas of complementary protection** – those having a role in providing for a transitional background and deterrent mechanism to protect the highest value areas against the negative effects of human activity.

At the present time, **25 POAP are in force** for all 25 protected areas classified in Portugal at national level, as follows: 1 national park; 13 natural parks; 9 natural reserves; and 2 protected landscapes.

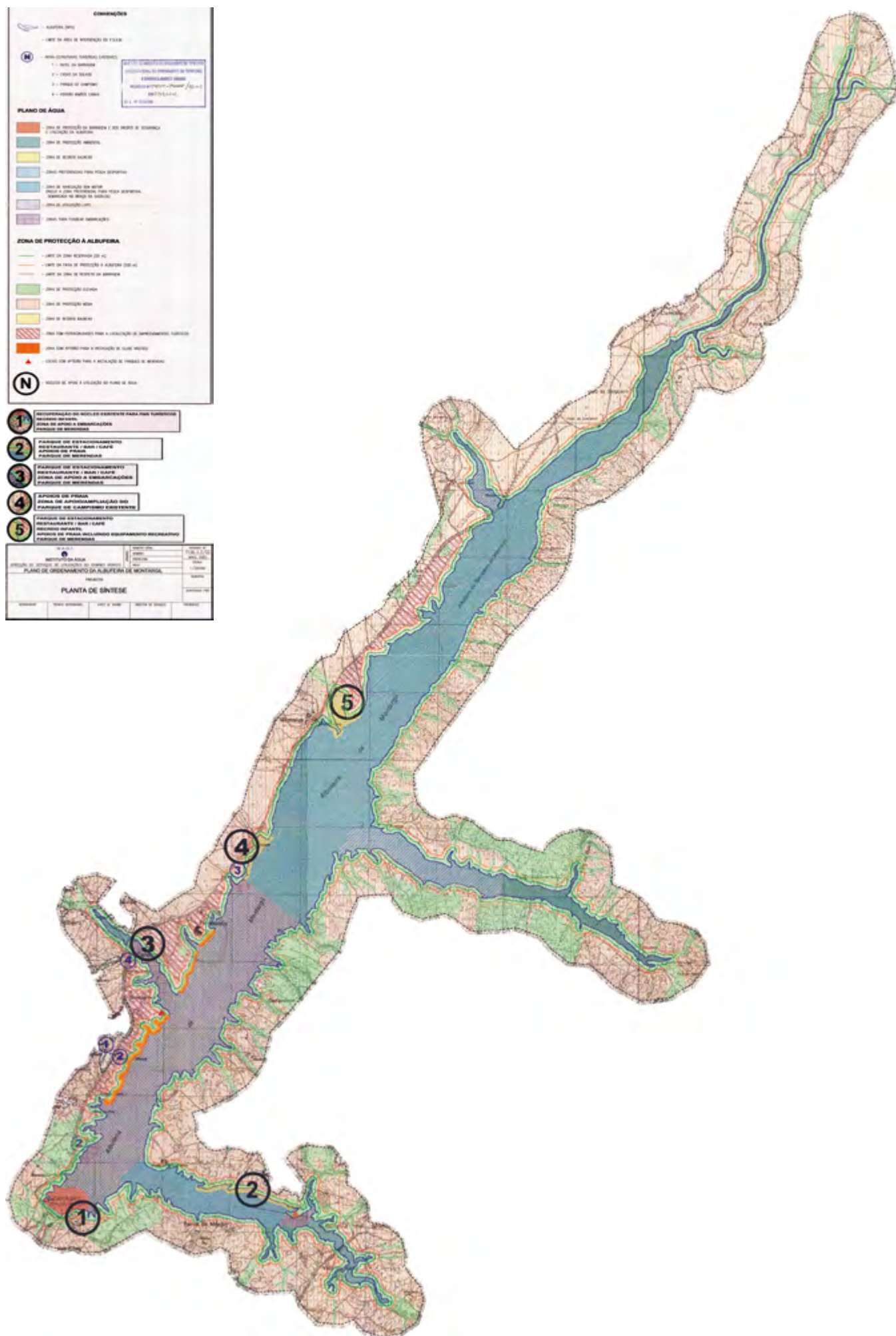


Figure 45 - Blueprint of the POAAP of Montargil, 2002
Source: DGT, SNIT, 2020

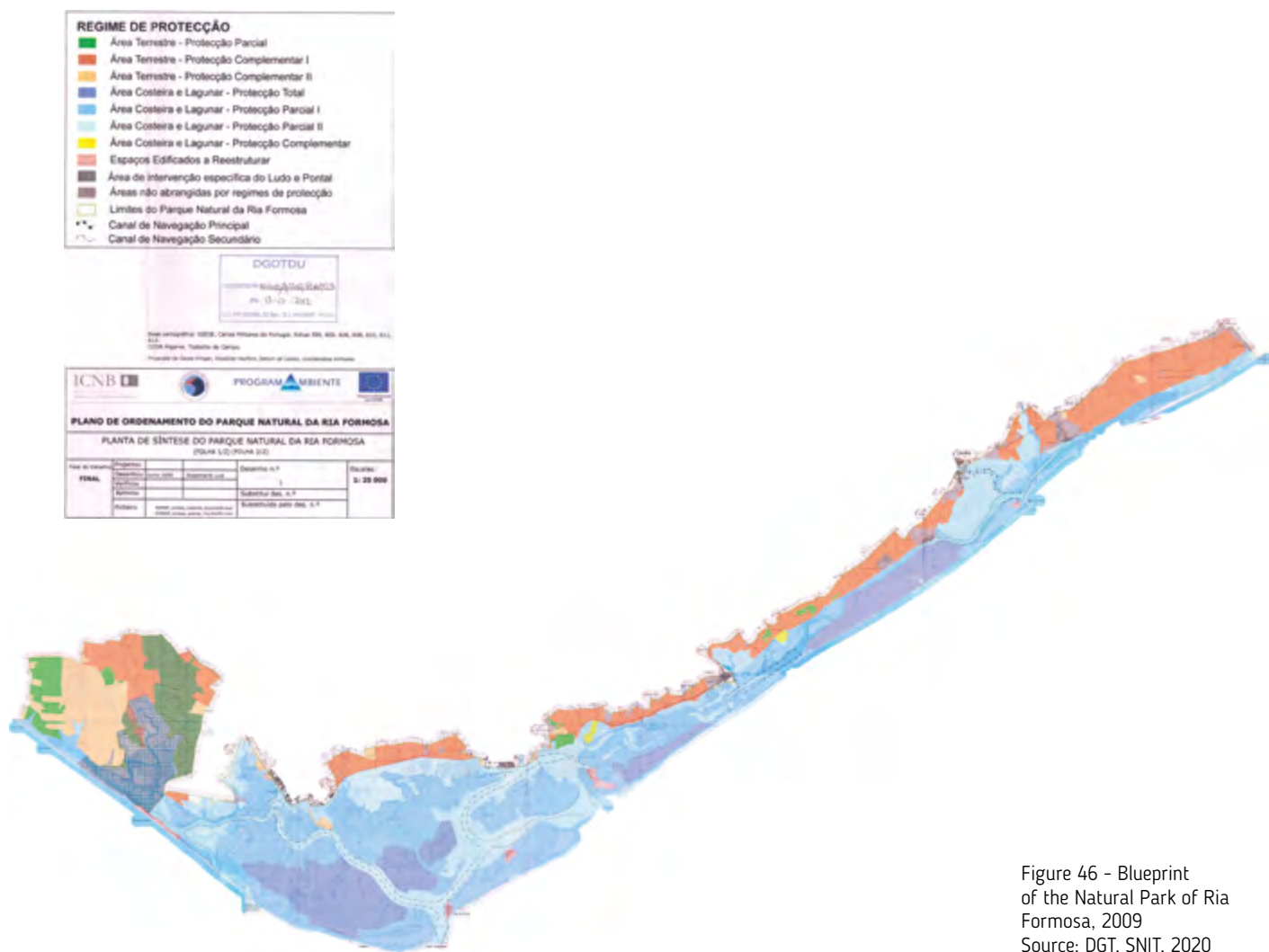


Figure 46 – Blueprint of the Natural Park of Ria Formosa, 2009
Source: DGT, SNIT, 2020

7. 4. Regional programmes

Regional programmes (PR) establish **spatial planning and territorial development strategies at regional level**. Taking into consideration the planning options set up at national level, the PR develop the guidelines and spatial organization of the PNPOT with an eye to the specificities and needs of each region and respective sub-regional units. As such, they constitute a reference framework for the development of lower level programmes and plans, namely the municipal and intermunicipal master plans, building bridges between the central government's and the local authorities' planning scopes.

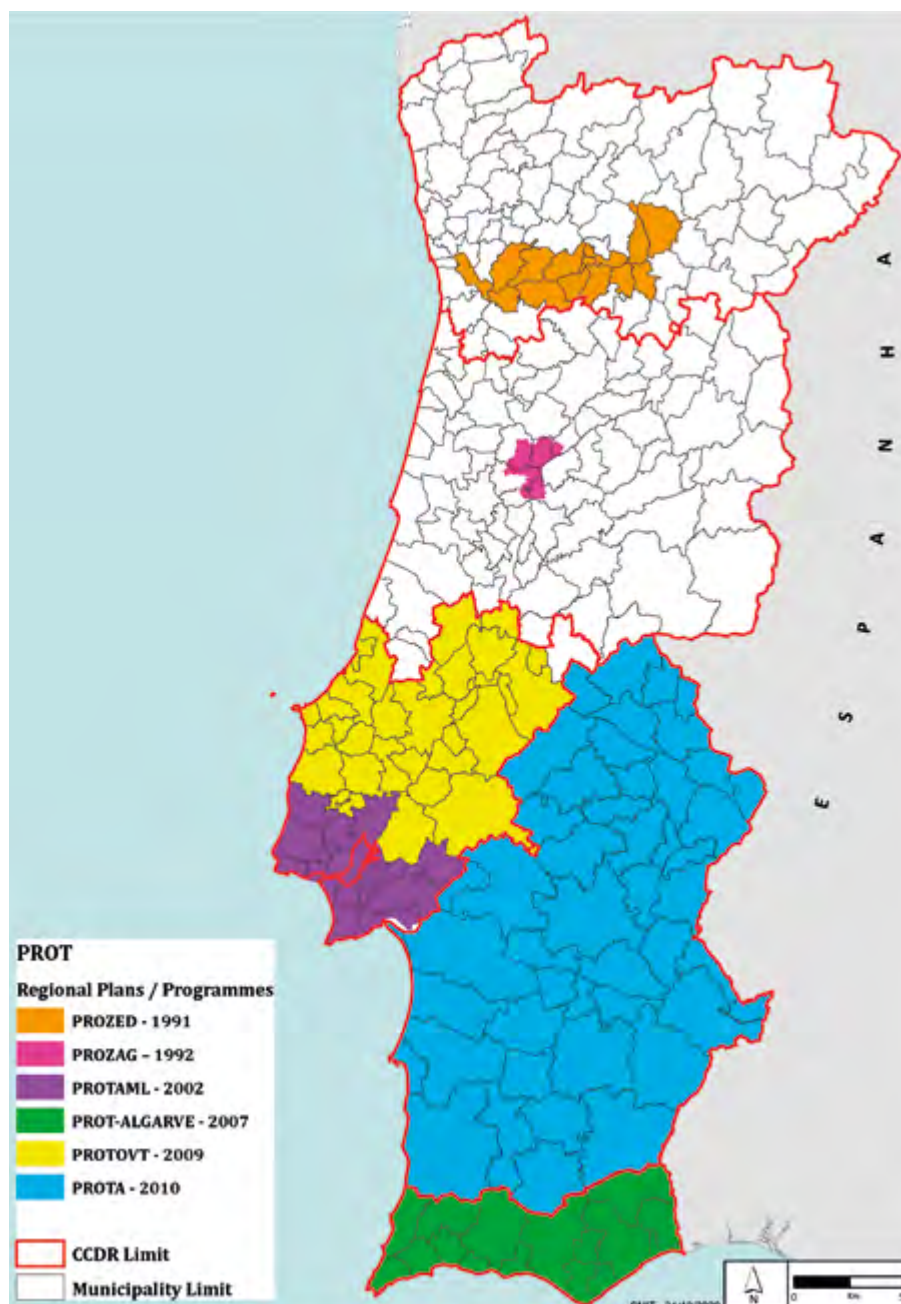
In parallel, the PR are endowed with the role of **steering, at regional level, the main public investments with a significant territorial impact**, looking for a close relationship with the Regional Operational Programmes (POR). These are framed under the European Cohesion Policy to programme at regional level the European Structural and Investment Funds.

Notwithstanding their relevance, **the country is still not completely covered by spatial planning instruments at regional level** (Figure 47). The big picture is quite uneven nationwide. Two out of five planning regions (North and Centre) in continental Portugal do not have a regional programme or plan in force. In turn, the Metropolitan Area of Lisbon's is outdated (2002). Moreover, two of the first regional plans (PROZAG, PROZED) from the 1990s were still kept in effect, yet covering just two specific sub-regions in the north and centre of the country.

In addition, no PR has been drawn-up since 2014, when the new framework act came into effect; this means that even the most recent regional plans (PROTs OVT- 2010, Alentejo - 2010 and Algarve - 2007) were developed more than a decade ago. Nonetheless, apart from the nomenclature (programmes *versus* plans), there are no substantive changes to their nature and content. A new version of the PNPOT was also approved in 2019 delivering a new reference framework and guidelines to steer the elaboration of future PR.

Geographic scope: The PR cover the geographic area of **pre-established planning regions** which are under the authority of the Regional Coordination and Development Commissions (CCDRs).

Figure 47 – Regional Programmes in force
Source: DGT, SNIT, 2020



Notwithstanding such a delimitation, the PR may comprise the identification of different sub-regional planning units (e.g. NUTs III), taking into consideration their particularities and strategic distinctiveness. Due to their uniqueness, Metropolitan Areas may be ring-fenced under autonomous PR.

Planning contents: According to the law and the guidelines of the PNPOT, the PR shall:

- Outline an **organizational scheme and spatial vision at regional level** to provide environmental and sectoral policies with a spatial-oriented reference framework;
- Identify which **public investments and priority actions** are to be ranked and performed on behalf of the implementation of the regional vision and territorial model;
- Set up the **regional urban system** as a development of the national urban system outlined in the PNPOT. To this end, the most important regional urban centres should not be the only ones to be highlighted, other sub-regional urban clusters based on a close functional interdependence between urban areas and between each other, and other surrounding rural territories, also demand careful identification and representation;
- Draw up the **regional structure for connectivity networks and services of general interest**;
- Identify and characterize the **regional ecological structure for environment protection and enhancement** with an eye to the definition of an environmental policy at regional level;
- Identify the main **landscape units** and the **areas of greatest environmental, agricultural and forestry potential and sensitivity**, foster an adequate and sustainable use of land and a responsible management of the landscape;

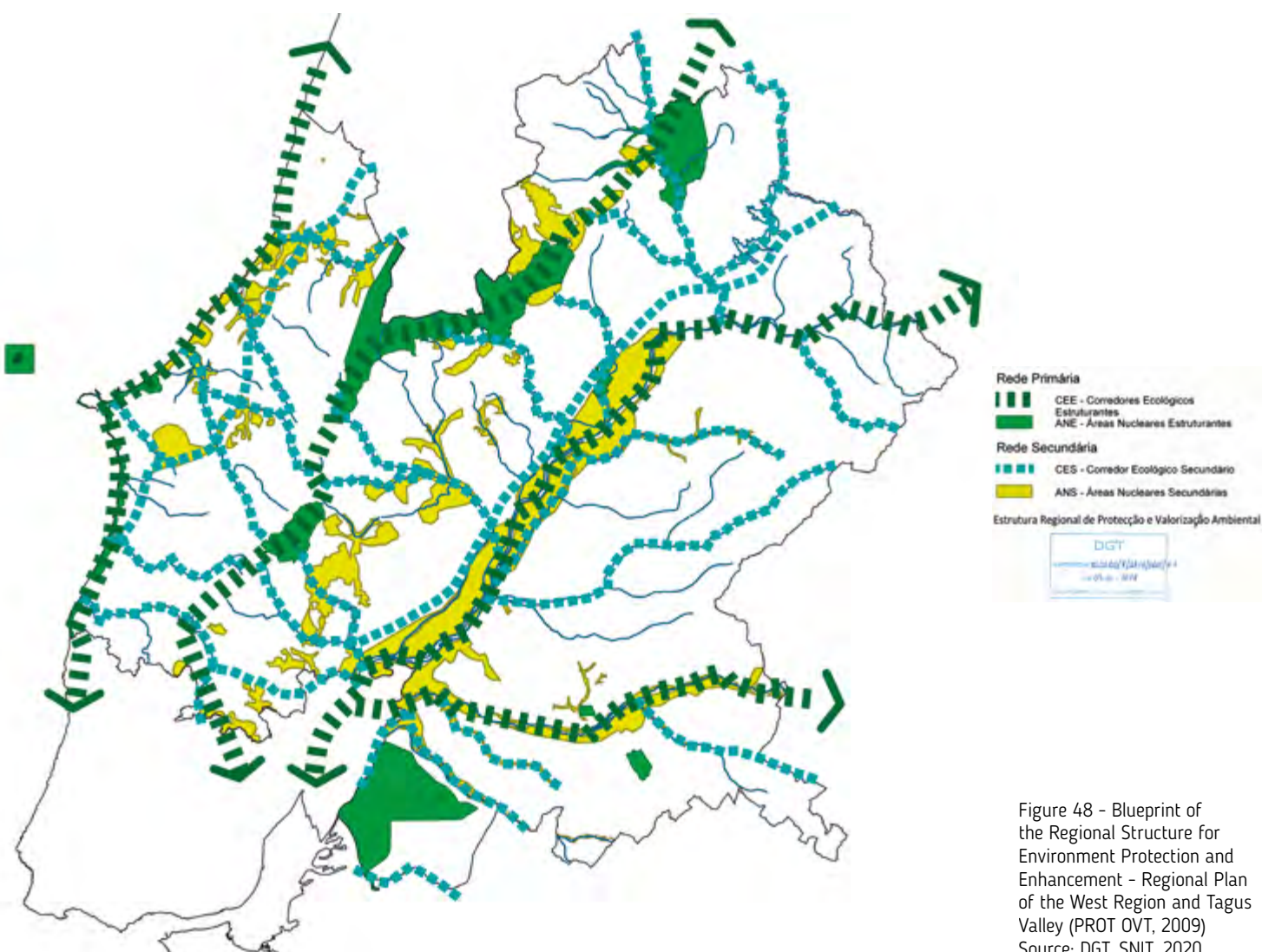


Figure 48 – Blueprint of the Regional Structure for Environment Protection and Enhancement – Regional Plan of the West Region and Tagus Valley (PROT OVT, 2009)
Source: DGT, SNIT, 2020

- Establish guidelines for the **location of uses and activities** (e.g. business location areas, tourism development clusters, etc.) and further **land use planning**, taking into account settlement and land ownership patterns that are characteristic of each region and sub-regional unit.

Key components comprise the following elements:

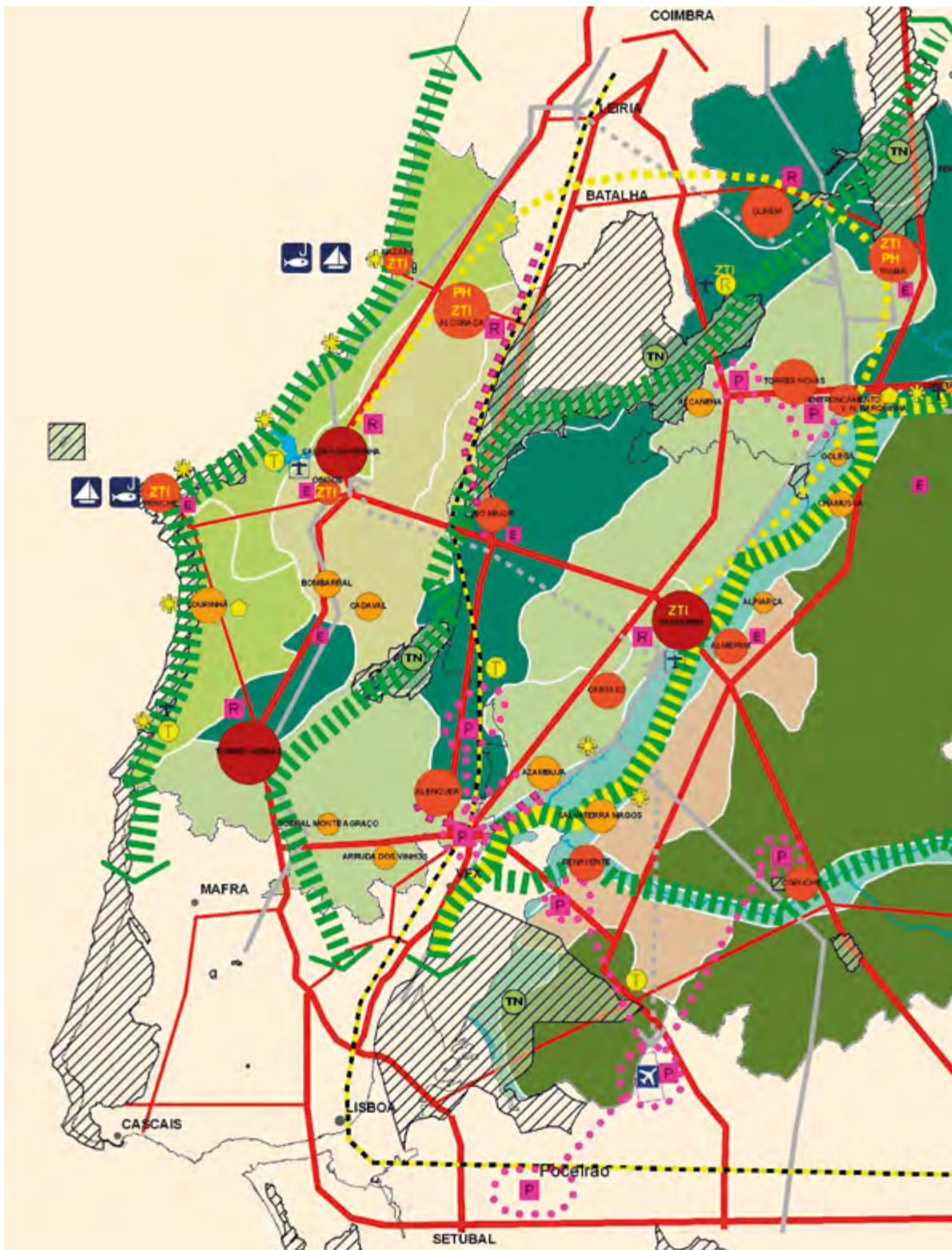
- The **report** – that provides for a close assessment of the regional dynamics, including the necessary surveys and analysis;
- The **regional vision** and **strategic place-based options** – that establish the medium and long-term regional goals, as well as the main strategic axes for action;
- The **territorial model** – that provides for an organizational scheme based on the main structural systems (e.g. urban, connectivity, environmental) and the identification of sub-regional planning units;
- The **key guidelines** – that establish the main directives and regulations that require further adoption and development by public entities. These may include mandatory legal rules, policy recommendations or other practical provisions to be applied, for example, by the territorial plans.

7. 5. Intermunicipal and municipal plans

As described in Chapter 6.2., intermunicipal and municipal plans are **regulatory spatial planning instruments** that establish the land-use legal regime for a given area, materializing strategic development options into a concrete spatial organization and territorial scheme.

There are **three different types of plans** applied by the municipalities: master plans, urban development plans and detailed local plans. Whereas the elaboration of the master plan is compulsory, the decision upon the others is at the discretion of the municipalities. Although subordinated to the master plan, both the urban development and the detailed local plans are allowed to introduce amendments in the master plan. Since 2015, the detailed local plan

Source: DGT, SNIT, 2020



was awarded the exclusive right of reclassifying rural areas into an urban land use - a former privilege of municipal master plans.

Until 2014, these plans were exclusively foreseen at municipal level. Under the new legal framework, they were extended to the intermunicipal level. They can now be promoted by each municipality individually or in association with others. The objective is to foster **planning partnerships between municipalities**, especially in areas where prevailing functional interdependencies demand for a shared territorial management approach.

7. 5. 1. Master Plans (PD)

The **municipal master plan** (PDM) is the **quintessential spatial planning instrument** in Portugal. Several reasons may explain this:

On the one hand, the PDM is a **mandatory planning instrument**. It became essential in the 1990s, when Portugal was very short of spatial planning instruments and regulations. Since



SISTEMA URBANO E COMPETITIVIDADE



PORTAS LOGÍSTICO-EMPRESARIAIS

Porta Norte da Região de Polarização Metropolitana
Porta Este da Região de Polarização Metropolitana
Porta Norte da Área Metropolitana de Lisboa

Áreas de Estruturação / Ligação

ÁREAS DE LOCALIZAÇÃO EMPRESARIAL - PARQUE DE NEGÓCIOS

Parque de Negócios Regional

Parque de Negócios Estruturante

Elxo Industrial / Logístico / Serv. Empresas a Reordenar e Requalificar

TURISMO

Área Turística Emergente a Estruturar

Núcleos de Turismo e Lazer (NTL)

Turismo da Natureza

Religioso

Castelo do Bode

Parque Temático

Património Humanidade

Zona Turística de Interesse

Arco do Património

Turismo e Lazer do Vale do Tejo

ÁREAS DE DESENVOLVIMENTO AGRÍCOLA E FLORESTAL

Agricultura de Regadio

Floresta de Produção e Olivicultura

Floresta Multifuncional e Pecuária Extensiva

Fruticultura e Viticultura

Horticultura e Floresta de Produção

Viticultura e Hortofruticultura

Viticultura e Olivicultura

SISTEMA AMBIENTAL

ERPVA - Rede Primária

Corredores Ecológico Estruturante

Áreas Nucleares Estruturantes

SISTEMA DE MOBILIDADE

LIGAÇÕES VIÁRIAS ESTRUTURANTES

Principais

Secundárias

LIGAÇÕES FERROVIÁRIAS

Rede Convencional

Rede de Alta Velocidade

Ligações Ferroviárias Transversais a Estudar

Aeroporto

Aerodromo

Porto de Pesca

Porto de Recreio

Limites NUTS III

Limites U. Territoriais



MODELO TERRITORIAL

then, all the municipalities have issued a PDM, which became the only planning figure developed at municipal level to cover the whole national territory without exception.

On the other hand, as a planning tool of **the entire competence and responsibility of the local authorities** (municipalities), the PDM has somehow become a sign of the autonomy of the local power, namely in regard to land use change and regulation. Indeed, it was the first planning figure with the prerogative of establishing the **land use regime** for the whole municipal territory, with **far-reaching legal effects** also **bound to individuals**. For this very reason, the PDM has been historically associated with the management of urban development, providing the basis for **the award of development rights** and subsequent building permits.

In addition, the PDM became a heavy and **hard planning tool**. Not only does it congregate a wide range of studies and analyses at the municipal level that represent in-depth knowledge and capacity building for the municipality; it is also **two-pronged instrument**—with the ability to draw up the municipal local development strategy and respective territorial model, as

well as to establish the land use legal regime for the whole municipal territory. Currently, all binding rules for individuals on land use must be present in the master plan.

Since its creation in 1982, the PDM has been subject to various legal changes. Nevertheless, there are still municipalities with their 1990s first generation PDM under implementation, even if they are now outdated. Due to its weight and complexity, PDM **revision procedures are usually very slow and lengthy**. The average time for revisions is nine years. Updated data show that:

- 39,6% of the municipalities (in a total of 278 municipalities in mainland Portugal) have not yet finished any revision procedure;
- 59,4% of the municipalities have in force a second generation PDM;
- 1% of the municipalities have in force a third generation PDM.

Since 2014, the PDM was extended to the intermunicipal level. Nonetheless, at the time of publishing this book, no **intermunicipal masterplan** (PDI) has been approved, nor are there any ongoing procedures for one.

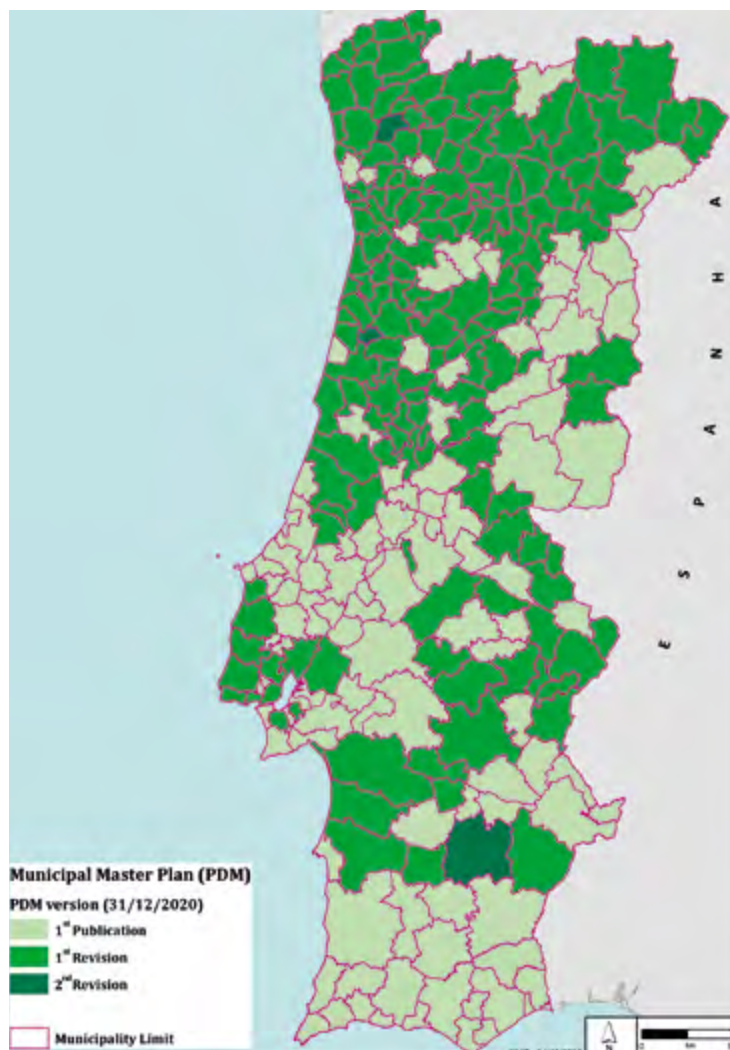
Geographic scope: Master plans (PD) cover the entire geographic area of either one municipality (Municipal Master Plans – PDM) or two or more continuous municipalities (Intermunicipal Master Plan – PDI). In cases where the PD encompasses all the municipalities included in a metropolitan area, it adopts the title of metropolitan plan. The municipalities endowed with a PDI are exempted from the elaboration of a PDM.

Planning contents: With a strategic and regulatory character, the PD comprises a wide-range of planning contents. Among these, three main aspects are included:

- A **detailed analysis and diagnosis** on the socio, demographic, economic and biophysical characteristics of the municipal territory, including a detailed survey of: land use settlement patterns; access and transportation network infrastructures; natural, archaeological and architectonic heritage; services of general interest, etc.
- The **municipal development strategy** and the corresponding **territorial model**, taking into account the several constraints and restrictions to land use, the protection of municipal natural and cultural resources, and the targeted location for businesses, uses and activities

Figure 50 - Municipal Master Plans in force according to the number of revisions undertaken

Source: DGT, Observatório do Ordenamento do Território e Urbanismo, 2020



alongside the municipal urban system.

- The **land use legal regime** and further **zoning scheme** distinguishing between rural and urban land, the land use categories and the corresponding rules (see Chapter 8). One of the facets is the delimitation of the urban land for construction and the establishment of urban planning parameters, as well as the criteria to apply in the operational planning and management units (UOPG), to ensure the equitable sharing of burdens and benefits.

Complementary planning contents include, among others:

- The identification of the **municipal ecological network**;
- The parallel delimitation, at municipal level, of both the **National Ecological Reserve** and the **National Agricultural Reserve**;
- The detailed mapping of **risks and hazardous areas**, as well as **noise**.

Key components: The PD necessarily comprises the blueprint that outlines the global organizational scheme and zoning proposal, the mapping of the restrictions to land use and the issuance of a regulation. The scale for cartographic representation varies, depending on the size of the municipality. Normally it ranges between 1:25.000 - the minimum scale permitted - and 1:10.000. Additionally, it includes a detailed report, a schedule for implementation and a financial scheme to demonstrate the economic viability of the plan.

7. 5. 2. Urban Development Plans (PU)

Amongst statutory planning instruments, the Urban Development Plan (PU) is the one directed at **urban planning** in particular. The objective is to support the application of urban policies at the local level, namely in regard to the spatial organization and settlement structure of urban areas.

Nevertheless, its **geographic scope** is not limited to the areas within the urban perimeter. Nor is it limited to plan the urban growth and the arrangement of new urban developments, especially in cities and urban cores above a certain population threshold, as it was made mandatory in earlier times. Since then, the scope and contents of the PU have evolved. Other areas playing an urban role such as business, industrial and touristic areas may also be the subject of a PU, as may other complementary rural areas providing supporting services and facilities.

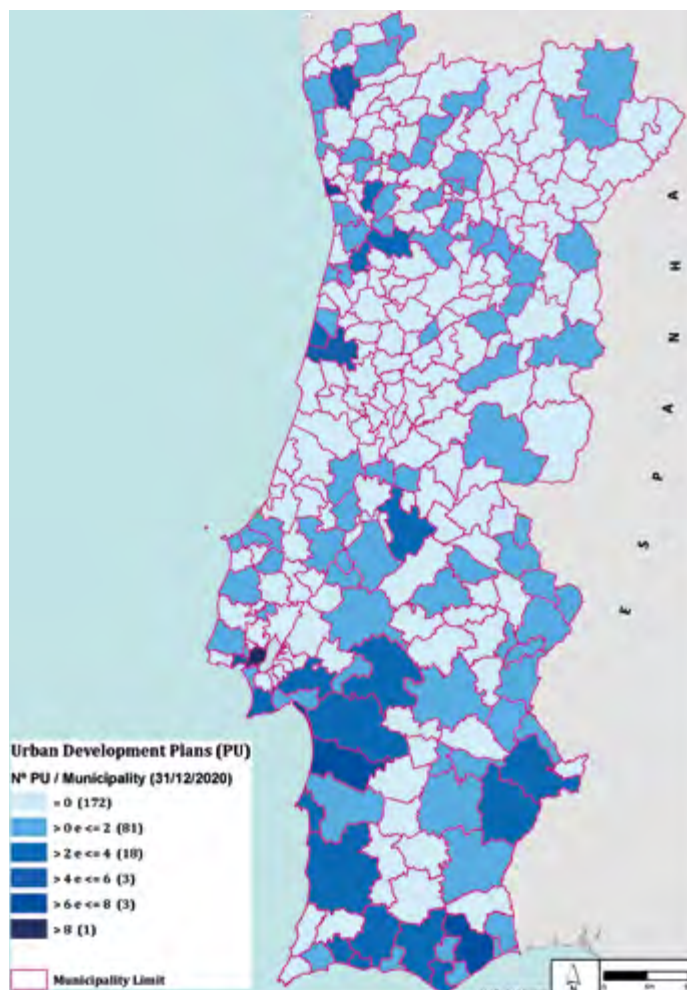


Figure 52 – Number of Urban Development Plans in force per municipality
Source: DGT, Observatório do Ordenamento do Território e Urbanismo, 2020

In total, there are currently 212 PU in force.

As the PDM became mandatory for municipal planning, the PU lost its initial impact to the extent it lost its compulsory character. Nowadays, **the national picture is quite diverse**. On the one hand, no more than half of the municipalities have any PU in force. On the other hand, the dimension of targeted areas varies a lot (ranging between 9 and 5000ha), which clearly demonstrates the wide-ranging scope of the instrument.

Planning contents are therefore adapted according to the circumstances, although some guidelines for their elaboration are pointed out by the law. These include:

- The **global organization of the planning area** in terms of: road infrastructures access, public transportation and parking; location of common facilities and services of general interest; natural and cultural assets and ecological network, etc.;
- The **zoning of land uses** (housing, commerce, services, industry, etc.) and urban regeneration areas, including the issuance of their respective regulation and urban parameters;
- The delimitation of **operational planning and management units**, containing the terms for the equitable sharing of burdens and benefits and the implementation of the plan.

7. 5. 3. Detailed Local Plans (PP)

Detailed Local Plans (PP) are committed to develop the provisions of both the master plans and the urban development plans - where available - into a proposal that **details the occupation of any continuous territorial area** zoned as either urban land for construction or undeveloped rural land. PP define design criteria for the location and construction of buildings, public spaces and infrastructures. Issues such as the permissible size and height of a building or the position of a building within a plot are some of the aspects that are regulated by the PP.

In 2007, PP were endowed with **registry effects**, i.e., the ability of transforming the structure of land ownership (e.g. land subdivision or land consolidation operations) and constituting urban plots with direct legal effects for land registry purposes. Although optional, the registry effects within the scope of a plan exempted individuals (e.g. land owners, developers) to draw on additional land allotment schemes (*loteamento urbano*)

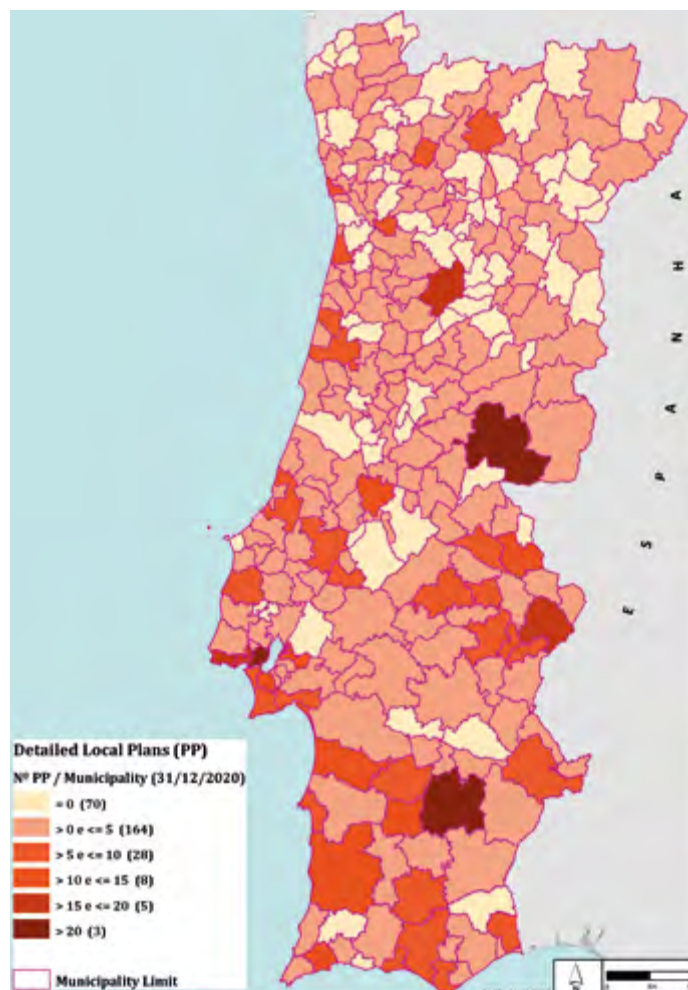


Figure 53 - Number of Detailed Plans in force per municipality
Source: DGT, Observatório do Ordenamento do Território e Urbanismo, 2020

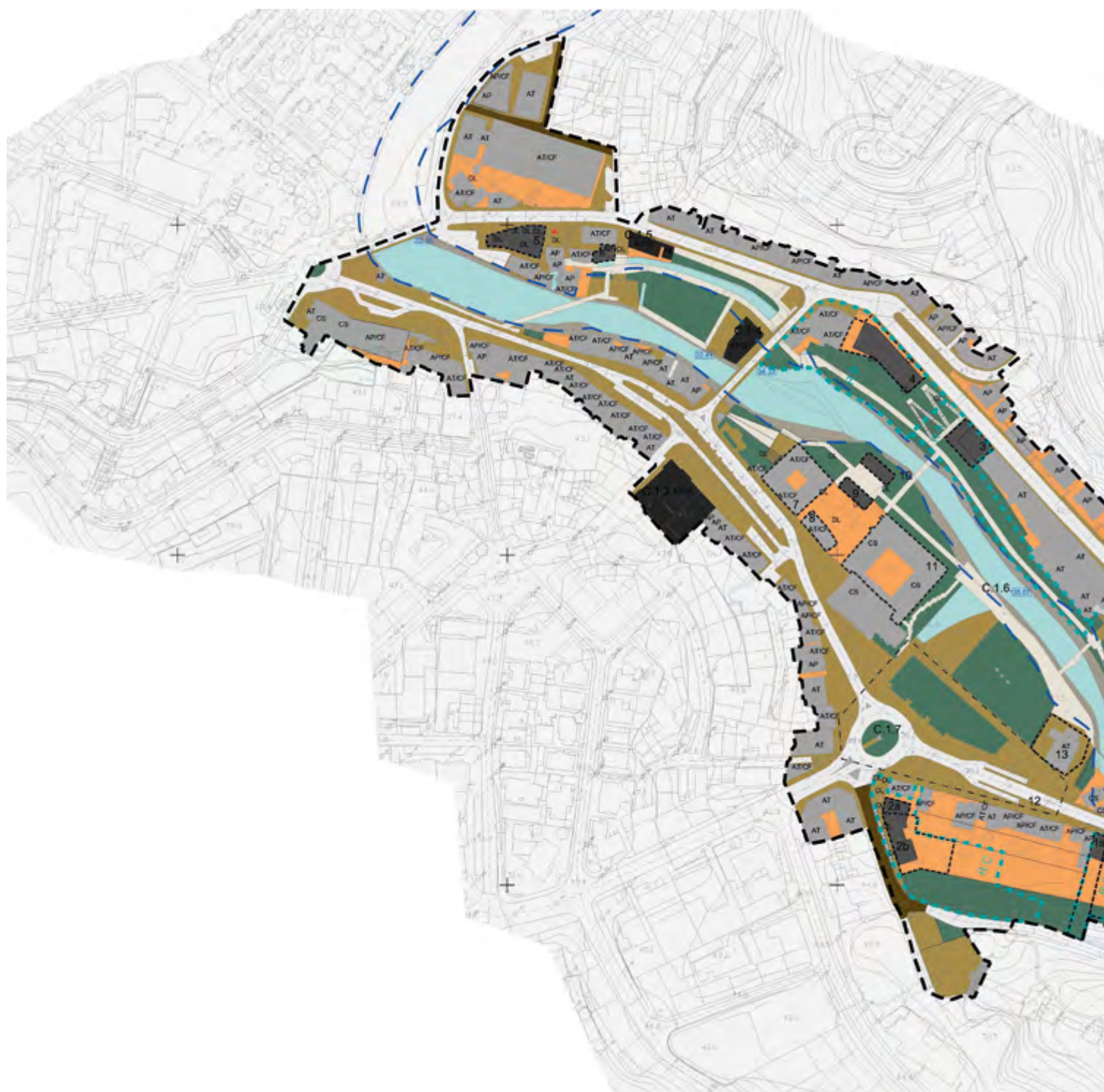


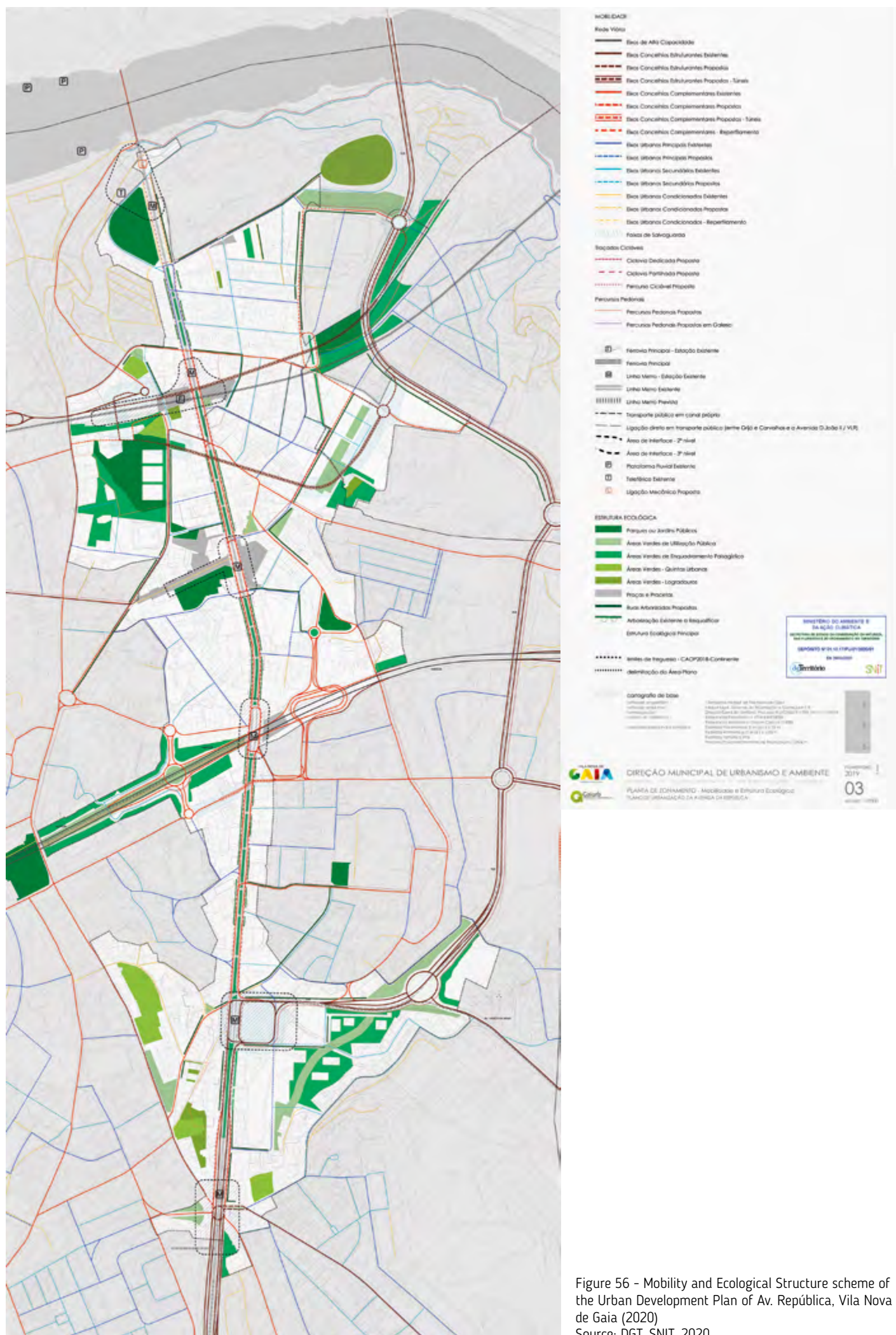
Figure 54 - Urban design scheme of the Detailed Local Plan of Santo Agostinho, Leiria (2019)

Source: DGT, SNIT, 2020





Source: DGT, SNIT, 2020



to pursue further building and urban development rights.

Based on this ability, in 2015, the PP were awarded the **possibility of reclassifying rural areas into urban land** targeting the materialization of infrastructure and building projects. This represents a significant change to former provisions and is contingent upon conditions such as a time limit for execution and the expiry of land use classification where permit-holders default on their commitments. Nevertheless, this is still an untested solution as not enough time has passed to fully evaluate the practicality of the measure.

Until now, the adherence of municipalities to PP is higher when compared to PU. Almost all the municipalities have at least one PP in force in a total of 820 nationwide; although in a rather uneven distribution.

Due to its operational character, the PP comprises the following formats:

- **Intervention Plan for Rural Areas** – These cannot classify land as urban; this plan is directed at the design and discipline of rural areas. It regulates the location, construction, extension and enhancement of buildings and infrastructures whenever they are permitted in rural zones.
- **Urban Regeneration Plan** – Particularly focused on both the old historic city centres – as identified in the master plans and urban development plans – and urban regeneration areas established according to the legal regime in force.
- **Safeguard Plan** – Specifically addresses heritage sites as set up by the cultural heritage legal regime.

Subject to necessary adaptations for each specific format and circumstance, the **planning contents** of the PP include:

- The thorough characterization of targeted areas;
- The restructuring of land ownership and the definition of urban plots if applicable;
- The rules for urban development;
- The urban design proposal (land modeling; street layouts, public spaces, green areas; building alignments, etc.);
- The definition and sizing of network infrastructures;
- The programme and distribution of uses and activities;
- Urban parameters such as building densities, heights, number of floors, etc.;
- The location and sizing criteria for collective buildings and facilities;
- The rules and standards for the management of public spaces;
- The rules and transfers for the equitable sharing of burdens and benefits;
- The deadlines and modes for the implementations of the plan.

8. Land policy and land use planning processes

8. 1. Land policy

Land is a vital resource for life on Earth and human activity in particular. Not only does it deliver environmental conditions for life, it also provides support for the development of productive activities such as forestry and agriculture, and for the establishment of buildings and infrastructures. Land therefore has an intrinsic social value expressed in its diversity and multifunctionality. However, **land is also a limited resource**. For this very reason, the exploitation, use and trade of land is a **matter of public policy guidance and regulation**.

Land policy serves two main purposes: on the one hand, to protect land as a non-renewable natural resource; on the other hand, to provide the conditions for responsible and sustainable land exploitation and use, in particular, the supply of buildable urban land in a planned and efficient way so that people's needs and development are accommodated without jeopardizing land as an essential resource.

To this end, several **policy instruments** are made available to the public authorities, so that they can operate a fair and sustainable regulation of the land. These include the legal regime for land use, as well as other mechanisms of public intervention in view of the fundamental right of private property (e.g. spatial planning and territorial management; restrictions to land use; compulsory purchases, etc.).

In Portugal, the materialization and regulation of the specific substance and use of the land is **a matter for spatial planning instruments** – in particular, of municipal and intermunicipal plans (Chapter 7.5), where possible construction is included.

8. 2. Land use legal regime

In Portugal, the legal regime for land use planning is based on a **fundamental distinction between rural and urban land**. These are the two key land use primary classes establishing the most elementary purpose for land. In the light of its qualities and suitability, every piece of land must be assigned to one of these basic classes.

According to the law, **urban land** is the land use class representing land that is totally or partially developed and, as such, addressed to urban development and construction according to the provisions established by spatial planning instruments. In contrast, **rural land** is the land use class that is directed at activities such as forestry, agriculture, nature conservation and other economic activities that include the exploitation of energy and geological resources, tourism and certain cultural and recreational uses, as well as the protection of risks.

Aside from these two main key classes, the law establishes a number of categories to be applied by the municipalities to specify, within each given class, the prevalent possible uses and types of admitted use. This is known as the '**qualification of land use**'. The rules for land occupation and use are issued by the territorial plans based on their respective qualification and zoning.

Land use qualification includes the **categories** presented in Figure 57.

Municipalities are free to create other sub-categories to introduce greater detail and specification in zoning rules.

In addition, the land use regime foresees the establishment of specific spatial entities that meet particular spatial organization purposes within the global planning scheme. These include:

- The **municipal ecological network**, a continuous system of green natural spaces for ecological and environmental balance and protection;
- **Canal-spaces** allocated to linear urban infrastructures;
- **Collective facilities** to make room for services of general interest.

None of the above are autonomous land use categories; on the contrary, they overlap with sev-

FIGURE 57 - LAND USE CATEGORIES

RURAL LAND	URBAN LAND
Agricultural Areas	Central Areas (mixed-uses)
Forestry Areas	Housing Areas
Areas for Energy and Geological Exploitation	Areas for Economic Activities
Natural and Landscaped Areas	Green Areas
Industrial Areas	Urban Sprawl Areas
Other possible qualifications include:	Areas for a designated Special Use, namely:
Cultural Areas (for heritage protection)	Tourism Areas
Tourism Areas	Areas for Public Facilities
Areas for Public Facilities	Areas for Major Infrastructures
Rural Settlements	
Scattered Settlement Areas	

eral zoning categories, whether they are rural or urban land.

The classification and qualification of land use is a **discretionary planning decision** enshrined by the law. However, notwithstanding the room for discretion, municipalities are not exempted from complying with a number of **legally binding obligations** (e.g. restrictions to land use, zoning prohibitions and easements) that make land use classification and qualification a very thorough and judicious task. This is especially true for the buildable urban land. As a social, economic and environmental high-impact decision (e.g. land consumption, real estate speculation, housing prices), it requires close public regulation and coordination.

As such, the classification of urban land for building purposes is a **step-by step process up to the full achievement of development rights**. This means that classification will only succeed insofar as infrastructures and development works are executed, while **risking expiration if they default on commitments**. This measure, brought into the legal framework in 2014, looks to

Figure 58 - Planned Land Use Map
Source: DGT, 2020



prevent real estate speculation and to allow for the possibility to reverse classification and return greenfield and farmland areas to the rural land use class, if they have been kept undeveloped. Moreover, to avoid indiscriminate zoning of unnecessary urban land, the reclassification of rural to urban land is always contingent on the presentation of **evidence-based studies** on building needs and economic and financial viability of planning decisions.

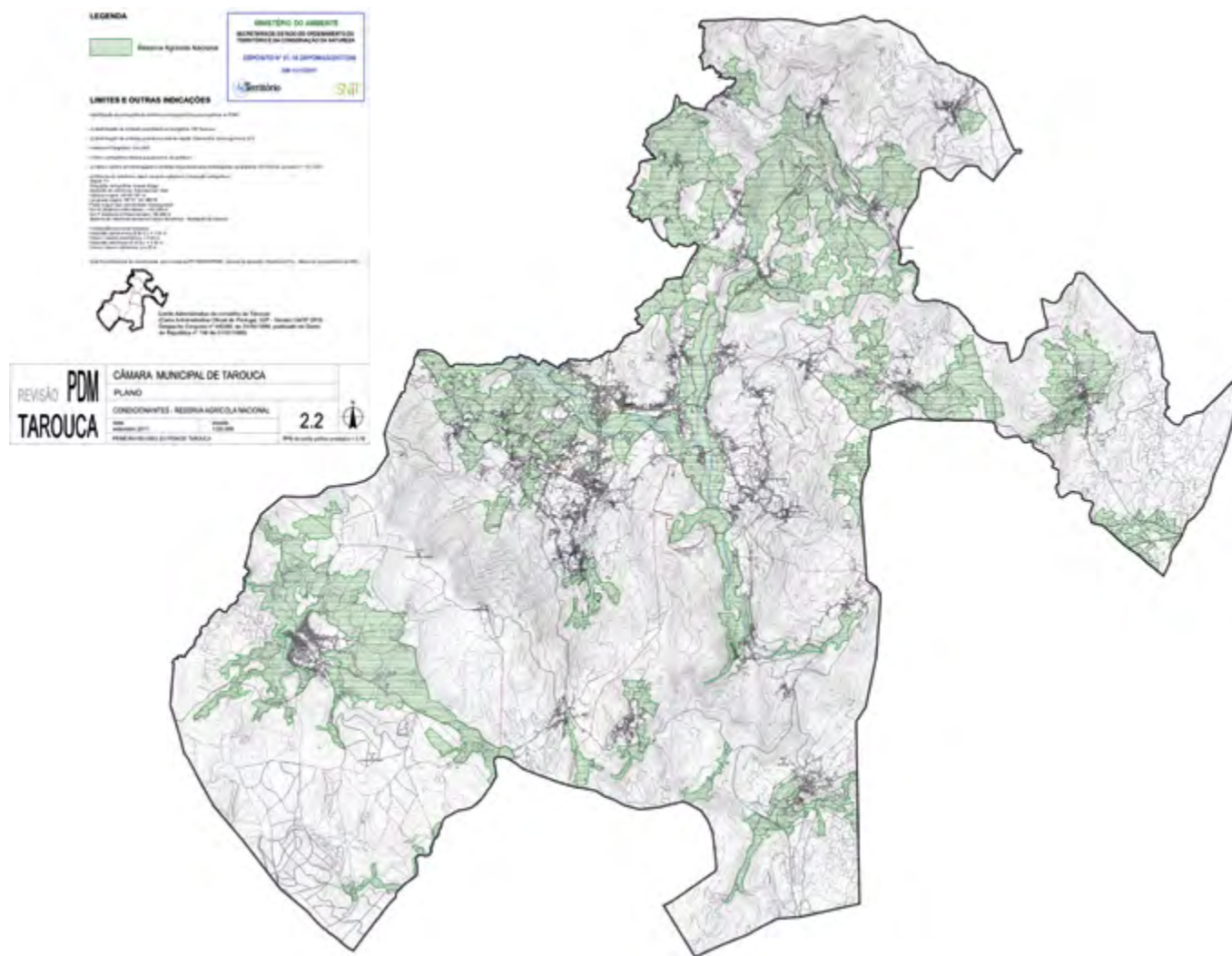
8. 3. Land use restrictions

With the aim of safeguarding fundamental resources, protecting people and goods from hazards and guaranteeing the good functioning of specific territorial infrastructures and activities, the law establishes **restrictions to land use in the public interest**. These may acquire different types and legal formats and emerge from various policy sectors. Restrictions may act as a direct and legally established constraint to land use (e.g. the delimitation of certain protection zones with *non-aedificandi* areas and prohibited actions) or rely upon an administrative act that constitutes a burden or obligation over a certain real estate property to the benefit of something (e.g. the establishment of a public right-of-way). In the latter case, it adopts the format of an **administrative easement**.

No matter the type or format, **restrictions always lead to property rights limitations**. Regardless of whether they stem from administrative easements over private property, restrictions may raise prohibitions to building (*non aedificandi* areas), constrain certain uses or activities, create minimum buffer distances, require specific licenses or permissions for use, among others.

In Portugal, **multiple resources and territorial arrangements impose land use restrictions**: natural and ecological resources (e.g. public water domain, public water reservoirs, protected areas for nature conservation and biodiversity); geological resources (e.g. quarries); agricultural and forestry resources; architectural and archaeological heritage; collective facilities (e.g. prisons, national defence buildings); infrastructures (e.g. highways, railways, gas and water pipelines, airports, etc.); and dangerous activities.

The **survey and mapping** of land use restrictions and easements in force in a certain area is a



municipal task. The National Ecological Reserve and the National Agricultural Reserve are examples of land use restrictions at the national level that have a great influence on municipal and intermunicipal spatial planning. Given increasing concerns with the hazardousness of rural fires, these risks have recently been included as a mandatory element in the restrictions mapping of master plans.

Figure 59 - Delimitation of the National Agriculture Reserve at a municipal level, Municipal Master Plan of Tarouca, 2017
Source: DGT, SNIT, 2020

8. 3. 1. National Ecological Reserve

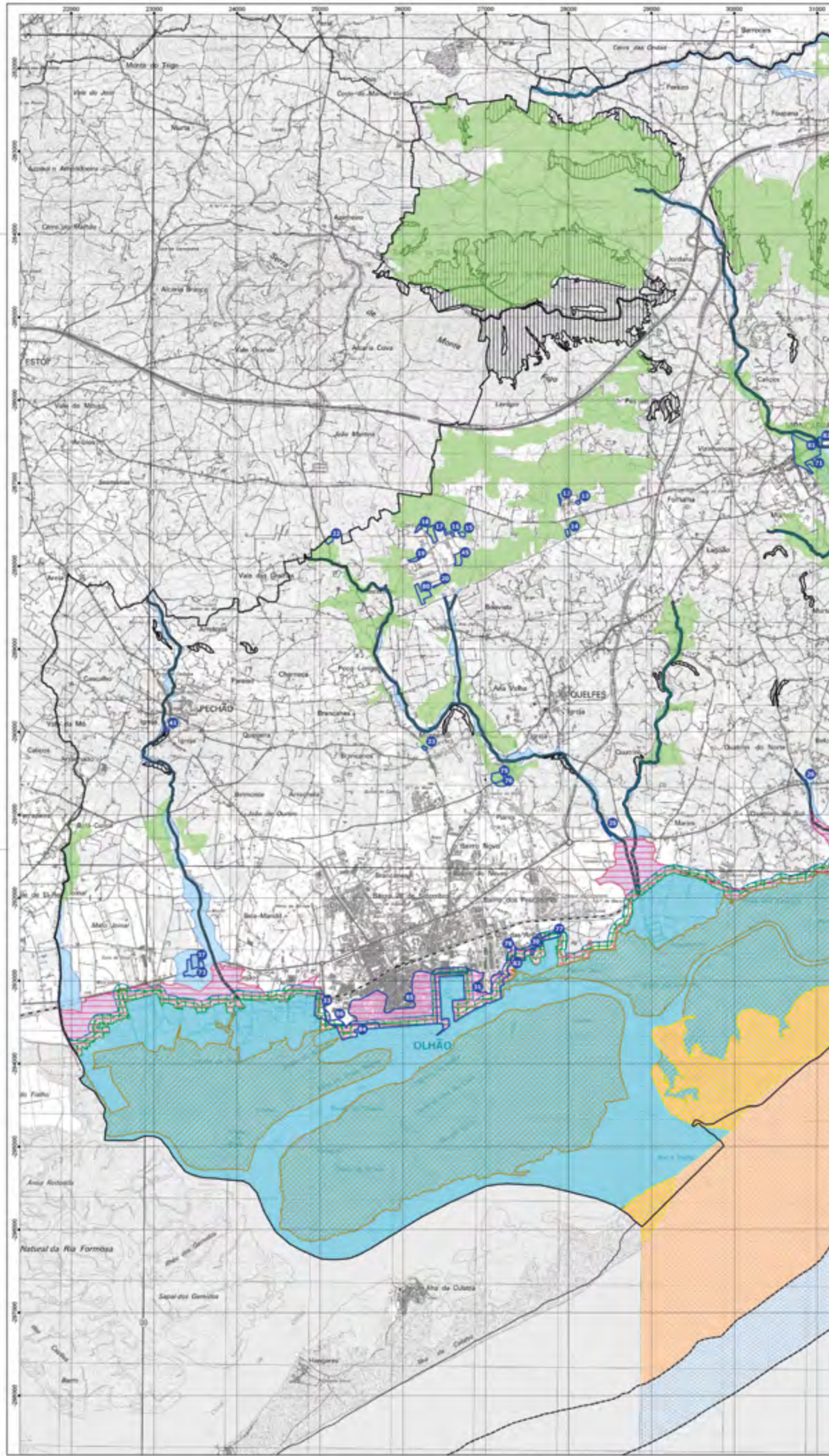
The **National Ecological Reserve (REN)** is a restriction to land use established at national level with the aim of promoting a judicious use of the natural resources while ensuring the ecological stability of the environment. It integrates a set of areas that, due to their ecological sensitivity and value, as well as their vulnerability to natural hazards, are subject to a special regime of protection. One of the objectives is to guarantee the continuity and connectivity of the Fundamental Network for Nature Conservation (Chapter 7.2.4).

The law establishes a **typology of areas** that are to be included within the REN. These are:

- **Areas for coastal protection** (e.g. beaches, dunes, cliffs, salt marshes, transitional waters, maritime and terrestrial buffer zones, etc.);
- **Areas for the water balance** (e.g. watercourses, lakes and lagoons, water reservoirs, areas for aquifers recharge);
- **Areas for the prevention of natural hazards** (e.g. flooded areas, areas threatened by the sea, areas at risk of soil erosion, by water or with unstable slopes).

The **delimitation of the REN** comprises two different levels:

- A **strategic level**, based on national and regional strategic guidance. This includes the definition of a number of common principles and criteria to be applied at the operational level for each of the pre-established areas.
- An **operational level**, the delimitation procedure of which is made at municipal level. Delimitation is a responsibility of the municipality, although subject to the supervision of the respective Regional Coordination and Development Commission (CCDR). Despite being an autonomous



procedure, both the delimitation of the REN and the elaboration of the master plan can occur at once. However, the mapping of REN areas is always an integrated piece of master plans.

8. 3. 2. National Agricultural Reserve

The **National Agricultural Reserve (RAN)** is a national restriction to land use that reserves for agriculture the most suitable lands and soils. To this end, the areas included within the RAN are subject to a special legal regime that constrains non-agricultural uses.

The **delimitation of the RAN** is based on a previous classification of the land, according to its suitability to agriculture, following technical guidelines recommended by the Food and Agriculture Organization of the United Nations (FAO). The classification establishes several classes, ranging from A1 to A4, respectively the highest and lowest suitability. The RAN includes all the A1 and A2 areas. Whenever such a classification is not available, alternative criteria are applied. Areas with local and regional economic relevance may also be additionally included, whereas the lands classified as urban by municipal or intermunicipal plans are taken out of the RAN.

Although they are present on a national level, the delimitation of the RAN is a **municipal task** as part of the procedure of elaborating master plans.

Restrictions involve the establishment of **non aedificandi conditions** and **prohibited actions**, such as: any sort of development works and plot divisions for urban purposes; the deposit of waste materials or rubbish; any uses or actions that may damage the soil, like flooding, erosion, pollution or the inadequate use of fertilizers.

Though, some **exceptions to non-agricultural uses are admitted**, usually related to agricultural activities and local rural development. They are always dependent on the binding opinion of the responsible authority.

8. 4. Land policy tools

As land use control is not enough to fully achieve the objectives of planning, other mechanisms exist that are based on public property and on land supply by the public administration. Thus, **public property** is a fundamental issue in the pursuit of the aims of spatial planning policy, playing a decisive role on the regulation of land and urban development. In Portugal, public property is property that belongs to the State, the autonomous regions or to the local authorities, whether it is of public or private domain.

The **public domain** includes assets such as territorial waters, rivers, lakes and lagoons, mineral deposits, roads and national railway lines, public spaces, among others. Property of the public domain is for free common use and is *extra commercium*, i.e., it cannot be sold or leased and private rights cannot be created over it.

The **private domain** includes other public estates (e.g. public buildings; building heritage; real estates and other holdings) that, due to their nature, may be subject to legal trade under private law. They represent a decisive public mechanism to act upon the land, namely to: regulate the land market and prevent real estate speculation; create room for public infrastructures and facilities; provide support to other policies such as forestry, agriculture or housing; and assist the sharing of burdens and benefits in spatial planning procedures.

Based on this, several **mechanisms of public intervention** are made available to support the land policy and the implementation of spatial planning instruments. These include:

- The **trading** of goods and property of the private domain, which may include the purchase, sale and exchange of land;
- The **right of pre-emption** which gives public entities preference in buying certain private property at sale;
- The issuing of **surface rights** over land holdings of the private domain, which gives recipients the ability to build or exploit it for valuable consideration;
- The provision, for valuable consideration, of the **right to use** over goods and holdings of the private domain;
- The **concession for use and exploitation** of goods and holdings of the public domain granted on the basis of concession contracts and private licenses;
- The **compulsory purchase** in the public interest, against the payment of a fair compensation;
- The **free cession of private land** for public spaces, infrastructures and facilities at the scope of private urban developments.

There are other policy mechanisms that, although not directly involving public land tenure, interfere with private property rights, such as:

- The constitution of **administrative easements** (Chapter 8.4);
- The **mandatory sale and leasing** whenever landowners do not comply with their duties, or the release of their lands for the national pool of land available for sale or rent;
- The **obligation** for land owners **to execute development works** as established in planning instruments;
- The **transfer of building-rights** from one area to another;
- The application of **taxes** and other **fees**;
- **Land consolidation** operations to adapt the configuration of properties (size, shape, location) to planning and development objectives.

8. 5. Economic and financial legal regime for planning

To prevent plans from exceeding supply of needs in terms of urban land and development and, by doing so, to act as an encouragement to real estate speculation, the Portuguese law foresees the establishment of an economic and financial legal regime for planning. This aims to control and **regulate land values**, promote **social allocation of capital gains** arising from planning options and guarantee the **economic and financial sustainability of urban infrastructures and facilities** (e.g. prevent ghost real estate or oversized urban infrastructures). Hence, land capital gains generated by discretionary planning decisions each time land is stamped as buildable urban land, shall be accurately identified according to fixed criteria and evenly distributed among stakeholders. Moreover, not only shall they be used to finance urban development costs (e.g. development works, urban infrastructure, public spaces and green urban areas, etc.), they shall also assist the materialization of social and environmental infrastructures and services (e.g. social and affordable housing; ecosystem services, etc.).

Several **legal mechanisms** are thus foreseen to allow for a balanced, sustainable and fair urban planning:

- The accomplishment of new urban developments, as well as of any urban infrastructure and facility, shall be preceded by the **demonstration of their economic and financial viability**, taking into account not only the building costs but also their further maintenance.
- Territorial plans need to incorporate a **financing plan** that puts into evidence how planning provisions are going to be accomplished in a financially sustainable way.
- In view of providing urban management conditions (e.g. materialization and maintenance of public spaces and infrastructures), municipalities must elaborate a **financing programme for urban development** as part of the multiannual programme for municipal investments.
- Municipalities are also required to create a **municipal fund for urban and environmental sustainability** based on the collection of capital gains. This is particularly directed at the delivery of ecosystem services and urban regeneration.
- The **taxation of real estate property** is made so different fees can be applied depending on either the burden of private estates over territorial infrastructures or, on the contrary, social benefits coming from private investments.
- The obligation for territorial plans to consider mechanisms for the **equitable sharing of benefits and burdens** stemming from urban development.

8. 6. Redistribution of development burdens and benefits

The redistribution of land capital gains and the sharing of development burdens and benefits are guaranteed by means of the application of different **equalization mechanisms**. These may be applied in a direct or indirect way and used together as complementary tools.

Available equalization mechanisms are:

- The establishment of an **average land-cession area** – land-cession areas are addressed as part of the materialization of public spaces, common infrastructures and facilities. Whenever the effective land-cession area is higher or lower than the average one, respective positive or negative compensations are requested.

The Portuguese law foresees the establishment of an economic and financial legal regime for planning.

- The establishment of an **average abstract building-right** – benefits and capital gains generated by the plans are to be equally distributed among the property owners involved. As such, effective building rights are calculated based on the size of each property. To guarantee no one is at a disadvantage, compensations are awarded, through discounts on tax, land trading and building-rights transfer. Building-rights can be translated into building-credits that are likely to be traded.
- The **sharing of urban development costs** – all the costs related to urban development (infrastructures; social facilities; green urban areas, etc.) are also likely to be equally shared by all the interested parties.

Under such a redistribution system, municipalities can establish a reserve of areas and building-credits for their own municipal fund and for further transactions.

9. Spatial planning legal procedures

9. 1. Planning dynamics procedures

The elaboration, changing and approval of spatial planning programmes and plans involves a number of **legal rules and procedures** that aim to guarantee constitutional principles such as the democratic representativeness of parties, the participation of citizens, the accountability of public bodies and the transparency of administrative provisions and procedures.

The procedures and workflows of spatial planning instruments vary depending on the planning level and type of instrument. However, there are some **common issues** such as the possibility of being reviewed, amended, suspended or repealed and the obligation of considering mechanisms for information, participation, environmental assessment and evaluation.

Revision: involves a structural review and global reconsideration of the overall planning framework, including the planning options, the underlying principles and territorial model. It basically corresponds to the elaboration of a new version of the programme or plan whenever the baseline environmental, social and economic conditions require a medium and long-term revision of planning options.

Amendment: has no structural character and usually addresses only part (i.e., a certain area, component) of the programme or plan. Amendments may be contingent on: the evolution of baseline conditions; the non-conformity with the newest planning instruments; and the entrance into force of conflicting rules and legislation. Some specific formats may be adopted:

- Adaptation amendments - whenever new laws and planning instruments demand an update;
- Simplified amendments – whenever there is a need to revise the land use regime in a specific area, for example due to the withdrawal of temporary restrictions;
- Material corrections – whenever there are minor errors or mistakes that require any rectification.

Suspension: involves the withdrawal, in whole or in part, of the instrument for a certain period of time, usually due to exceptional circumstances of national or regional relevance. It requires the identification of the deadline, the focus area and the legal provisions that are to be suspended, as well as the establishment of precautionary measures for the area.

Repeal: involves the cancellation of the planning instrument in force, whose legal provision ceased to produce legal effects. In the case of master plans, a repeal requires the adoption of a new master plan.

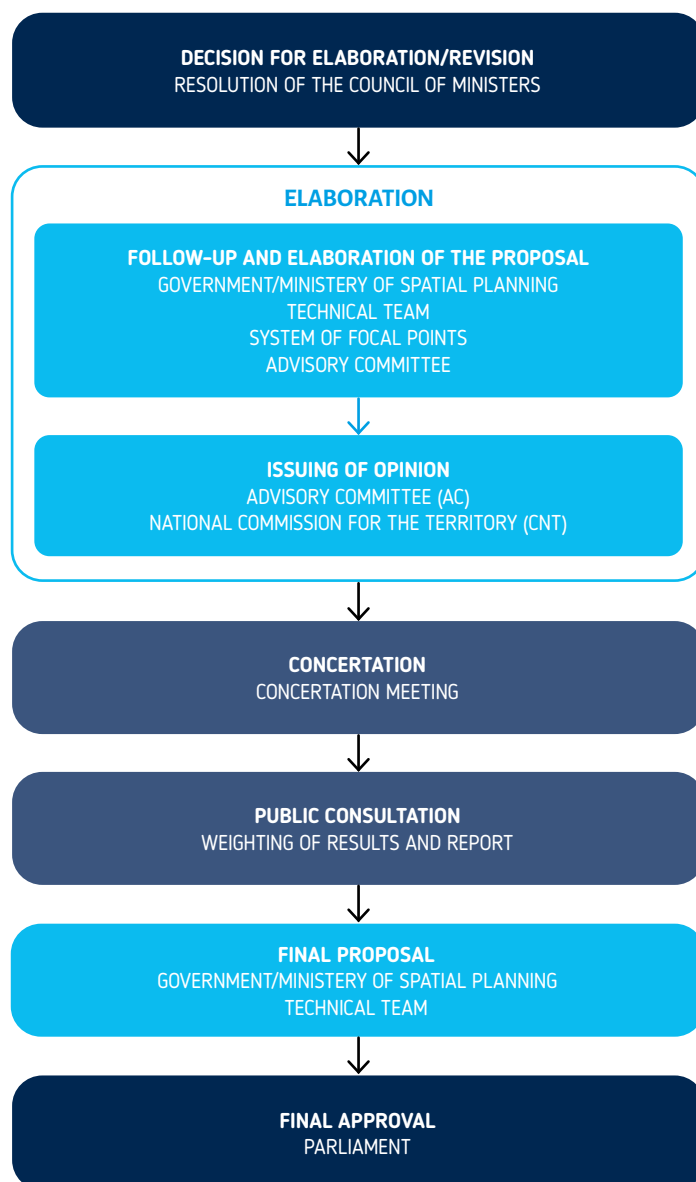
9. 2. Planning procedures at national and regional level

9. 2. 1. Procedures in the PNPOT

At national level, the elaboration/revision of the PNPOT is a decision of the central governmental by way of a resolution of the Council of Ministers. The main principles, mission and deadlines are established right from the start, as are the entities that promote and give support to the follow-up process.

Aside from the Advisory Committee with **representatives of the several interests at play**, the elaboration of the proposal is also supported by a Technical Team and a System of Focal Points with representatives of the various policy sectors, the Autonomous Regions and the five CCDD (Regional Coordination and Development Commissions).

FIGURE 61 - PNPOT ELABORATION/REVISION WORKFLOW



The proposal is subject to **public consultation** for a period of no less than thirty days. After the weighting of results, a final proposal is submitted to the Parliament. The Parliament is responsible for providing the final approval. The PNPOT has the legal force of a Parliament Act.

In regard to **implementation**, the governance model is issued by the Council of Ministers and considers three main dimensions: the mobilization of policy sectors and territorial actors responsible for the **execution of policy measures**; the **monitoring** and **regular follow-up** of the programme; and the **evaluation** of its achievements and results. To this end, an Inter-sectoral Forum has been created under the coordination of the Directorate-General for Territory (DGT) with a mission to promote the implementation of the PNPOT.

9. 2. 2. Procedures in sectoral and special programmes

Both sectoral and special programmes depend on a **ministerial order** issued by the minister responsible for each of the policy sectors in question. It considers not only the objectives and public interests to achieve, but also practical issues like the constitution of the advisory committee (where necessary), submission for a strategic environmental assessment, and the schedule and deadlines of the procedure.

In regard to the **elaboration process**, some differences exist between these two types of instruments. Whereas special programmes demand for the constitution of an advisory committee with representatives from several policy areas and government levels looking for a joint position, sectoral programmes are dependent on the separate opinion of

some specific public entities, as are the CCDR or the Intermunicipal Entities. In any case, **consultation meetings** are always allowed, namely to address potential disagreements. Unless otherwise stated, an **environmental assessment** is usually required in both cases as an integrated part of the elaboration process. This is also the case for **public consultation** (Chapter 9.4), a mandatory praxis in any planning procedure. **Final approval** relies on a resolution of the Council of Ministers, not without considering the necessary updates and adaptations of existing programmes and plans to ensure compatibility.

9. 2. 3. Procedures in regional planning

At regional level, planning procedures and workflow do not differ much from those at national level. After a decision of the Council of Ministers, **elaboration leans on the CCDR** as the central government's deconcentrated regional bodies for spatial planning. In a similar way to the special programmes, regional programmes rely on the constitution of an Advisory Committee and the holding of concertation meetings so that a **mutually agreed upon and negotiated solution** can be achieved. In the absence of consensus, the proposal is subject to the binding opinion of the National Commission for the Territory (CNT).

9. 3. Planning procedures at municipal and intermunicipal level

9. 3. 1. Elaboration procedures and follow-up of territorial plans

At municipal and intermunicipal level, planning procedures follow detailed legal provisions.

Master plans have a more complex procedural workflow. In any case, the decision is taken by the **City Council** (or intermunicipal council) that establishes the **terms of reference**, including the context, opportunity, goals and deadlines of the plan. While the City Council is responsible for development works, the **CCDR is the central government's body that steers** the elaboration procedure, namely by promoting the constitution and chairing of the **Advisory Committee** (AC). With representatives of the several public administration bodies and intermunicipal entities, the AC is in charge of granting the **follow-up and assessment** of the ongoing works.

In parallel, the **strategic environmental assessment** is running side-by side, with the aim of introducing environmental issues at the beginning of the planning process and therefore supporting decision-making in an iterative and proactive manner. The environmental report becomes part of the plan, and is also subject to the appreciation of public entities, public consultation and final approval.

Approval is a matter of the responsibility of the **municipal assembly** (or intermunicipal assembly).

Where conflicts exist in face of existing national and regional programmes, **ratification by the government** is necessary. The planning cycle is completed as soon as the plan is **published** in the municipal website and made available in the national spatial planning repository.

Urban development and detailed local plans follow similar, although simpler, workflows and approaches. On the one hand, the follow-up process is an optional procedure that does not require an advisory committee; on the other hand, the strategic environmental assessment is only requested when plans are likely to have direct or indirect environmental impacts. Notwithstanding, conciliation meetings and public consultation are always necessary, as are the approval and publishing procedures.

Conciliation meetings and public consultation are always necessary, as are the approval and publishing procedures.

9. 3. 2. Planning contracts

The elaboration, revision or amendment of **urban development and detailed local plans** may be the subject of a planning contract between the municipality and any interested party.

Planning contracts give municipalities the possibility of **granting planning rights**, that are of the exclusive privilege of the local authorities, to private stakeholders. They were introduced in the national legal regime in 2007 to provide municipalities with a supplementary legal and administrative instrument that supports **public-private negotiation** and the setting of **concerted planning solutions**, namely in regard to urban development. The signing of a planning contract allows for the parties to establish terms and conditions for the elaboration of the plan (e.g. guidelines, schedule) and agree upon the spatial solutions for a certain area (e.g. urban layout and design, building pa-

rameters, etc.), looking for a closer collaboration between municipalities and property owners and stakeholders. In addition, it provides support to municipalities that often suffer from a lack of capacity and resources to elaborate new plans.

However, planning contracts **do not mean handing over of municipal powers** in benefit of private parties. Indeed, they are not exempt from having to undertake the required legal procedures related to the elaboration, approval and implementation of the plan. Municipalities retain full privileges and powers over the planning process, while planning contracts mainly address the development of the planning proposals themselves.

9. 3. 3. Execution of territorial plans

According to the law, territorial plans - whether they are master, urban development or detailed local plans - need to **programme their own implementation and execution**. Programming includes the setting of actions, priorities, means and deadlines for implementation, the appointment of responsible bodies and respective roles, and the identification of estimated costs and corresponding public investments.

Municipalities are at the head of the process, providing technical and financial means to ensure planning effectiveness. To this end, they can invoke their own resources, make use of available legal instruments and tools, and sign contracts with private stakeholders and individuals. Such **municipal commitments** have to be registered within the municipal budgets and multiannual activity programmes. In turn, property owners and private stakeholders shall accommodate their own goals and requests to the objectives and priorities established by the municipalities.

Among the programming instruments and actions are:

- The delimitation of **operational planning and management units** (UOPG) that correspond to a limited area for which some objectives and parameters are established. The aim is to consider an integrated approach for a certain area, even when execution may happen in different implementation phases.
- The **spatial planning instruments** themselves (e.g. master plans can programme the elaboration of urban development or detailed local plans for specific areas).
- The delimitation of **areas for urban regeneration** (ARU) that require an integrated approach and an intervention focused on the regeneration and rehabilitation of consolidated or degraded urban areas, whether the main focus is the refurbishment of existing buildings or the overall regeneration of the area (including building fabric, public spaces, green urban areas, infrastructures and other common facilities).
- The programming of new **structural infrastructures and facilities**.

To make **systematic execution** operational and to ensure that urban development meets planning goals, plans can establish **execution units**. These may correspond, in whole or in part, to an UOPG, an urban development plan (PU) or a detailed local plan (PP). However, execution units are also available in the absence of any effective local plan (PU or PP) and may be established anytime-anywhere, either at the initiative of the municipality or at the request of property owners. In such an event, public consultation is mandatory.

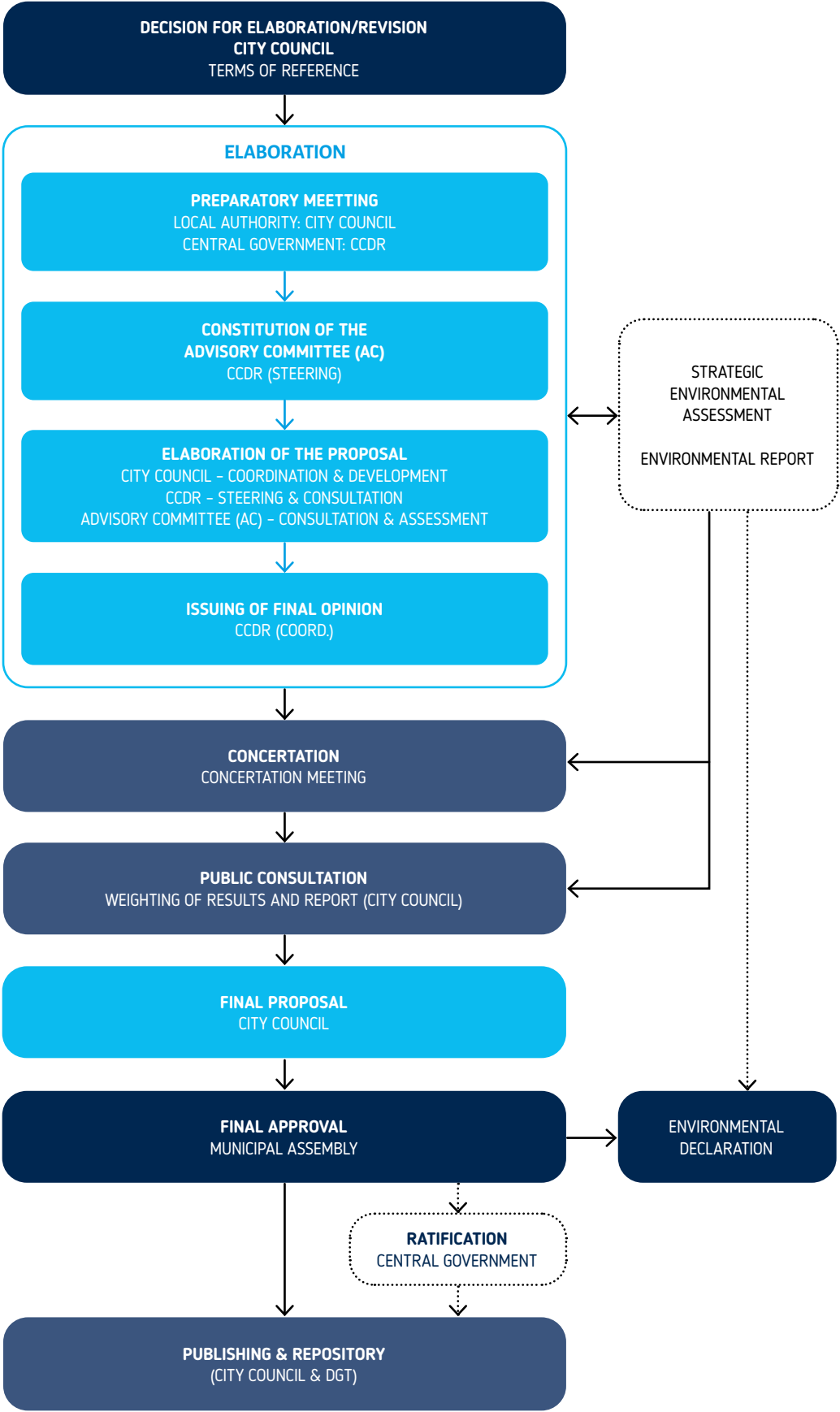
The delimitation of execution units entails the **identification and characterization of the land cadastre**, including all the parcels and holdings within the area of intervention. The objective is to guarantee the equitable sharing of burdens and benefits related to urban development, providing for necessary land consolidation operations alongside the planning objectives and the preestablished layout and land use schemes.

Under the scope of the execution units, **the effective delivery of planning options** is carried out in three different ways:

- **Private initiative** - promoted by property owners and private stakeholders who sign a contract for urban development;
- **Cooperation** - at the initiative of the municipality, although involving the participation of private stakeholders and hence the signing of a contract;
- **Administrative order** - at the initiative of the municipality through direct intervention or by means of concessions for urban development.

In certain occasions, plans may also consider adhoc operations outside the execution units (e.g. urban developments in consolidated urban areas). These are considered as **non-systematic execution**.

FIGURE 62 - MASTER PLANS: ELABORATION/REVISION WORKFLOW



9. 4. Public participation

Public participation and access to information are **two basic democratic principles and fundamental rights** established by the Portuguese legal system. Citizens - whether they are individuals or other legal persons – have the right to take part in planning procedures at each stage of the process. The elaboration, revision, amendment, execution and evaluation of spatial planning instruments are performed foreseeing the possibility for people to participate. To this end, planning procedures are necessarily announced and published ahead of time, on the Internet and on a dedicated online platform (**Collaborative Platform for Territorial Management** - PCGT).

Public participation considers the possibility for citizens to express their opinion, ask for explanations and clarifications, and present their suggestions and requests.

The main mechanism for public participation within spatial planning procedures is **public consultation**. The periods and terms of public consultation are usually announced in the Official Gazette and by other electronic means. In addition, presentational sessions for public participation are usually promoted. The results of public consultation are weighted and answers are provided for doubts and suggestions put forward.

Apart from territorial programmes and plans, other increasingly frequent participation processes include **participatory budgeting** and **other legal instruments** (e.g. urban regeneration areas, execution units, etc.) and **public decisions with significant impact on people's lives**.

Alongside public participation, individuals also enjoy additional rights such as the right to “*action popularis*”, the ability to submit a complaint, contest a decision or demand for an annulment of the plan.

Access to information is also of increasing importance. Internet and information systems are the mainstream channels. Within the scope of spatial planning, it is worth highlighting the **National System for Territorial Management** (SNIT) – where all the spatial planning instruments in force are made available –, the **National System for Geographic Information** (SNIG) – a collaboration platform that gathers geographic data at national level – and the **National System for Land Cadastre** (SNIC) – where land cadastre registration is made.

9. 5. Monitoring and evaluation in spatial planning

The monitoring and evaluation of spatial planning instruments is a **legal requirement**. According to the spatial planning legal regime and Framework Act, **parameters** and **indicators** are demanded of territorial programmes and plans to allow for further monitoring and evaluation in view of the established strategy, objectives and expected results. As such, the decision upon the revision, amendment and repeal of any programme or plan in force shall be taken on the basis of **previous evaluation**.

The **Spatial Planning Status Report** (REOT) is the main legal instrument that specifically addresses the evaluation of spatial planning. Based on mechanisms for regular monitoring (such as quantitative and qualitative indicators), REOT **take stock of the execution of territorial programmes and plans** to assess whether results match the established objectives. REOT also point towards the efficiency of coordination affairs, i.e., whether there is proper coordination between several instruments and planning levels, and between spatial planning and the most impactful policy sectors. With a view to both the effectiveness and efficiency of spatial planning policies, evaluation has been evolving from a rather pragmatic and conformity-oriented process, particularly focused on the instruments themselves, towards a broader and strategic approach targeting the monitoring and evaluation of territorial dynamics.

REOT are currently foreseen at three different levels:

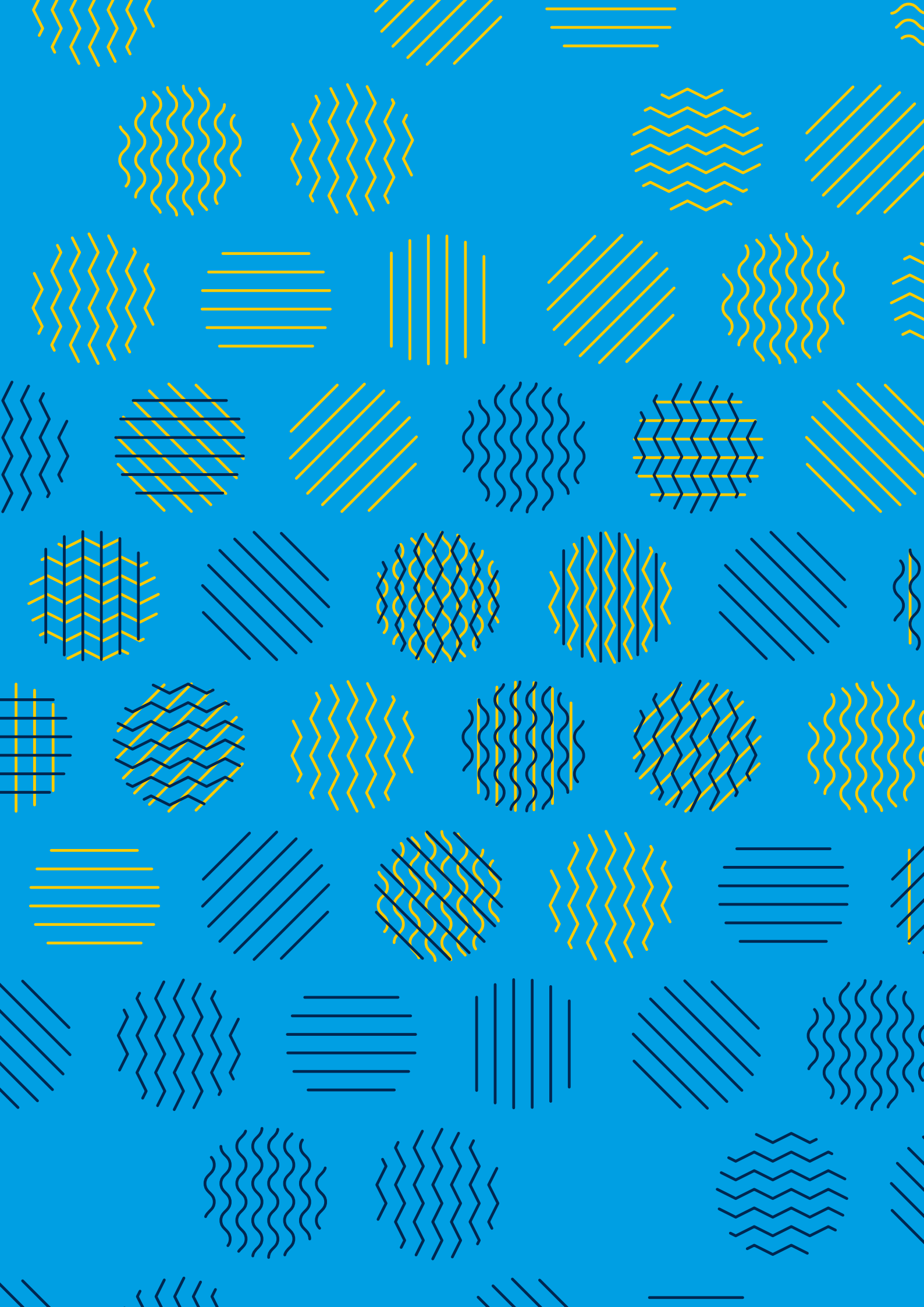
- The **REOT at national level** - under the responsibility of the government, to be submitted to Parliament every two years;
- The **REOT at regional level** – under the responsibility of the CCDR, to be submitted every four years to the member of government in charge for spatial planning;
- The **REOT at municipal or intermunicipal level** – under the responsibility of either

the city council or the intermunicipal council to be submitted every four years to the municipal or intermunicipal assemblies.

In Portugal, REOT were firstly produced in the mid-1990s. However, they were only legally consecrated in 1998 as a provision of the first framework act.

At the national level, the **Observatory for Spatial Planning and Urbanism** is the institutional structure upon which lies the task of promoting a regular monitoring and evaluation of territorial dynamics and of the spatial planning system nationwide. The Observatory was created by a ministerial order in 2019 and relies on an online platform for the production and sharing of a **national system of territorial indicators**. Under the coordination of the Directorate-General for Territory (DGT), the Observatory is the institutional instrument that supports the evaluation of the PNPOT (National Spatial Planning Policy Programme) and the elaboration of the REOT at the national level.





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Part III
Regional
Development
in Portugal

10. Regional Development in Portugal

10. 1. Contextual Framework

Regional Development is a broad and fluid concept. The OECD, for example, understands it as a *general effort to enhance well-being and living standards in all region types, from cities to rural areas, and improve their contribution to national performance and more inclusive, resilient societies*.

Notwithstanding, and despite the streamlined conceptual normalization often used for the purpose of international comparative studies (e.g. ESPON, 2018*), each country, depending on its political and territorial administration traditions, embodies this concept differently.

In Portugal, distinctive geographical (i.e. mainland or archipelagos - Part 1.1), functional and administrative (Part 1.2) understandings of what constitutes a region translate into multiple policy and institutional uses of the *regional-* prefix. The most predominant of these can be loosely aggregated in three groups:

- First, one of a territorial administration nature, which encompasses the ongoing regionalization and decentralization debate, the use of statistical territorial units (NUTS II and III), and the emergence of intermunicipal/sub-regional institutional actors as an outcome of a decade-long legislative process;
- Second, one of a policy nature, which relates to the regional-scale instruments of the Portuguese Spatial Planning system and to specific Regional Development policy initiatives, both from an historic (Part 2.5) and contemporary (Part 2.7) perspective;
- Third, one of a European Union integration nature, centered on the design, monitorization, evaluation and territorialization of the regional and sub-regional policy instruments supporting the implementation of the different EU structural and investment funds (e.g. ERDF, CF, ESF).

These three perspectives coexist and their evolution is, to a certain degree, intertwined, but the latter tends to take centre stage. Some key historical facts help explain this statu quo. First, unlike the constitutionally defined autonomous regions of the Azores and Madeira, mainland Portugal's strong municipalism roots vis a vis the historical absence of a regional scale of government help explain the negative outcome of the 1998 national referendum on the 1976's constitutionally-framed Regionalization process. The latter brought to a halt a political and administrative effort to enhance regional autonomy within mainland Portugal, undermining in the process a potential strengthening of the political and operational significance of the regional scale in the spatial planning system. Second, spatial planning in Portugal had, in the 1980s, a late and slow formal policy emancipation process (Part II Sections 5.1 – 5.3), which hindered its potential impact in the territorialization of the Portuguese European integration process.

Finally, Portugal's EEC European Economic Community successful application process, which had a paramount impact in both the Portuguese economic, political and institutional development perspectives, emphasized a key strategic and managerial role for regional level policy instruments and administrative frameworks. Consequently, through Portugal's Europeanisation process, the 1990's emphasis on the Europe of the Regions, and overall evolution of the European Union political-administrative project deeply intertwined the concept of Regional Development and the territorial management of EU structural and investment funding.

In retrospect, and from the Directorate-General for Territory's critical perspective there is a policy integration deficit between spatial planning and regional development policies in Portugal, with scarce articulation and mutual recognition between both policy instruments and communities. This impacts negatively on the current patterns of the Portuguese territorial institutional culture.

To address this issue, it is fundamental to understand how spatial planning and regional development policies in Portugal evolved, co-exist and may progress together in the foreseeable future. To this effect, the following sections break down this evolutionary process, briefly illustrating how these policy fields and their institutional frameworks developed, namely in the period prior and after the 1974 political regime-change, during the early stages of Portugal's EU integration process, and then how the different Community Support Frameworks (CSF) and domestic policy initiatives shaped up the current Portuguese regional development policy community and territorial governance landscape.

* https://www.espon.eu/sites/default/files/attachments/1.%20COMPASS_Final_Report.pdf

10. 2. Pre-1974 Regime-change: Shaping Regional Development Perspectives

Between 1933 and 1974, Portugal was a dictatorial, authoritarian and corporatist regime denominated *Estado Novo* - *New State*. As the limits of the *New State* self-imposed colonial, isolationist and self-sufficiency-based development model mounted, the regime tried to reposition itself in the neighboring and global economic landscape. In 1948, Portugal was one of the founding members of the OEEC Organization for European Economic Cooperation, a key institutional structure outlined in the post-World War II's Marshall Plan for economic aid management. Portugal's participation in the OECE stressed the need for domestic economic development planning instruments, which triggered the elaboration of the *New State's Planos de Fomento* – National Development Plans.

The 1st National Development Plan (1953-1958) perpetuated the self-sufficiency approach the regime stood for at that time. The National 2nd Development Plan (1959-1964) hinted at a shift in strategy as it introduced an explicit industrialization policy (e.g. steel industry, oil refinery, fertilizer and chemicals) placing a greater emphasis on the development of a national manufacturing industry. This shift is closely intertwined with the country's incremental economic global integration process. In January 1960, Portugal co-founds EFTA (European Free Trade Association), later that year signs-up to the IBRD-International Bank for Reconstruction and Development and the IMF-International Monetary Fund agreement and, in 1962, subscribes the GATT-General Agreement on Tariffs and Trade protocol. These political decisions constitute a turning point in the *New State's* self-sufficiency ethos. The ongoing colonial war and its implications, alongside the external economic competition demands inherent to the signed agreements, led to the drawing-up of an Intercalary National Development Plan (1965-1967) that emphasized the urgent need to revise the national industrial policy to adapt to this economic-policy contextual shift.

From an institutional design standpoint, this was a period of key innovations. In 1964, the legal framework for the development of the aforementioned Intercalary National Development Plan, bolstered the recently created, 1962, economic planning and integration service (i.e. *Secretariado Técnico da Presidência do Conselho*), to supply technical assistance and inter-ministerial coordination, and promote the articulation of regional agency. In short, a pathway to regionalizing national economic development. In 1966, further legislation established a regional planning structure, with the purpose of collecting and preparing the basic information necessary for the elaboration of regional development programmes, ensure the representation of local interests in the working groups of the Inter-ministerial Commission for Planning and Economic Integration and maintain a permanent link with the Technical Secretariat of the head of the *New State's* Government (i.e. *Secretariado Técnico da Presidência do Conselho*).

In 1968, a shift in the *New State's* leadership coincides with the launch of the 3rd National Development Plan (1968-1973) strengthening the liberalization trend of the dictatorship's economic policy. This plan further fostered the internationalization of the Portuguese economy, the development of the private industry as a leading sector of the national economy, the subsequent strengthening of major economic and financial groups and the growth of the tertiary sector. Despite having an underlying sectoral approach, there were regional development objectives established, the first plan to explicitly do so. In sync, with the preparation of the 3rd National Development Plan, in 1967, additional legislation was drafted to support its operational management. This led to the creation in 1969, of the Regional Planning Commissions (CPR). Six planning regions were defined (North, Center, Lisbon, South, Madeira and Azores) with the mainland regions later divided into sub-regions.

Portugal's 1960s regional development vision, in tune with the European trend, was based on the concentration of investment and means, in order to generate propagation effects on the regions where the development poles were implanted (e.g. the industrial cluster in Sines, the agri-food industries in Cachão-Mirandela). Similar thinking informed the creation of new universities (i.e. Minho, Aveiro and Évora). Many of these projects are now consolidated and the triggered industrial surge inevitably resulted in a progressive urbanization throughout the country. In 1970, 10% of the Portuguese population lived in semi-urban areas and about 25% lived in cities with more than 10,000 inhabitants. Due to

a substantial hinterland-to-coastal areas demographic exodus, coastal cities in particular, where large industries and services were concentrated, saw their population concentrate in peripheral areas. The effects of the lack of appropriate housing, transport, health and education services, fueled emergent scenarios of clandestine urban settlements. These territorial dynamics urged the need for the development of strategic Spatial Planning instruments in the early 1970s. These spatial unbalances were directly addressed in the 4th National Development Plan (1974-1979) alongside a strategy of further internationalization of the Portuguese industrial fabric. The 4th National Development Plan's implementation was halted, in its early months, by the 1974 political regime-change.

10. 3. Post 1974 Regime-change: Portugal at a crossroads

On the 25th April of 1974, a military coup put an end to an over 40 year-long dictatorial-regime in Portugal, dismantling the country's colonial territorial legacy. In its aftermath, Portugal, highly politically isolated worldwide, was a social and economic laggard in face of its European counterparts. The country had an highly dependent economy on the former overseas territories and a population with severe substandard living conditions and purchasing power, and an undersized and underequipped educational and health systems.

The instability of post regime-change domestic politics, led to a period of multiple contradictions concerning the country's political and economic development outlook. The oil crisis of 1973 and the change in economic development paradigm, downplaying basic industries as an engine of economic growth, mismatched, at this stage, the national policy towards the densification of the industrial network and continuity of the pre-1974 economic policy guidelines. In 1976, as domestic political conflict and contradictions toned down, it was gradually understood that the Portuguese economy would have to evolve in a Global and European context of relative specialization. As a consequence, the economic nationalization processes began to be reversed, and although Law 46/77 kept key sectors out of private interest's reach, SMEs emerged as the main recipients of support and the existing industrial policy was incrementally out staged by a set of sectoral initiatives.

To bolster this economic policy shift, within a context of extremely limited financial resources, following the 1979 Local Finances' Law, a series of policy initiatives were set in motion. For example, in 1980, a system of integrated development incentives (SIII) was put in place to promote the sectorial and spatial reordering of the country's productive activity. These incentives' underlying goal was for Portugal's macroeconomic policy to have a set of flexible policy solutions for timely adjustment to changing external circumstances and strategy inflexions. The SIII helped regional policy in Portugal continue to play a role in modulating sectoral policies, however with neither the magnitude nor the institutional visibility to allow for significant territorial reconfiguration. Available evidence suggests that these incentives, through the economic agents better prepared to apply them, ended up reinforcing economic growth around traditional industrialization zones.

The pursuit of more balanced territorial development perspectives however was not put aside. To address this, the Technical Secretariat of the Presidency of the Council of Ministers, promoted several regional programmes, such as the Integrated Development Plan (PDI), which nonetheless lacked the mechanisms capable of conditioning sectoral policies. In short, the post-25th April 1974 period, the 1976 Constitution-inscribed planned Regionalization perpetuated, to a significant extent, and until Portugal's accession to the European Economic Community (EEC) in 1986, the sectoral economic development and regional planning structures developed since the 1960s.

EEC: the road to accession

In March 1977, Portugal issued its accession request to the then designated European Economic Community (EEC). A political majority backed the process as a boost to the national capacity to overcome the post regime-change socioeconomic challenges and benefit from the political stability the EEC membership represented. However, in 1979, the EEC was reluctant in opening up a membership position as these aforementioned issues were understood as structural problems that Portugal wouldn't be able to overcome in order to cope with membership requirements. A lengthy diplomatic negotiation process ensued and, as part of it, in October 1979, the Regional Policy and State funding dossier for Portugal's EEC application process began to be debated,

with the first pre-accession financial aid arriving from 1980 onwards. These often-overlooked economic instruments played a relevant role by allowing regional and rural development initiatives to kick-off, by fronting otherwise unavailable financial resources.

Contextually, the overall concept of an EEC regional policy was, at this stage, still in its infancy, with the European Regional Development Fund (ERDF) planned to begin in 1973, at the time of the United Kingdom's accession, but delayed 2 years due to the global oil crisis. The ERDF was set up as a financial instrument designed to promote the reduction of regional development disparities. From 1979 onwards, taking stock of this initial period of implementation, a series of ERDF-related policy experiments paved the way for what would be known in the future as integrated development approaches. The ERDF first revision, in 1984, reinforced its nature as an EEC regional policy instrument enhancing its autonomy from national policies. This policy profile was consolidated by the 1986 Single European Act, which enshrined the ERDF in the treaty as one of the structural funds that pursued greater intra-EEC social and economic cohesion.

This brief contextual outline helps illustrate how the EEC regional policy was shaping up whilst Portugal's application process was taking place. As the ERDF in particular was concerned, the Portuguese negotiation team aimed at achieving full access to EEC funding mechanisms, just like any other member-state, and a full territorial coverage for ERDF application. The latter however, could only be fully defined after Portugal officially became a member of the EEC, as any proposal for the territorialization of structural funds prior to that date could not be assessed as the EEC Commission had no formal competency to do so. In addition, the Portuguese Government had not yet defined the priority areas for ERDF application, both in geographical and functional terms, nor the related regional financial support framework. In other words, there was no incentives system in place and the few existing economic development mechanisms were entirely made of fiscal benefits.

To circumvent this double-obstacle, a set of specific policy initiative was annexed to Portugal's admission treaty, focusing on the development of the Portuguese industry, the future PEDIP, and the socioeconomic development of the autonomous regions of Madeira and the Azores, the later designated POSEIMA. In addition, and in face of the Portuguese negative economic outlook a transition period was established, until late 1990, to boost ERDF maximum support rate to 70%, instead of the 50%-55% applied in the majority of other member-states. The underlying goal was to allow Portugal to benefit from the ERDF despite its crippling internal budgeting limitations.

In retrospect, and despite the best efforts of the government and negotiating team, throughout the process leading to the establishment of the admission treaty, in 1985, a set of critical challenges ensued. If fact, the admission process triggered a structural domestic administrative reform that laid the foundation of what is still the predominant regional development institutional and policy framework in Portugal today. The key trigger at that time was the development of the institutional solutions and policy instruments that would allow immediate access and effective use of the future available ERDF funds. For this purpose, the post regime-change governmental make-up had central planning responsibilities concentrated in the Finances and Planning Ministry but the regional coordination commissions (CCR), fundamental for ERDF territorialization, were part of the Homeland Administration Ministry.

The CCRs were not new. They existed since 1969 (then Regional Planning Commissions - CPR) created to have a consultative and monitoring role in regional development matters. Later, in 1979, the final designation was set, CCR, their current five areas of geographical intervention set, and to their previous role was added the task to support Local capacity building, via a set of Technical Support Offices (GAT) (Decree-Law No. 494/79, of December 21). The GATs were conceived and implemented as (i) an instrument to support the development of the municipalities' institutional and technical capacities and (ii) an institutional tool to promote the convergence between the processes of regional development and political-administrative decentralization.

Aware of the fundamental role the CCRs would have to play, the Homeland Administration Ministry created, in 1983, the Directorate-General for Regional Development - DGDR, whose fundamental mission was to conceive and implement the national regional development policy. To aid it in this purpose, an inter-ministerial work group for Regional Planning and Development was established in order to layout the strategic guidelines for future Regional Devel-

opment Policies: potentiate local human resources, balanced spatial structure, incremental correction of regional and intra-regional disparities, and enhance regional and intra-regional accessibility. In addition, a set of operational guidelines was also set up regarding: spatial and sectoral selectivity, differencing coastal areas and hinterlands, policy instruments, public and private investment, and the technical and financial support to local authorities.

In late 1985, a government reshuffle, following general elections, helped consolidate ERDF governance in Portugal. The regional development responsibilities of the Homeland Administration Ministry were integrated in the newly formed Ministry of Planning and Territorial Administration, bringing together under the same political and governmental roof, Environmental and Spatial Planning responsibilities, the DGDR, the CCRs, and Local Authorities making for a potentially much more coordinated approach. In 1986, CCRs responsibilities would extend into urban planning, spatial planning and environmental policy (Decree-Law 130/86, of June 7). In addition, DGDR (RCM 44/86) skewing its original purpose, was allocated the responsibility of coordinating ERDF implementation. This would hinder the strategic nature of DGDR whilst stressing its managerial function. These changes also brought to light a growing tension between multiple Ministries, over a more decentralized vision for ERDF implementation vs. a more centralized approach that aimed to privilege Central Administration's and Public companies' access to ERDF funding.

Notwithstanding, with the input of multiple ministries the 1986-1991 Regional Development Programme (PDR) was presented to the EEC Commission at the very close of 1985. This document was widely generic, content-wise, to allow for the future retrofitting of the investment projects deemed most strategically significant as at that moment there was no clear picture of what these could be. On a negative side, the PDR development took stock of insufficient statistical evidence, as Portugal's regional data collection was organized around the District unit rather than the CCR. This issue began to be addressed in 1986, with the creation of the Portuguese Nomenclature of Territorial Units for Statistics – NUTS. This was an extremely hard process to streamline, as different ministries had been decentralizing their technical offices and data gathering processes without shared strategy or administrative units, leaving the National Statistics Institute facing a highly scattered data landscape.

Portugal as an official member of the EEC

Finally, on the 1st January 1986, Portugal became an official member of the European Economic Community. In the following years, the country benefitted straightaway from diverse ERDF-funded initiatives. Many of the programmes have a predominantly sectoral orientation: industry; telecommunications (i.e. STAR); energy (i.e. VALOREN). Other programmes had a greater territorial focus: Regional-based Incentives System (SEBR); National Plan of Community Interest in the Azores; Integrated Development Operation (OID) of the North Alentejo or the Setúbal Peninsula; OIDs with a more horizontal approach reflect a more integrated approach to regional development, better balancing between sectoral and territorial policies. The OID of the Setúbal Peninsula (i.e. reconversion of territories with a decline in shipbuilding), combined with the sectoral programme for the shipbuilding industry, is today seen as a positive outcome in Portuguese regional policy. In fact, this type of approach aimed at valuing the endogenous potential of the regions, signaled a shift in Portuguese regional policy, hitherto predominantly geared towards the mobility of development factors and territorial equity.

Elsewhere, this period is marked by a focus on sectorial and non-territorialized objectives, with a single-year timeline, rather than an integrated approach of multiple-scoped territorialized interventions. Policy definition and funding applications were conducted at a national level, excluding regional actors and social partners from interaction with the European authorities. In the first three years of membership (1986-1988) support was granted to individual projects submitted to the three Structural Funds and the Special Budget Line of the Specific Programme for the Development of Portuguese Industry – PEDIP (meanwhile negotiated at the 1988 Brussels European Council). The focus of this funding were the key factors underpinning the structural backwardness of the country at the time of accession - transport and communications networks, water supply and basic sanitation infrastructure, health and education public equipment and overall labour force professional training and fragile economic fabric.

Finally, we should highlight through the mobilization of EEA funding, the development of the

1985 Urban Rehabilitation Programme – PRU provided for a policy laboratory, where multiple interventions adopted a strategic and integrated socioeconomic approach - even more comprehensive than that explicit in the legal diploma, diversifying funding sources and directly engaging affected communities. Its successor, the 1988 Recovery Programme for Degraded Urban Areas - PRAUD stopped addressing housing and social cohesion objectives reducing this policy to a mere physical intervention, with a loss of strategic scope, range of participant institutions and overall progressive reduction in monitoring efforts.

10. 4. EEC Membership Policy Challenges and Institutional Adaptation (1989-1993)

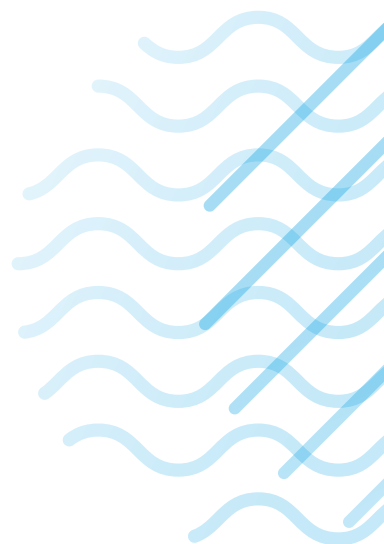
In 1986, as Portugal officially joined the EEC, the Single European Act set the foundations of European Cohesion Policy as known today. The Delors Commission underpinning rationale was driven by the creation of the European Single Market and boost the EEC as an economic superpower capable of competing with the United States and, at that time, with Japan. This goal was dependent on an overall tighter budgetary discipline, and a common agricultural policy and structural funds reform. As the latter were concerned there was a strategic and financial alignment around the achievement of the common objective of promoting greater Economic and Social Cohesion between the regions and member states of the European space.

This newfound coherence translated into five key objectives, the first of which was the promotion of the growth and structural adjustment of lagging regional economies within the EEC. Regulations oblige this objective would apply to the entire Portuguese territory. It thus comes as no surprise that, under the leadership of Spain, Southern European countries (including Portugal, Greece and Italy), nicknamed *Club Med*, strongly lobbied and negotiated for the furthest possible bolstering of Objective 1 support, achieving a doubling of the European Community budget in 1989, of which 80% allocated to Objective 1. The underlying rationale was that this additional funding would be used mainly to modernize and restructure the economies of the southern European periphery and make for a more competitive European single market and a socially cohesive Europe. The structural funds reform and its overall strategic resetting had nevertheless unexpected consequences. In the case of the economically lagging countries it forced a strategic shift towards the convergence of economic development levels at the European level, which would compete, resource-wise, with the reduction of intra-national development asymmetries.

In operational terms, the first CSF marked a major reform of EEC Structural Funds and their instruments, recognizing the importance of establishing policy frameworks that reflect the specificities of individual regions. This translated to a complete overhaul of the existing practices of EEC regional development and multi-sectorial planning. In addition, the approval of the denominated first Delors Package enabled to substantially reinforce the financial resources at its disposal, guarantee an integrated intervention of the various European funds and enshrine the four main principles that, until today, have guided the operation of these financial instruments: concentration, programming, partnership and additionality.

To manage this new operational strategy and strengthened budget the Commission opted to decentralize its management responsibilities and financial control, via partnership-agreements, between the EEC, the Member-states and the targeted Regions, whose was strongly encouraged. In addition, other funding sources began to be used to complement CSF funding. Overall, the EEC Commission input was significantly increased, through the attribution of powers of oversight and programming to DG Regio, yet involving multiple other DGs, an intra-commission coordination structure and a much more direct contact and cooperation with authorities at the regional and also transregional level, fostering policy initiatives aimed at exchanging best practices and solutions such as the early stages of LEADER and INTERREG programmes. With the CSFs increase in funding and competences came also increased expectations in accountability and evaluation, as the programmes were translated into formally binding legal documents, and the Commission management committees started requesting ex-ante, mid-term and post-ex evaluations as well as impact assessments of programme development, using European-defined standards. In short, the first CSF (1989-1993) set up the foundations for the multi-annual programming model that, to a large extent, still defines the European Cohesion Policy today.

In Portugal, the first CSF amounted to 15% of in country's global investment for the 1989-1993



period. The latter included incentives to over 7500 investment projects, equipment to support business development, support for science and technology (FEDER and PEDIP), agricultural modernization (FEOGA) and the rationalization of the fishery fleet and food industry (IFOP). CSF I would also enshrine the first Educational Development Programme in Portugal (PRODEP), as an exception to the community rules in force at the time, with 44 % of its funds allocated to teacher training and the remaining to the construction of new school buildings, replacing derelict ones and provisional container solutions. For Portugal, the new European regional policy opened unseen access to resources and development possibilities. In return, it had to fully internalize an open market economic philosophy.

In administrative terms, Portugal had to embrace the logic of European level policy. To this effect, the Ministry of Planning and Territorial Administration produced Regional Development Plan 1989-1993 (PDR) that would provide the strategic framework for the implementation of a CSF novelty, the regional operational programmes (POR) in Portugal. The PDR resulted from an inter-institutional strategy group that included the Directorate-General for Regional Development, the CCRs, sectorial stakeholders and representatives from the Azores and Madeira archipelagos. Although it was not mandatory by EEC rules, the Portuguese decision-makers decided the PDR/POR should have a full territorial coverage. The underlying rationale was to prepare Portugal for the forthcoming European single market, and position the nation within the Atlantic Arc as a key development corridor in Europe over tackling intra-national development disparities. In short, the implementation of the regional policies of CSF I stressed, once again, the difficulty of making sectorial policy compatible with territorial policy, a problem enhanced by the fact that the PDR covers the entire national territory.

During this period, political responsibility sat with the Ministry of Planning and Territorial Administration, and the technical accountability with the Directorate-General of Regional Development. Decision making was a highly centralized process. Externally, civil society and key Economy stakeholders' participation was residual at best. Internally, during the development of the PDR, the inputs of the regional actors (CCRs) were belittled by the Ministries' sectorial inputs. The Commission wanted the CSF implementation to foster greater decentralization thus reinforcing the roles of the CCRs. However, this was a highly sensitive issue during the CSF-negotiations as it was deemed, by Portugal, as fully within member-state sovereignty. Nevertheless, specific units designed to deal with ESF were created within central administration and limited decentralization to the CCRs allowed. On top of this, and for accountability purposes, in 1991, the CSF observatory was created, and tasked with the monitoring and evaluation of both the execution and impact of CSF initiatives, as well as to help create a system of indicators for future evaluations.

10. 5. Pioneering Integrated Development Approaches (1994–1999)

The second CSF cycle is the result of discussions achieved in the Edinburgh Agreement, in 1992, during the British presidency where no major framework changes were applied, besides a considerable increase in the Structural Funds budget. The nicknamed *Club Med* once again managed to negotiate a nearly doubling of available funds for the 1994-1999 period. In addition, a new separate Cohesion Fund, created by the Maastricht Treaty, strongly benefited Portugal, Greece, Ireland and Spain. The latter had a specific focus on transportation and environmental projects, mirroring the growing emphasis on sustainable development within the European strategic development perspectives. Funding-wise, this has been, to date, the best CSF for Portugal.

In the Portuguese case, CSF II was particularly important as the country was recovering from the 1993 economic recession. Domestically, CSF II maintained the two main objectives of CSF I: promote real socioeconomic convergence with the European Community and strengthen internal territorial cohesion. The nature of investments remained predominantly within the realm of the hard infrastructures. Notwithstanding, there were crucial ERDF, ESF and EAGF investments towards the revitalization of the economic fabric, scientific research, social and educational infrastructures and equipment.

Given the negotiated duplication of Structural Funds, there was a reinforcement in absolute terms in all sectors: major infrastructure works, cultural, education and health infrastructures. But the new Cohesion Fund, with an allocation equivalent to about 15% of the total CSF - would decisively tip the balance in favour of territorial infrastructures. Thus, despite

the qualification and employment of the Portuguese active population being a top priority of CSF II, the recently elected government, in 1995, brandishing education as a passion as a leitmotif, and that all available funding had doubled, CSF II has the most unbalanced relationship between infrastructure and training. On the ground, alongside major projects such as the Expo98 and the Vasco da Gama bridge in Lisbon, the Madeira Airport Expansion, and other national-level logistical infrastructures, at the local level, in addition to municipal cultural infrastructures, began the construction of a wide range of sports infrastructures, on top of the ongoing reduction of the municipal infrastructural provision deficit: roads, water supply and sanitation. An increased weight of investment in infrastructure will mark CSF II, despite the greater opening of this programme to investments of an immaterial nature. One of the limitations of this community framework was the overvaluation of operational programmes without sufficient territorial policy coordination.

CSF II policy support framework brought key changes. In Portugal, the PDR 1994-1999 was a more detailed document than its predecessor. It included, from the outset, the ground information for the future Regional Operational Programmes so as to have a more seamless transition from strategy-design to on-the-ground implementation. However, there was an overall consensus that CSF II would be the last Delors package to benefit Portugal in light of the forthcoming EU expansion Eastwards, and last but not least, the arrival of the Euro in a near future. With this in mind, Ministries were scrambling to access funding. The outcome was an insufficient concentration of resources in concrete development priorities which, in hindsight, proved damaging.

In terms of domestic policy innovation, CSF II paved the way for some experimental approaches to integrated development policies for networked municipalities. Fostering a growing coordination between CCRs and municipalities, several targeted intervention programmes benefited from ERDF funding, such as the PROCÔA (Programa de Desenvolvimento Integrado do Vale do Côa), ODIANA (Ação de Valorização do Baixo Guadiana) or AVNA (Ação de Valorização do Norte Alentejano). In addition, a Regional Development Potential Promotion Programme (PPDR) was launched, aimed mainly at rural centres and historic villages, bringing forth new concepts and objectives such as territorial marketing, cultural and patrimonial resources or the internationalization of these underdeveloped areas.

Equally significant was the URBAN EU Community Initiative. Despite having no link with previous programmes, URBAN's integrated approach combines the rehabilitation of obsolete infrastructure with economic and labor market actions, and the mitigation run-down neighborhoods' social exclusion, with an overall aim to improve both environmental and social quality of life. The latter embodied the 1994 Aalborg Charter spirit that brought forth the discussion on sustainability at the local level. URBAN was particularly active in the Metropolitan Areas of Lisbon and Oporto. In sync, but beyond the CSF II framework was the domestically designed PROSIURB programme (see section 5.3). Totally supported by national funds, it envisioned the reorganization of the national urban system, in order to mitigate national development asymmetries. To achieve this goal, Municipalities should develop local strategic plans to complement their existing land-use plans. The strategic scope promoted included a deliberate reference to the added value of fostering municipal networks of smaller urban centers to enhance access to ERDF funding. In short, although with limited success, PROSIURB was a pioneering policy innovation that aimed at a multi-level and integrated regional development approach.

10. 6. Further Policy Integration and Coherence (2000-2006)

CSF III overlapped two key events in EU history. First, a clear halt in the federalist expectations for the Union, as its European Constitution, or Constitutional Treaty, failed to muster enough citizens support, in France and The Netherlands, and was all but abandoned. Second, in 2002, after a lengthy process of over 25 years, a key pillar of the 1992 Maastricht Treaty vision for economic and monetary union, the Euro, was brought to circulation. For Portugal, the single currency brought an immediate significant benefit: the ease of access to financial credit at the cost of the loss of sovereignty over the country's monetary policy.

Furthermore, this change took place at a time when external competition increased, as a result of both the EU's enlargement eastwards, in 2004, and the WTO membership acceptance of China

in 2001 that would have a ripple effect in low production-cost-based economies. For Portugal, the latter, plus the ten new EU Member States, with lower wages and cheaper production costs, set off a further competitive shock that could no longer be mitigated with currency devaluations. Furthermore, newcomer countries would accentuate EU regional disparities, thus becoming frontline candidates to benefit heavily from EU's Structural and Cohesion funds. This signalled a foreseeable reduction for Portugal in the near future, even though the country, as a whole, was still distant from EU averages on economic and social standards.

Against this background, CSF III set off to overcome the structural delays that separated Portugal from the more developed European countries along four priority objectives: to raise the level of qualification of the Portuguese active population, promoting employment and social cohesion; to change the productive profile towards the activities of the future; to bolster territorial value and the country's geo-economic position; to promote the sustainable development of regions and national cohesion. In retrospect, objective-wise, the key difference from the previous CSFs was the explicit regionalization of the Funds: nearly 47% of these were allocated to the last priority objective, specifically intended for regional development via the POR.

The underlying rationale was to have the regional operational programmes (POR), managed by the bodies of the island autonomous regions and by the mainland five Regional Coordination and Development Commissions (CCDRs*, the ex-CCRs). This would allow to both mobilize and reinforce the weight of regional economic and social agents in choosing projects from all sectors to be implemented in their region. This decentralization was accompanied by a new POR configuration: instead of being limited to using ERDF resources to finance projects of local or intermunicipal initiative, these new PORs began to allow investments from the different central government sectoral actors, i.e. ministries and public companies. However, in a highly centralized country such as Portugal, this strategy could hardly succeed without a simultaneous institutional reform that would allow central and regional powers to be re-balanced. This possibility was severely hindered after the 1998 Regionalization referendum, that all but blocked any decentralization reform for the foreseeable future.

As a consequence, the CSF III structure implied more bureaucracy lengthier processes and higher transaction costs within the Portuguese public administration, without any change in the underlying decision-making paradigm. This complexity can be illustrated by breaking-down the list of the Portuguese CSF steering commission members and the management structure outline. These included a President, members of the Managing authority (i.e. representatives of the entities responsible for managing each structural fund and the Cohesion Fund, chaired by the Director-General of Regional Development), Operational Programme managers, representatives of the Ministry of Environment and Spatial Planning and the Ministry of Equality, the Directors-General of Treasury, Community Matters, Department of Prospective and Planning, the President of each Regional Council, a representative of each Regional Government, each CCDR, the National Association of Portuguese Municipalities, the Finance General Inspection, the European Commission, the European Investment Bank, and economic and social partners indicated by the Social and Economic Council.

At the regional level, each mainland operational programme had similarly numerous steering commissions. These numerous commissions have nevertheless very limited power. Contrastingly, the Presidents of the CCDRs - the POR managing authorities, have made limited use of their far more significant power. A slightly simpler structure could only be found in the autonomous regions of Azores and Madeira, due to their status of political, legislative and administrative authority, thus not subject to the same institutional arrangements as the mainland OPs.

Another CSF III strategic novelty was its greater flexibility. The latter sprang from the establishment of two financial reserves, to be allocated only mid-CSF, to address new emerging problems or adjust the implementation priorities of the operational programmes. A key implication of this policy innovation was the requirement of an interim evaluation and reprogramming exercise of the CSF in 2004. It resulted in no change concerning the distribution between Funds; however various programmes were adjusted, namely a new one aimed at modernizing the Public Administration. By now, it was growingly acknowledged that a widespread capacity deficit and human resources' deficit was a key factor in defining CSF's impact in the Portuguese socioeconomic development perspectives.

Nature of investments-wise, the most striking aspect of CSF III was perhaps the maintenance of

* In 2000, with the creation of the Regional Directorates for the Environment and Spatial Planning (DRAOT), Decree-Law No. 127/2001, 17 April, spatial planning is no longer part of the CCR's competences. In 2003, the CCDR (Regional Coordination and Development Commissions) are created from the merger of the CCR and the DRAOT, which now integrate the competences in the areas of regional planning and development, environment, spatial planning, nature conservation and biodiversity and support for municipalities.

the level of infrastructural effort after the substantial increase seen in CSF II and CSF I. This extends even to exclusive domestic funding investments, such as the new no-cost to the user highways (SCUT) often built in parallel to CSF-funded highway networks. Transport, energy and environmental management infrastructures end up, once again, dominating CSF allocations. Nevertheless, there was also a reinforcement in Science & Technology, Technological literacy for school-age population, and a fresh batch of *new opportunities*-schemes leading to a significant increase in the number of trainees, training courses and internships.

Domestic policy-wise, the National Economic and Social Development Plan from 1998, informed the new Regional Development Plan (PDR) 2000-2006. Its ex-ante evaluation was analysed and agreed on by the European Commission, in order to foster better coherence between national objectives and the European development strategy. CSF III saw clear improvements to its support information system, as well as the creation of thematic reporting system, in view to better articulate sectorial and regional programmes.

CSF III's Regional Operational Programmes (POR) had a new clear concern with the integration of environmental goals within regional investments. Furthermore, the PORs were subject to significant institutional innovations, by expanding support for municipal and intermunicipal projects, integrated territorial measures and CCDRs-led measures, all with a budget increase for regional programmes. Through this framework, the Community maintains support and involvement with urban centres essentially in transport, environment and urban renewal projects, while assigning a clear priority to greater scale investments proposed by associations of municipalities. The aim of this paradigm shift was to achieve a higher level of policy integration and better coordination between different institutional levels and between public and private sectors, whilst modernizing public administration to better tackle the country's development challenges.

In Portugal, an emblematic innovative instrument, was the POLIS Programme – Urban Requalification and Environmental Enhancement of Cities. CSF III funded, POLIS embodied the vision of the National Economic Development Plan (PNDES) - to requalify cities, improve their competitiveness, reinforce their role in territorial organization and improve the quality of life of its inhabitants. This evidence-based programme evolved based on Government-Local Authorities partnerships that steered other actions to be developed locally. POLIS' polycentric take on the urban system was fully in sync with the 1999 European Spatial Development Perspective (ESDP). POLIS evolved alongside the participation in the URBAN II, and the 2005 national-designed and EEA Grants supported, Critical Neighbourhoods Initiative (IBC) - a place-based integrated approach to socioeconomic highly vulnerable urban areas. IBC would be an urban policy lab for other domestic policy innovations later on.

In addition, as new supramunicipal policy integration instruments are concerned, we must highlight the development of Territorial-Based Integrated Actions (AIBT), whose genesis stems from the objective of integrating low-density territories (population, actors, institutions, resources and organization), as is the case of rural and mountain areas, with functional affinities and geographic proximity. AIBTs were in most cases the testbed for future NUTS III approaches. AIBTs integrate interventions in specific spaces where strategic opportunities for development are identified, either because of the resources and dynamics that must be valued, or because of the shortcomings to be corrected and overcome. In retrospect, CSF III evaluations point to the success of some integrated management experiences at the territorial level, although it is recognized that it could have gone further in terms of selectivity of territories and policy measures, ensuring greater convergence of the PORs axes.

10. 7. Place-Based Policy Experimentation (2007-2013)

The *Quadro de Referência Estratégico Nacional* (NSRF) implementation in Portugal largely overlaps the 2008 financial crisis and its more immediate aftermath. At the beginning of the NSRF period, as Portugal's economy was struggling hard to mitigate the negative impact the EURO had, the global financial crisis hit Europe. EU Members, fresh out of the Lisbon Treaty reform, were unable to agree on a common response. In Portugal, government acted through spending to stimulate the economy, reshuffling existing development strategies, redirecting allocated investments that were deemed a non-priority, thus substantially increasing government deficit and public debt. After a series of attempts and readjustments the 4th emergency Stability and Growth Plan failed to secure crucial EU support, and was rejected when taken to a vote in the Portuguese Parliament,

precipitating an internal domestic political crisis and the country's request for international financial assistance in 2011. In short, the Portuguese NSRF had two distinct periods. The first until 2011, featuring low co-financing rates and a high volume of voluntary structural public investments (i.e. schools, HST/TGV, New Airport). The second, 2011-2013, featured a very large increase in co-financing rates and great limitations in terms of public investment.

The latter period was implemented under the banner of the designated *troika* comprising the International Monetary Fund (IMF), the European Central Bank (ECB) and the European Commission (EC). With the *troika* came the so-called *austerity* policy package that would last for around 5 years. In retrospect, this adjustment policy programme was designed to implement certain reforms that Portugal postponed after joining the EEC. But equally significant, many of the reforms considered aimed at correcting post-EURO issues, namely those that resulted from the overnight easy access to financial credit. The EURO process was far from symmetrically in the member-states adjustment effort. On the contrary, it actually accentuated pre-existing economic development asymmetries.

The originally adopted Portuguese NSRF for the 2007-2013 policy cycle, defined five strategic priorities, namely: promoting the qualification of Portuguese citizens; promote sustained growth, by increasing competitiveness; guarantee social cohesion; ensure the qualification of the territory and cities; increase the efficiency of governance. The operational framework, instead of following the strategic priorities, as in all prior CSFs, was designed according to three thematic agendas: agenda for human potential; agenda for competitiveness factors; agenda for territorial enhancement. The option for thematic agendas was innovative in view to create new rationalities in project-selection for Structural Funds implementation.

The chosen implementation strategy intended that all operational programmes - whether national or regional - were organized according to these three NSRF-cross cutting agendas. As regulatory framework was organized at national level, with over 100 guidelines by types of projects and actions, to help govern the access and selection of all NSRF funded operations. This level of uniformity was an innovation designed to minimize previously detected dispersion of investment. However, these transversal regulations had limited capacity to adapt to the socio-economic realities and development objectives of each region. In short, the PORs became the financial instruments of a defined and conducted strategy at the national level.

The NSRF therefore adopted an organizational and regulatory model leading to high levels of centralization, significantly reducing the ability of regions to influence development choices with respect to EU co-financed projects. NSRF governance consisted of a political steering body - the Ministerial Coordination Commission; and the Technical Coordination Commission responsible for operative coordination and strategic monitoring. The latter included the NSRF Observatory, two additional technical bodies for the coordination and financial monitoring and management of Structural Funds: IFDR for ERDF and Cohesion Fund; and IGFSE for European Social Fund, and the General Inspection of Finance. This was a significant simplification from previous CSFs.

The underlying rationale, was to reinforce the coherence of the supported projects with the strategy defined at national level. Priorities-wise, the NSRF translated into significant changes to the previous CSFs. The weight of the territorial hard infrastructure, already considered excessive, faded further to 25% of available Funds; on the other hand, there was a strong growth in investment in training and social infrastructure. Furthermore, the NSRF, was also the first framework where PORs were allowed to allocate funding for small and medium-sized enterprises, instead of being exclusively assigned to sectorial operational programmes. In addition, at the national level the former support programmes remained available.

This concerted effort aimed to bolster the 2005 relaunched Lisbon Strategy's targets of increasing regional competitiveness and creation of jobs. These were primarily pursued at the supra-municipal and regional scale through the use of Collective Efficiency Strategies, a coherent set of initiatives focused on innovation and modernization of groups of businesses with a territorial expression. These NSRF instruments for flexible territorialization, according to actors-dynamics and not predefined territories included the PROVERE - Endogenous Resources Economic Enhancement Programme. PROVERE targeted low density territories, aiming to increase economic competitiveness around unique endogenous resources. The programme encouraged private initiatives and network cooperation between local administration,

non-governmental associations and private entities.

If on the one hand, evidence shows that the NSRF began to correct the decades-long Portuguese development unbalance towards territorial infrastructures, on the other hand the NSRF overlapped an acute period of economic, financial and political crisis in Portugal. The latter forced an intermediate NSRF review leading to a general increase in the Funds' financing rates, to reduce the necessary counterpart of projects supported, and to channel substantial community resources to finance large public education, science and vocational training systems, deemed crucial not only to support the aforementioned shift in development paradigm, but also to mitigate the anticipated rise in unemployment rates. In 2013, as the NSRF began to fade-out Portugal's GDP per capita was 79% of the EU average.

Notwithstanding the overall difficulties of a financial crisis-bounded NSRF, there were multiple examples of policy innovation, institutional learning and experimentation that illustrate how Portuguese decision-makers and Public Administration were shifting from the more reactive stance of the initial CSFs, to a more proactive approach towards multi-level policy integration and Structural Funds' territorialization. A significant experiment, to be later replicated, was the development of the funding and competency-sharing framework between regional operational programmes and NUTS III-level Municipal Associations. These had to be supported by a Municipal association-managed Territorial Development Programme. This initiative was cut short but its learning legacy was significant.

From a domestic initiative perspective, the *Política de Cidades* Polis XXI stands out. Framed as an urban policy strategy the scope of its instruments expanded much beyond the municipal scale, emphasizing the supramunicipal notion of city-region. Polis XXI mirrored the EU level debate on how to better foster place-based development and territorial cohesion concepts, as stated both in the Territorial Agendas (2007 and 2011), and key strategic policy guideline reports (e.g. the Barca report, the Green Paper on Territorial Cohesion, etc.).

Polis XXI framed the Portuguese territory as a functional sub-regional network of urban centres and rural areas under systemic symbiotic influence, with cities as development drivers. Polis XXI was a national innovation, that moved beyond the policy learning process from both national (PROSIURB and POLIS programmes) and European (Community Initiatives Urban I and II) experiences. It was instrumentalized in four components: Partnerships for Urban Regeneration (PRU), Urban Networks for Creativity and Innovation (RUCI), Innovative Sustainable Urban Development Actions (AIDUS), and Structuring Equipment of the National Urban System. While the first two fall under responsibility of the Regional OPs, the latter are framed within the Territorial Enhancement OP and a national selection process coordinated by the then Directorate-General of Spatial Planning and Urbanism in cooperation with the PO managing authority. AIDUS, in particular, are directed to the then convergence regions (i.e. North, Centre, and Alentejo). This regional convergence effort through urban policy, by establishing proximity cooperation and complementarity, agglomeration economies and rationalizing urban equipment and regional support services was a benchmark for future innovative urban-based regional development policies.

In short, the NRSF 2007-2013 pointed to a clearer shift in regional policies evolving from a predominantly sectoral approach to a multisectoral territory-based approach and with a management model requiring greater governance coordination at the central, regional and local levels. NRSF focused on differentiated regional development strategies intended to be an integral vision for regional development not just a way of framing the investments planned under the NRSF scope. Another innovation was the desired coordination of the NRSF with key national policy frameworks namely the National Spatial Planning Policy Programme (PNPOT).

10. 8. Strengthening Place-based Integrated Approaches (2014-2020)

The Partnership Agreement policy solution was put in place to maximize the alignment of all European Regional and Cohesion Policy instruments with its guiding framework the Europe 2020 Strategy for smart, sustainable and inclusive growth. To secure Structural Funds contribution to the achievement of the strategy's quantified targets led to the creation of menus of thematic objectives and investment priorities at European level, from which each State-Member had to select those that best suited its structural weaknesses and development

strategy. The Portuguese Partnership Agreement, known as Portugal 2020, ended up adopting four intervention priorities: competitiveness and internationalization; social inclusion and employment; human capital; sustainability and efficiency in the use of resources. For each priorities, objectives and targets were defined, to which all operational programmes must contribute to. In other words, like in its predecessor NSRF each of the four priorities is achieved through a thematic operational programme, managed at central level, plus components of the regional operational programmes. Portugal 2020, like the NSRF, built on a very centralized governance model, complemented by internal regulations, by type of actions, transversal to the various programmes.

The programming of actions to be supported by Portugal 2020 was the subject of intense negotiations with the European Commission. These prevented the financing of sports infrastructures and substantially reduced support for territorial infrastructures. The need for an economic development paradigm shift, even whilst recovering from the dreadful impact of the 2008 financial crisis and austerity policies, still eluded the Portuguese political decision-makers' community. The Commission's position was to reinforce support for productive investment and increased productivity, making the economy more competitive and more internationalized, in addition to addressing, in a more focused way, issues related to climate change and carbon neutrality. The result of such negotiations was a rebalancing between "infrastructure and equipment" and those most directly relevant to the Europe 2020 strategy: support for business and innovation, energy efficiency and renewable energy and the prevention of the risks of change climate change. Accordingly, Portugal 2020 emphasis on companies, technology and innovation represents around 1/3rd of programmed funding while human resources and employment takes 1/4th. Territorial infrastructures fall for the first time to 20%. In short, Portugal 2020 appears therefore as a rupture in relation to the previous three CSFs, clearly favouring productive investment, skills and employment, to the detriment of the so-called hard infrastructure "concrete-based solutions".

Integrated territorial approaches

The Portugal 2020 partnership agreement paves the way for what can be understood as a renewed attempt at fostering deeper Europeanization of planning policies among EU member-states. In detail, the underlying rationale was to attempt a more successful implementation that the various non-binding urban policy strategies and documents produced over the years, as well as promoting a closer relation between the spatial planning and regional development policy arenas. Supporting this objective is the robust allocation of 50% of the ERDF for investment in urban areas, and a minimum of 5% on each member-state for integrated sustainable urban development (ISUD). The latter illustrates how the EU views ISUD policy not only as an objective in itself, but also as a tool to manage a diversity of policy sectors, interests and priority themes, in sync with the 2016 Urban Agenda, with a yet untapped potential to bring together state and private actors from different geographic scales. Finally, there is a clear option for a set of policy solutions that can foster the Commission's multi-fund approach, with interventions being able to apply for funding from ERDF and additionally support by ESF if aligned with its investment priorities.

In a sharp contrast with the previous NSRF, where policy experimentation was led by the Portuguese national authorities, the Portugal 2020 period witnesses a EU-led standardization on the main strategic policy approaches and instruments: Integrated Territorial Investments (Territorial Development), Community-Led Local Development (Local Development) and ERDF's Article 7 (Urban Development). In addition, ERDF's Article 8 introduces Urban Innovative Actions as municipally-led pilot projects and Article 9 aims to extend information and best practice exchanges through the Urban Development Network, as inscribed in the 'Better Knowledge' objective of the 2016 Urban Agenda.

However, despite the outlines potential these initiatives had, their integrated philosophy did not find a direct translation in terms of political overview. Firstly, with Regional Development's responsibility attributed to the Premier's Adjunct Minister (April 2013 – October 2015), followed briefly by the Presidency Minister (October – November 2015), and a period (November 2015 – October 2019) when it was not specifically attributed to any ministry. After the latest parliamentary election (October 2019), two new Ministries with a close relation with European structural

funds were established: Planning, and Territorial Cohesion. Furthermore, in 2013, in preparation for the forthcoming Portugal 2020 partnership agreement, three governmental agencies (i.e. IFDR - Regional Development Financial Institute, IGFSE- ESF Management Institute and the NSRF Observatory) were merged into the AD&C (Development and Cohesion Agency) in order to provide technical coordination and support to the Portugal 2020 Interministerial Commission throughout the funding period. AD&C is responsible for formulating regional development policy proposals and cooperating in the conception and application of territorial-based instruments linked to structural funds. In practice, to support all territorial instruments monitoring and strategic assessment AD&C coordinates with the Autonomous Regions (although these hold a structurally different instrument design choice-making process) CCDRs (NUTS II), Metropolitan Areas and Intermunicipal Communities and Municipalities.

Integrated territorial investments

Integrated Territorial Investments (ITI), a new instrument, follow a more place-based logic and aim to facilitate strategies that need financing from different funds (ERDF, CF and ESF). ITI's general objectives included the development of low carbon strategies, prevention, risk management and protection of the environment and climate change adaptation; structuring of the national urban system (including reorganization, network management and increasing the quality of public services); modernization of local public administration; promoting employment and strengthening cohesion and social inclusion. ITI's were designed as a flexible Lisbon Strategy spearhead that embodied a highly functional rather than administrative rationale. However, and despite this objective to address new and more function-focused geographies, Portugal opted out of this approach instead placing the scale of ITI intervention at the NUTS III level, with only 1 fully fledged intervention in place. These overlap administratively with the Intermunicipal communities, which became the authority responsible for coordination and development of ITI projects, partnering with NGOs and other private entities.

Development and Territorial Cohesion Pacts

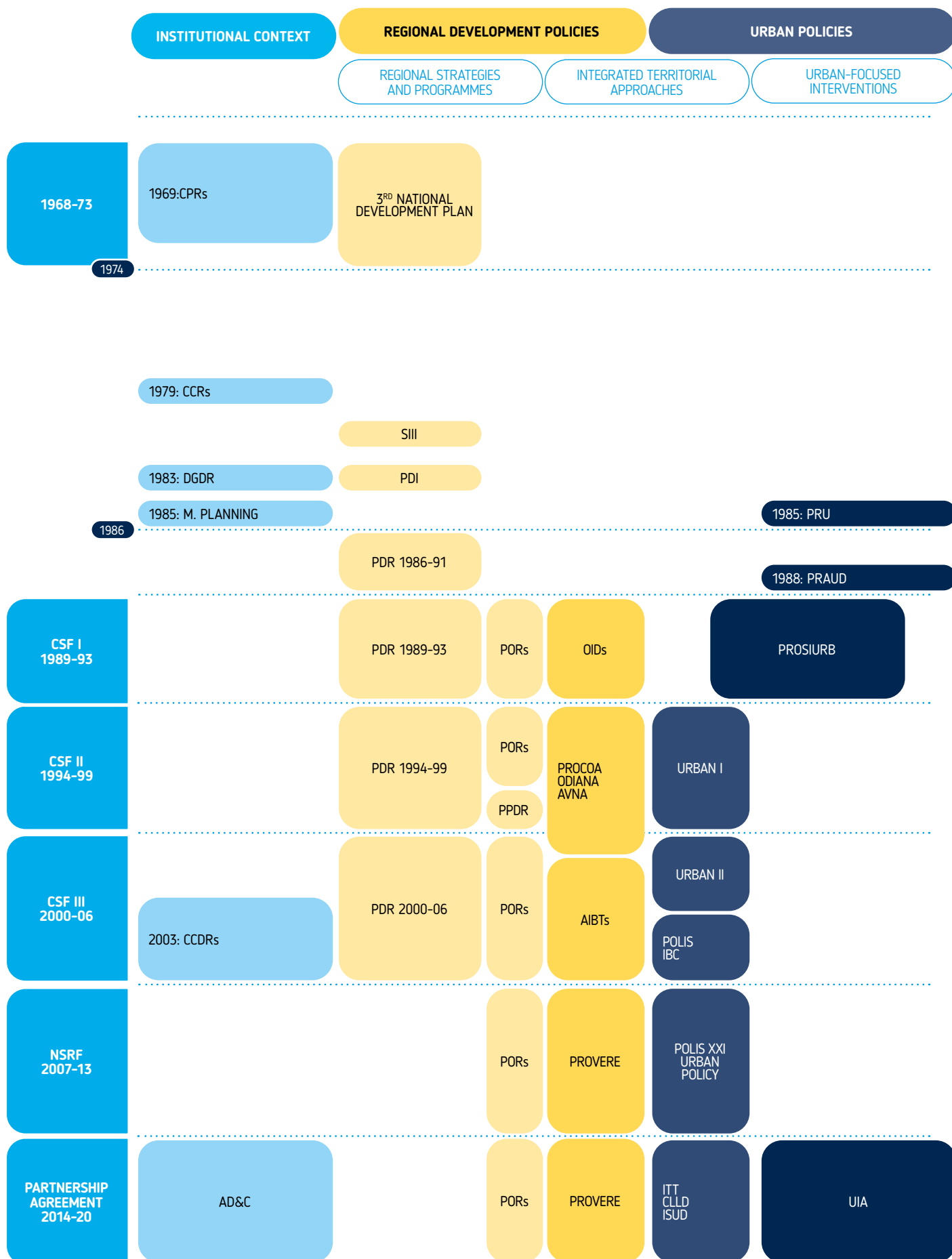
The Pacts for Territorial Development and Cohesion (PDCT) are the territorial investment programming instruments of both Intermunicipal Communities and Metropolitan Areas. PDCTs are supported by the strategic reference framework established by the Integrated Strategy for Territorial Development (EIDT) that must precede it. The PDCT formalize the transfer of funds, and competencies, to the Intermunicipal Communities in order to allow greater autonomy to execute the projects planned for the implementation of the pre-agreed strategy. It is the responsibility of the Management Authorities of the Operational Programmes to open a tender for the presentation of PDCT proposals, to identify the eligible typologies, the investment priorities of exclusive implementation through these instruments and to establish the evaluation and selection criteria of the proposals. In Portugal the use of PDCT largely supersedes that of ITIs.

Community-led local development

Community-led local development (CLLD) are place-based, integrated and multisectoral local development policy tools. They are proposed and carried out by the local stakeholders organized in Local Action Groups. Embodying a strong LEADER heritage, CLLDs aim to promote strategic and operational coordination between partners, focused on entrepreneurship and job creation. The CLLDs approach aims to respond to high levels of unemployment and rising poverty rates, through the local economic dynamism, the revitalization of local markets and its articulation with larger territories and, in general, the diversification of local economies, the stimulus to social innovation and the search for new answers to problems of poverty and social exclusion in disadvantaged territories in an urban context and in economically fragile or sparsely populated rural or coastal territories. Depending on their geographic specificities, there are in Portugal, Rural (54), Coastal (12) and Urban (25) CLLDs.

CLLDs are framed within Local Development Strategies. These are selected and approved by a commission, instituted by all the managing authorities of the funding programmes. Their role is to prepare the guidelines and previous specifications, namely the definition of the strategy selection process and criteria, evaluation criteria, quality of partnerships, competences of Local Action Groups and additional definitions in matters of bound-

FIGURE 63 - REGIONAL DEVELOPMENT IN PORTUGAL - KEY POLICY INSTRUMENTS



aries or territorial focus. It is also explicitly stated that “the group of public entities or any individual interest group may not represent more than 49% of the voting rights in decision-making processes” (Art.º 34º do Reg (UE) 1303), aiming to ensure a plurality of representations from all sectors. The evaluation of applications is a responsibility of an Evaluation Commission made up of the management authorities of the operational programmes and supported by the public administration bodies responsible for implementing the policies in which the CLLDs intervene. These also comment on the adequacy of the Local Development Strategies, which are subject to an evaluation by the relevant supra-municipal entities (Intermunicipal Communities and Metropolitan Areas) regarding their coherence with the respective Integrated Territorial Development Strategy.

Integrated sustainable urban development

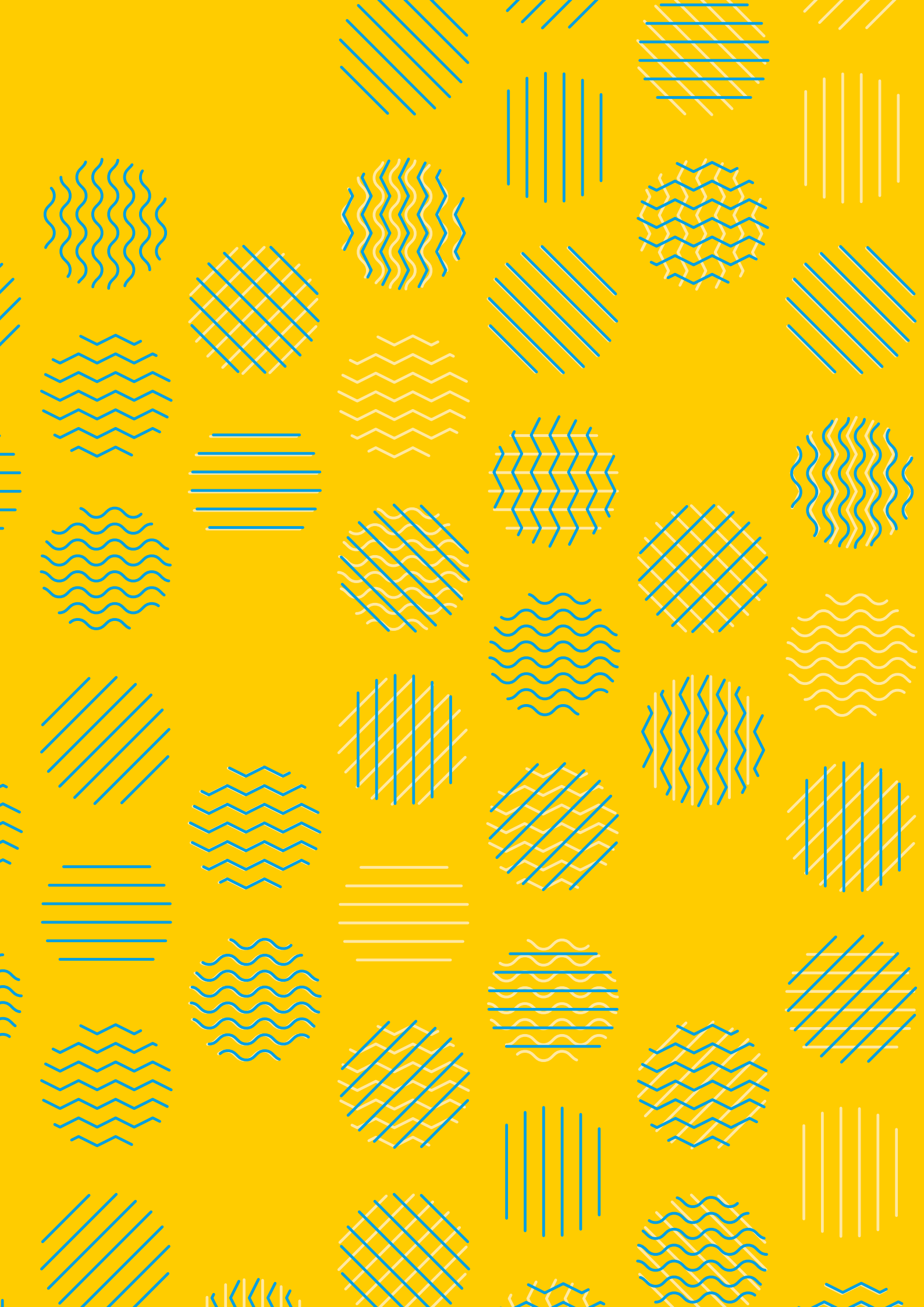
The ERDF Article 7-linked Integrated Sustainable Urban Development instruments require a selection of structuring urban centers, and the production of a Sustainable Urban Development Strategic Plan (PEDUS) for each, in accordance with the IDT strategies defined at the NUTS III level. However, together with the PEDUS, municipalities must to elaborate three other tools, for three operational priorities: Urban Regeneration Action Plan (PARU), Deprived Communities Integrated Action Plan (PAICD) and Sustainable Urban Mobility Action Plan (PAMUS). Despite the specific link to regional development and the underlying integrated nature of these development instruments, their execution took place at a very bounded local level, with few examples of interventions spanning multiple municipalities. Furthermore, being the main funding source of urban interventions throughout this period, municipalities excluded from the call for submission of PEDUS were encouraged to submit partial plans (PARU), without the need for a complete set of tools. In 2021, With Portugal 2020 still running, the overall impact of this specific policy innovation framework is yet to be fully determined.

10. 9. Final Remarks

Since its 1974 regime-change Portugal has consolidated its National and Local representative democracy, strongly modernized its basic and logistical infrastructure and public services equipment, generalized the access to education and health, established a welfare state, etc. The pace of socioeconomic change has been swift and so have the policy and institutional learning dynamics and innovation. Figure 63 introduces a simplified summary of key policy landmarks, referred in this report, that have framed this process of change in the last decades.

EU and domestic regional development policies had a key role to play in this transformation. Despite its progressive sophistication over the last decades, their impact on intra-national and inter-national territorial convergence remains asymmetric. This is partially explained by how, over different CSF-cycles, the attempts to further territorialize regional policies faced a dissonant national sector-focused policy framework. Regardless of these limitations, CSF-territorialization efforts, and multiple Community programmes and initiatives (e.g. LEADER, INTERREG, etc.) have helped the process of strategic reflection and vision setting at different scales, by triggering greater information flows and capacity-building processes that mobilize institutional stakeholders and decision-makers around regional, sub-regional and local challenges. In addition, in Portugal, an incremental experimentation at the Urban policy level has streamlined EU Urban and Territorial Agenda principles through different iterations of integrated place based territorial approaches.

However, as Portugal 2020's Territorial Approach assessment highlights, a series of key challenges remain. For one the need for more effective coordination instruments between spatial planning and regional development policies; an enhanced valorisation and mobilization of the regional and sub-regional policy scale; the further development of regional critical mass and capacity-building processes; a clearer leadership of the instruments at the sub-regional scale and a deeper involvement of key public and private actors in the processes of policy instrument-design and operationalization. As this report is concluded, the forthcoming CSF - Portugal 2030 – is being detailed on the drawing table. Its outline will be fundamental to foster further stakeholder mobilization and policy experimentation and co-creation towards a more impactful territorialization of Portugal regional development framework.





I Closing Remarks

Hindsight

In Portugal, almost 40 years of an incremental process of European integration triggered multiple territorial policy, institutional and governance challenges. In hindsight, these materialize three key paradigm shifts. First, a move from a strictly redistributive towards a more place-based development policy approach. Second, a change from a totally sectoral to an increasingly systemic and integrated policy-design. Finally, a transition from a predominately centralized government stance towards a growing number of alternative territorial governance solutions. These paradigm shifts are instrumental to understand how spatial planning and regional development evolved and co-exist as policy fields. This report shed light on how this co-evolution took place and to which degree it intertwined.

From the Directorate-General for Territory and its predecessors' perspective these paradigm shifts played a key role as institutional innovation and policy development triggers. The implementation and territorialization of EU structural funds required a quick-paced reform in public administration culture. As a result, and against the backdrop of different bouts of territorial administrative reform and decentralization, over the last four decades and at the national level, Portugal witnessed a process of greater integration and cross-fertilization between spatially relevant strategic policy instruments; a growing stability of spatial planning statutory instruments and legal framework; and a series of domestic spatial policy-design experimentation and learning processes.

Throughout this four-decade long process, Portugal witnessed a significant territorial critical-mass development and a growing practice of multi-level consultation with civil society and economic stakeholders. In sync, a growing dynamic of territorial agency evidences the strengthening of sub-regional leaderships and development vision-making. However, multiple challenges remain. For one, the policy integration gap between spatial planning and regional development policies remains, with scarce articulation and mutual recognition between these policy instruments and communities. This impacts negatively on the current patterns of territorial institutional culture.

Stressing this issue, the Portugal 2020 Territorial Approach assessment urged addressing the absence of fundamental Spatial Planning instruments at the regional scale and promoting a stronger commitment towards policy integration, a priority objective for the forthcoming 2021-2027 CSF period. This scenario outlines critical challenges to the national public administration agencies' mission to foster the territorialization of regional development policies, be it by promoting a structured dialogue in the design and implementation of multilevel policy approaches or by enabling intermunicipal and regional strategy implementation as outlined as a key objective in the National Spatial Planning Policy Programme (PNPOT).

Foresight

In 2021, Portugal, in the aftermath of the Presidency of the Council of the European Union, faces a renewed bout of post-Brexit and COVID-19-related EU-integration and development challenges.

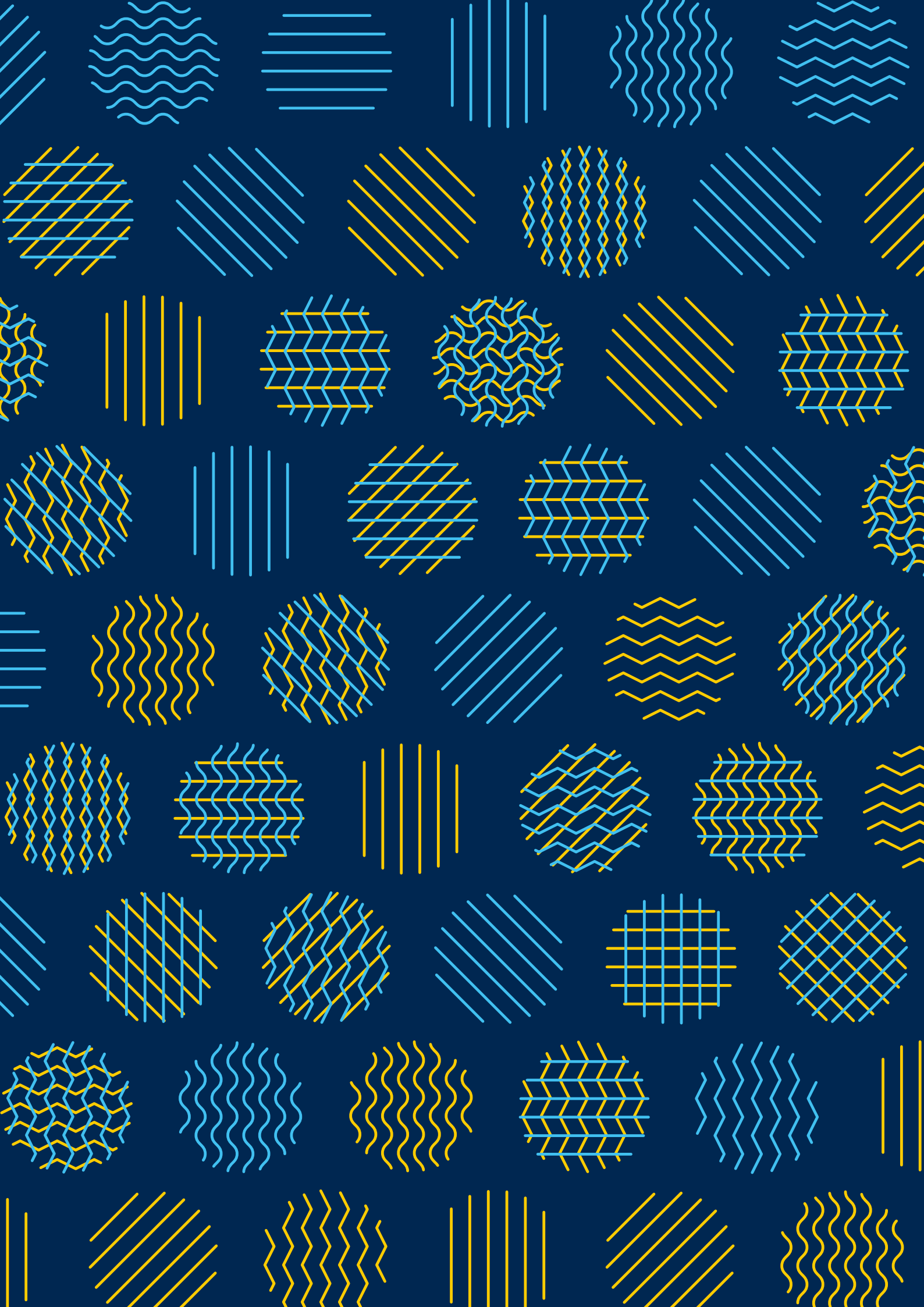
At its core sits the access to a unique set of financial resources. In effect, for the first time in EU history, two main funding streams temporarily overlap. Against the background of the EU's Green New Deal, the 2021-2027 Multiannual Financial Framework (MFF) aggregates structural funds (e.g. ERDF, ESF+) and a reformed, simplified and more flexible CF framework. Cumulatively, as a response to the pandemic outbreak of COVID19, the European Council created the Next Generation EU, a temporary policy instrument, from which the Recovery and Resilience Mechanism developed leading to the creation of a Recovery and Resilience Plan (RRP) in each member state.

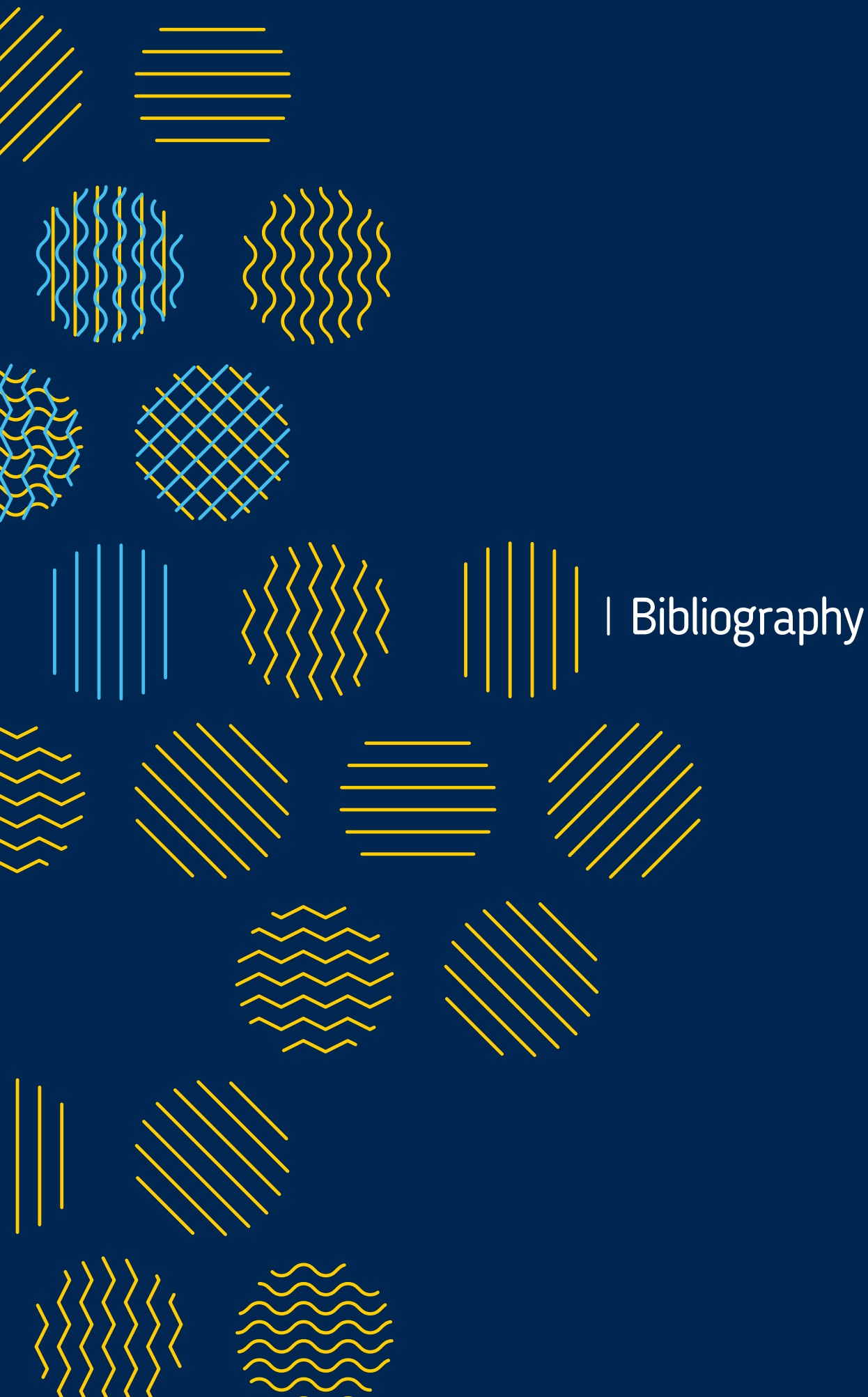
The Portuguese EU Commissioner for Cohesion and Reforms (2019-2024) Elisa Ferreira recently claimed that "in the next four years Portugal must manage 2,5 to

3 times more funds more than it used to; it is a brutal opportunity (29.12.2020)". Commissioner Ferreira stressed however that the issue is not how much funds Portugal will get but rather how the country's key stakeholders will rally behind its strategic development perspectives.

In this context, the forthcoming years entail, for the Directorate-General for Territory, its own set of challenges and opportunities. For one, in the spirit of the Territorial Agenda 2030 and ESPON's long term view for rural areas, there is the necessary territorialization process of the national PRR, forthcoming MFF, and desired EU climate and digital transitions whilst pursuing domestic territorial cohesion goals and inter-EU development convergence. On the other hand, there are the spatial and policy implications of multiple national strategies set for implementation in the next decade (e.g. Energy and Climate, Carbon Neutrality, Connected Rural Areas, etc.) that must trickle down to regional, sub-regional and local policy arenas.

For the Directorate-General for Territory, addressing these issues constitutes a unique opportunity. Making the best of it will require: to further foster strategic systemic thinking within the Portuguese planning policy community; to strengthen ongoing efforts to enhance multi-level spatial policy integration and institutional coordination; to bolster current policy co-creation on how to better integrate complex climate and digital transition issues in urban and rural policy settings; to foster capacity-building opportunities for network governance, leadership and policy innovation. The Directorate-General for Territory's continuous emphasis on knowledge creation and brokerage empowers its advocacy for greater policy territorialization and systemic spatial integration. For the foreseeing future, these are its fundamental challenges moving ahead.





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