

Regional Outlook 2019 PORTUGAL

Regional Development Policy in Portugal

General policy approach

Most regional policy approaches are directly related to the use of EU Structural Funds. Regional, urban and rural development priorities are thus set forth in Portugal's Partnership Agreement with the EU, which contains 11 thematic and 7 regional operational programmes. Rural development programmes are in force for the mainland and the Azores and Madeira autonomous regions.



The regional co-ordination and development commissions (CCDR) help to implement most of these programmes in their respective regions. The territorial approaches include: the sub-regional pacts for territorial cohesion and development; the municipal strategic plans for urban development; and the rural, coastal and urban community-led local development initiatives. These instruments

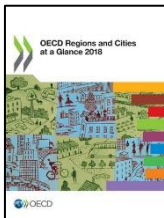
also promote urban-rural linkages and support networks of general interest services. Urban areas are receiving dedicated European Regional Development Fund and national funding, prioritising the top-tiered cities of the regional urban systems. Furthermore, Portugal developed a national Sustainable Cities 2020 Strategy, and recently revised its National Spatial Planning Policy Programme.

Recent policy changes

- Within the scope of the territorial governance reforms, a new framework act for the transfer of public competences to the municipalities and inter-municipal entities was passed in August 2018. It involves an extensive delegation of competences to the municipalities and parishes in several policy areas, such as education, welfare, health, transport, civil protection, cultural heritage and housing. It also includes the possibility of municipal delegation to inter-municipal entities. The Local Finances and the Property Tax Acts were amended accordingly.
- More funds and investments are available for cities, supported by the European Regional Development Fund and additional national funds. Inter-municipal contracts focus on cohesion and territorial development, while contracts with municipalities focus on urban sustainability and regeneration.
- Portugal is developing a National Strategy for 2030 (at national and regional levels) and a National Investment Programme to 2030 (focused on major infrastructure investments).
- The National Spatial Planning Policy Programme (PNPOT) underwent a comprehensive revision of its territorial model and development strategy in 2017, extending its foresight window up to 2050, and introducing a new Programme of Action to 2030. The Programme of Action to 2030 is expected to become the national territorial framework for major infrastructure investments.
- Following the creation of the Inner Territory Enhancement Taskforce in 2016, the National Territorial Cohesion Programme was adopted, serving as an inter-ministerial development agenda to tackle multiple challenges of the Portuguese mainland's innermost territories, including ageing, territorial capital, economic innovation and attractiveness, and urban-rural relations.

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<https://oe.cd/pub/2n9>

- In 2017, a new housing strategy was adopted, focusing on housing accessibility and urban regeneration. A Housing Framework Act was established and a new array of housing policy instruments set up, ranging from housing accessibility, mobility and inclusion programmes to the new Urban Lease Act.

Institutional arrangements to prepare for global megatrends

At the national level, the PNPOT delineates the potential territorial model and territorial development strategy until 2030. It is based on the long-term (2050) prospective analysis of four critical factors (environmental and climatic change, demographic change, technological change, and socio-economic change) and their underlying territorial baseline trends in Portugal and Europe. Through this analysis, the programme identified five important territorial challenges: 1) the sustainable management of natural resources; 2) a polycentric urban system; 3) territorial inclusion and diversity; 4) internal and external territorial connectivity; and 5) territorial governance.

Regional territorial development for the mainland regions is centrally managed through deconcentrated bodies, the regional development and co-ordination commissions, which develop regional territorial plans (PROT). Such plans define the regional long term territorial strategy based on strategic foresight assessments. In the long-term, Portugal also has a National Investment Programme which combines sectorial and territorial dimensions of planning and investment priorities.

Portugal's two autonomous administrative regions, the Madeira and Azores Archipelagos, participate in national strategic exercises (e.g. the PNPOT revision, the National Tourism Strategy and the National Strategy for the Sea), and develop specific regional strategies determined by regional political priorities.

OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas

The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

