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3.9 Summary

Annex One: The Case Studies

Annex Two: The Literature Review

Annex Three: Abbreviations
Summary

Introduction

The European Commission's Directorate-General for Regional Policy (DG Regio) appointed Ecorys and CEDRU in January 2011 to undertake a study to explore integrated approaches to sustainable urban development that could be adopted in Portugal in the future. In identifying the approaches that could be adopted longer-term, the study has addressed three principal research requirements:

- Identification of the current challenges to achieving integrated urban development in Portugal;
- Identification of transferrable examples of good practice that could be applied to sustainable urban development processes in Portugal in the future;
- Develop recommendations to improve future approaches for implementing integrated approaches to urban development in Portugal.

The study has specifically been focused on the delivery of urban policies in Portugal and provides advisory recommendations for Portuguese stakeholders, in the public and private sectors, on areas where the implementation of policy could be improved. The study findings will help inform DG Regio's plans for allocating resources during the next ERDF programming period (2014-2020).

This report summarises the key findings to emerge from the research process, and details the key recommendations of future approaches that could be adopted to deliver sustainable urban development. The recommendations have been closely informed by our research process, which has taken lessons learnt from previous pan-EU studies delivered by Ecorys (e.g. the evaluation of the URBAN Community Initiative) and from Portuguese cities. To address the second element, three Portuguese urban areas were selected as case studies, chosen to represent different types of urban areas/cities and different experiences and structures for the delivery of urban development. The three case studies selected were Guimarães, Viseu and Vale da Amoreira (Moita).

In addition to the case studies the analysis has also drawn from discussions with key national stakeholders and from relevant literature concerning the delivery of urban policies in Portugal. They have also been drawn from a round table discussion of the study's interim findings that was held in Coimbra on 25th May 2011, attended by both the European Commission, and Portuguese public and private sector stakeholders within the urban development field.

The study has been undertaken against the backdrop of the economic crisis in Portugal and the agreement of a €78 billion IMF loan in May 2011, with national elections having been staged in June 2011. Urban policy is likely to be central to recovery plans going forward but a period of intense pressure on public funding is almost certain, which may well constrain plans for sustainable urban development in the future. The recommendations for this study therefore need to be sufficiently robust to take into account the likely constraints on public funding. In fact they make the need for integrated urban planning with private sector as well as public sector backing more important than ever before.
European Experience and Good Practice

There is a growing interest in effective ways of delivering sustainable urban policies across Europe, promoted not just by DG Regio but other DGs with interests in urban communities and neighbourhoods (e.g. DG MARE has an interest in coastal settlements, especially those where the fishing industry has declined). There are also initiatives including URBACT and Eurocities, designed to promote the exchange of good practice in urban development.

From the ex-post evaluation of the URBAN Community Initiative (undertaken by ECORYS and published in 2010) a number of critical success factors were identified that can be applied to sustainable urban development in different contexts. These provide the starting point for this study and include the following:

- The need to **prioritise** the areas (both thematically and geographically) that will form the focus of urban development programmes, after consideration of the existing evidence base demonstrating the socio-economic needs and challenges facing a specific location;
- The value of **integrating** spatial planning with a range of other thematic areas to help maximise the impacts and benefits of urban development programmes for local economies and communities;
- The added value that can be gained from integrating urban planning at a ‘**city level**’.
- The importance of **capacity building** for partnerships to ensure that all those involved can play an active role in the design and delivery of urban development programmes, and have a common understanding of the financial, planning and legal processes.
- The importance of **financial innovation** to ensure that urban development can be maintained once time expired funds are no longer available.
- The importance of local **partnerships** drawn from public, private and community sectors, with common agreement over the greatest challenges faced in their areas, the priorities and the ‘solutions’ to urban problems.
- The importance of **bottom up approaches** that promotes local involvement, design and implementation, and which goes beyond ‘consultation’.
- Securing the **engagement of the private sector** during all stages of urban development programmes.

These principles have been applied in some Portuguese cities through their involvement in URBAN I and II. The lessons have also been transferred into mainstream programmes, most notably the POLIS Programme for Urban Requalification and Environmental Enhancement of Cities and the Critical Neighbourhoods Initiative (2005-2013) and the POLIS XXI Cities (2007-2013) Policy introduced by the Ministry of Environment, Land Use Management and Regional Development in 2008, to support: urban regeneration through €1 billion of ERDF funding.

The Challenges Facing Portugal in Delivering Sustainable Urban Development

The research process has identified a number of challenges currently being encountered by Portugal in delivering sustainable urban development programmes:

- Portugal has the ‘building blocks’ for sustainable urban development but there are shortcomings in the **implementation** of policy.
• Public funding for urban development is already a problem in advance of the austerity measures that will follow the IMF loan. Financial innovation will be required to unlock urban development and to ensure that existing programmes and projects can be completed.

• In light of this second point, innovation will be required in a number of delivery areas—doing things better or the same but with less funding.

• There are capacity issues with shortages in technical skills in many cities and an absence of networking opportunities to transfer knowledge and to learn from evaluations.

The above provide context for the study and upon reflection of the research findings and Coimbra discussion, we have identified the eight key broad areas where there is scope for improving the delivery of sustainable urban development.

**Critical Success Factor 1: Prioritisation of Urban Development Activities**

In recognition of the recent global recession and scale of socio-economic challenges affecting many Portuguese cities, allied with recent government austerity measures that could restrict the level of resources available to fund and deliver urban development programmes, there is a need for stronger prioritisation (both on a thematic and geographical basis) of proposed urban development projects.

Ideas to deal with this issue include the development of a more stringent set of criteria to influence the allocation of public sector resources. To support the selection process, it is also important that localities have clear evidence bases in place that clearly articulate the key emerging socio-economic needs and challenges (including the extent of deprivation).

**Critical Success Factor 2: Integrating Spatial Planning With Other Urban Development Themes**

In order to maximise the impacts and benefits being accrued through urban development programmes, relative to the level of public sector expenditure, there is a need to integrate spatial planning and commercially focused physical development activities with initiatives that can be expected to generate social and community benefits, such as enhancements to public spaces and the provision of enterprise and education support to the local population. To support the development of integrated approaches, it is important that community and business-based stakeholders are engaged regularly during both the design and implementation phases of programmes.

**Critical Success Factor 3: Strategic Planning of Urban Development**

The integration of urban plans both spatially and sectorally can be improved with scope for stronger alignment of plans and the development of a ‘city level’ strategic approach, which would stimulate a more joined up and focused approach to city development that all organisations (and their budgets) are signed up to.

Ideas to deal with this issue include ensuring that cities over a certain size produce a city wide plan which draws different aspects of urban development together and provides a ‘structure’ and focus to a range of separate initiatives and projects in the city. Also developing a city wider partnership to take forward higher level strategic planning of key cities and which has senior membership from the different parts of the urban development agenda (health, education, transport, employment etc) to help stimulate a more joined up and ‘single’ approach.
Critical Success Factor 4: Knowledge and Capacity of key Individuals and Organisations Involved in Urban Development

There is scope to improve technical skills amongst practitioners (urban development professionals) and others engaged in the process (including community representatives) in Portugal. Network development (both within Portugal and internationally) could enhance the transfer of knowledge. The lessons from evaluations could be more effectively used as learning materials. Ideas to address this issue include encouraging more Portuguese cities to link into existing urban development networks (e.g. URBACT, INTERREG), establishing an internal network of urban development practitioners in Portugal in order to promote a learning and sharing ethos.

Critical Success Factor 5: Flexibility Around Urban Development Funding

Difficulties have been encountered in matching ERDF funds that will not ease with the current financial situation. The case studies suggest that there may be scope to articulate the availability of EU funding opportunities to a wider range of partners, including the private sector. There has also been an over-dependence on short-term funding streams, with limited attention placed on longer-term financial planning.

Ideas to deal with this issue include holding a number of events to promote financial instruments such as JESSICA but aimed specifically for those working at the city level responsible for large regeneration projects, and establishing forums to stimulate stronger collaborations between public sector bodies, major developers, banks, and other private sector bodies on urban development issues. Amendments to ERDF co-funding requirements and also ERDF project eligibility criteria could also help to overcome potential upcoming challenges regarding the funding of potential urban development projects in Portugal.

Critical Success Factor 6: Strong Urban Development Partnerships

The case studies point to mixed practices and experiences but generally to need to be more inclusiveness and transparency, especially in respect of involving private and community sector representatives. A formalisation of partnership arrangements with a commitment to capacity building could improve the delivery process.

Potential ideas for addressing this issue include ensuring that the ERDF appraisal process encourages a multi-agency working ethos, including projects would need to show stronger linkages to other similar projects and provide evidence that they have worked with other organisations during the design and development stage.

Critical Success Factor 7: Flexible Bottom-up Urban Development Approaches

The temptation to develop a common template for urban development needs to be resisted. Whilst it is valid to develop and build on general principles, the case studies show that the urban situation varies considerably and requires bottom up solutions, reflecting local priorities, together with flexible approaches that allow cities to revisit and adjust their plans in accordance with changing circumstances.
Ideas to deal with this issue include ensuring that ERDF funded projects and programmes have more of a culture of a ‘bottom up’/ grass roots approach where project sponsors have to consult and work with local stakeholders- including local organisations and residents. Ideas around developing practical guides that provide support to ERDF project managers on how to develop local approaches, and also support to locally-based organisations with project development, should also be considered.

**Critical Success Factor 8: Successful Engagement of the Private Sector During all Stages of Urban Development Programmes**

A cross-cutting issue, relevant to all Critical Success Factors, is that securing the engagement of the private sector throughout both the design and delivery stages of urban development programmes is pivotal to their success. During the design stage, the private sector has a key role to play in contributing to the evidence base detailing socio-economic needs and challenges affecting a given locality, which would inform the prioritisation process of potential projects. As a potential funder, they could also play an important role in advising the public sector on the feasibility of project ideas, not only in terms of whether they are fundable, but in terms of whether they can address evolving market needs.

In order to stimulate this level of engagement, and secure the necessary level of private sector funding into urban development activities, it is important that urban development programmes cover a diverse range of themes, and that activities targeted at raising levels of economic competitiveness (such as the provision of enterprise support services and innovation support to SMEs) become integrated into physical development programmes. Encouraging the design of more integrated urban development programmes could also be given a stronger emphasis within the ERDF appraisal process.

The development of strategic city-level urban development forums, attended by both public and private sector bodies, that meet regularly is one potential means of securing the successful engagement of the private sector in the urban development agenda on an ongoing basis. As part of the ERDF appraisal process, a stronger emphasis could also be placed on ensuring that all bids include written statements of commitment from the private sector as key project partners, and detail the precise roles that private sector partners will play in project delivery.
1.0 Introduction

The European Commission’s Directorate-General for Regional Policy (DG Regio) appointed Ecorys and CEDRU in January 2011 to undertake a study to explore integrated approaches to sustainable urban development that could be adopted in Portugal in the future. This report summarises the key findings emerging from the research process, and details the key recommendations of future approaches that could be adopted to deliver sustainable urban development.

1.1 Aims of the Study

The overarching aim of the study has been to help inform approaches to sustainable urban development in Portugal post 2014 when the next round of Structural Funds Operational Programmes comes into force, subject to the budget agreements for 2014-2020. It has not been an evaluation of current policies and programmes but instead aims to provide a basis for a constructive dialogue between the European Commission and the Portuguese stakeholders in advance of the new programming period.

The study has drawn on three case studies, from Portuguese cities, to understand current urban approaches in the country and identify good practice from these areas. We have also drawn of the findings of other major pan EU-studies carried out by Ecorys and other organisations (including the evaluation of the URBAN Community Initiative). It was envisaged that the study would not by itself provide a definitive view on how urban development should look post 2014, but would instead provide ideas for stakeholders to consider.

The focus of the study is on the implementation of urban development in Portugal, focusing specifically on how urban development is planned, co-ordinated and implemented in the country. It has not been focused on informing the actual content of urban policy and practice (for example, whether Portuguese urban policy should prioritise historic areas over ports), as this is an issue for Portuguese stakeholders to decide. The project has therefore placed a lower emphasis on 'what' policy and practice should be developed post 2014, and stronger emphasis on 'how' it should be developed and implemented. Further details can be found in the Project Inception Report and the original Terms of Reference (ToR).

In proposing future approaches to sustainable urban development in Portugal, the study has addressed three principal research questions:

- **What are the current challenges of developing and implementing urban development strategies and practice in Portugal that need to be overcome?** Here the study has explored the barriers that appear to hold back the successful development of Portuguese cities - again focused on the 'method' rather than the content of urban development approaches. The key issues that have been investigated include how Portuguese urban development was planned, how it was financed, and the capacity of stakeholders, responsible for city development, to design and implement urban plans.

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1 Sustainable urban development in Portugal: an integrated approach (Inception Report), ECORYS, 2011
• What good practice exists in Portugal surrounding urban development and what are the critical factors which have stimulated success? The study was also interested at identifying good practice in Portugal on urban development issue, recognising that the country has seen some significant successes and innovation in tackling problems in its cities and urban neighbourhoods. In particular, the study looked at identifying good practice on those areas identified as challenges in the last question.

• What are the recommendations to improve the implementation of urban development in Portugal? Here the study has brought together the evidence from the first two questions. The round table discussion in Coimbra is an essential part of the process as the recommendations will only be made following the discussion of ideas at the round table.

The diagram below provides an overview of the study and the lines of enquiry that have been reviewed, not all of which have necessarily been priority issues for Portugal, but which generally constitute the key components of delivering sustainable urban development.

Figure 1.1 Study Criteria Used to Measure Sustainable Regeneration Approaches

1.2 Methodology

The study approach has encompassed three key phases.

1.2.1 Inception Phase

This phase saw us plan and establish an approach to the work.

Kick off Meeting

The kick off meeting took place on the 13th January 2011 and provided an opportunity to discuss the overall objectives of the work and refine the methodology set out in the original proposal.
Selecting the Case Studies

It was decided at the kick off meeting to concentrate on three case cities in Portugal. The case studies allowed for detailed exploration as to how urban policy and practice is working in Portugal, identification of good practice and barriers that stop current urban development interventions from being effective. The case study selection used a certain amount of pragmatism, focusing on cities where there is prior knowledge of interesting and effective urban development practices in addition to targeting case studies where there is a large amount of literature on the effectiveness of urban policy.

The selection criteria also took into consideration size of city, type of programme and type of leadership of different urban development programmes. At the Steering Group meeting that was held on the 11th of February 2011, it was decided that the three case study cities would be Guimarães, Viseu and Vale da Amoreira (Montijo).

1.2.2 Implementation Phase

Literature Review

To inform the preliminary reporting stage and round table discussion on 25th May 2011, we triangulated the findings of the existing literature regarding urban development in Portugal with the case study work.

The existing literature predominantly focused on the three case study cities, and covered both research and evaluations that identified examples of both good practice in urban policy and delivery and potential areas where improvements were required. Table 1.1 sets out the range of literature (policy documents and evaluations) that have been examined in relation to urban development. A more detailed overview of their content is found in Annex Two of this report.

Table 1.1 List of reviewed literature on urban development

<table>
<thead>
<tr>
<th>Policy Documents</th>
<th>Period</th>
<th>Promoter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Plan for Housing 2008/2013</td>
<td>2008-2013</td>
<td>Institute for Housing and Urban Regeneration (IHRU)</td>
</tr>
<tr>
<td>POLIS XXI Cities Policy</td>
<td>2008-2013</td>
<td>Ministry of Environment, Land Use Management and Regional Development (MAOTDR)</td>
</tr>
<tr>
<td>Mid-term Evaluation of the URBAN Community Initiative Programme</td>
<td>1994-1999</td>
<td>Directorate General for Regional Development</td>
</tr>
<tr>
<td>Mid-term Evaluation of the Porto-Gondomar URBAN II Community Initiative Programme</td>
<td>2000-2006</td>
<td>Steering Committee for the North’s Regional Development (CCDR-N)</td>
</tr>
</tbody>
</table>
### Case Study Work

As part of our case study research we consulted with a range of individuals who operate at a variety of levels. These stakeholders are outlined in the table below:

**Table 1.2 List of stakeholders spoken to during case study research**

<table>
<thead>
<tr>
<th>Case study</th>
<th>Organisation</th>
<th>Name</th>
<th>Job Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vale da Amoreira</td>
<td>Associação de Imigrantes Guineenses e Amigos do Sul do Tejo</td>
<td>Eduardo Monteiro</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>Câmara Municipal da Moita</td>
<td>João Manuel Lobo</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>Cooperativa de Solidariedade de Social, CRL – RUMO</td>
<td>Augusto Sousa</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>Equipa local do Projecto da Iniciativa Bairros Críticos do Vale da Amoreira</td>
<td>Sérgio Oliveira</td>
<td>Project Leader</td>
</tr>
<tr>
<td></td>
<td>Junta de Freguesia do Vale da Amoreira</td>
<td>Jorge Manuel da Silva</td>
<td>President</td>
</tr>
<tr>
<td>Guimarães</td>
<td>Associação Comercial e Industrial de Guimarães</td>
<td>António Peixoto</td>
<td>Vice-President</td>
</tr>
<tr>
<td></td>
<td>Câmara Municipal de Guimarães</td>
<td>Alexandra Gesta</td>
<td>Town Councillor</td>
</tr>
<tr>
<td></td>
<td>Comissão de Coordenação e Desenvolvimento Regional do Norte</td>
<td>Carlos Lage</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>FRATERNA – Centro Comunitário de Solidariedade e Integração Social</td>
<td>Paula Oliveira</td>
<td>Executive Director</td>
</tr>
<tr>
<td></td>
<td>Fundação Cidade de Guimarães</td>
<td>Cristina de Azevedo</td>
<td>President of the Management Board</td>
</tr>
<tr>
<td></td>
<td>Quaternaire Portugal, SA</td>
<td>Elisa Pérez Babo</td>
<td>Manager</td>
</tr>
<tr>
<td></td>
<td>Universidade do Minho</td>
<td>Carlos Bernardo</td>
<td>Professor</td>
</tr>
<tr>
<td>Viseu</td>
<td>Universidade do Minho</td>
<td>José Manuel Cardoso Teixeira</td>
<td>Professor</td>
</tr>
<tr>
<td></td>
<td>Câmara Municipal de Viseu</td>
<td>Fernando Ruas</td>
<td>President</td>
</tr>
</tbody>
</table>
An internal brainstorming session was held in Lisbon to highlight the main issues coming from the above tasks and to identify the discussion points which were to be covered during the round table meeting explained below.

During this session five key critical success factors were identified, namely strategic planning for urban development; flexibility of urban development approaches: financial innovation; knowledge and capacity; and partnership working. These critical success factors were considered to represent the key 'ingredients' of a successful and strong urban development agenda in Portugal which is both sustainable.
and integrated. These factors were highlighted by the stakeholders taking part in the research and also in much of the literature related to evaluating Portuguese urban development initiatives as the key aspects that need to be tackled and addressed if the country is to have a stronger approach to city development. The round table discussion provided an opportunity for stakeholders to agree or disagree with these initial factors of success and add to them, where necessary.

As part of the preparation process for the round table discussion, we produced an interim report\(^3\), which summarised the key emerging findings and reflected the discussions from the internal brainstorming session.

**Round Table Discussion**

Ecorys and CEDRU jointly facilitated a round table discussion in Coimbra on 25\(^{th}\) May 2011, which was attended by key stakeholders involved in urban development in Portugal. The event was divided into two sessions (morning and afternoon). The morning session was open to stakeholders with an interest in urban development (see Table 1.3 below for the attendees list).

During the session, Ecorys and CEDRU presented the key findings emerging from the desk research and case studies, which focused on the critical success factors identified through the research process, the extent to which they related to specific barriers to delivering sustainable urban development within Portugal, and suggestions on measures that could be introduced to address these barriers.

Stakeholders were then invited to discuss the key findings under each of the critical success factors (originally five but we have expanded to eight in the light of the Coimbra discussions), identifying specific findings that they agreed or disagreed with, providing further thoughts on the critical success factors that could inform the development of the study recommendations.

The afternoon session was a more restricted meeting, attended by the core study Steering Group. Its purpose was to reflect on discussions from the morning session and agree the messages to be taken forward in the final report and subsequently how the study findings would be used).

**Table 1.3 List of attendees for the round table discussion (morning session)**

<table>
<thead>
<tr>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clotilde Cavaco (Direcção-Geral de Actividades Económicas)</td>
</tr>
<tr>
<td>Vitor Campos (Direcção-Geral do Ordenamento do Território e Desenvolvimento Urbano)</td>
</tr>
<tr>
<td>António Mendes Baptista (Instituto da Habitação e da Reabilitação Urbana, IP)</td>
</tr>
<tr>
<td>Jacqueline Barreto (Instituto da Segurança Social, I.P)</td>
</tr>
<tr>
<td>Nunes da Silva (Instituto de Emprego e Formação Profissional, IP)</td>
</tr>
<tr>
<td>Cristina Elvas (Instituto da Mobilidade e dos Transportes Terrestres, I.P.)</td>
</tr>
<tr>
<td>Rosa Cortez (Comissão de Coordenação e Desenvolvimento Regional do Norte)</td>
</tr>
</tbody>
</table>

1.2.4 Developing the Study Report

Having reflected on the content of the interim report, and outcomes of the subsequent Coimbra discussion we have triangulated the key findings from the desk research, case studies, and consultation process to produce the study report. The report includes forward recommendations for approaching sustainable urban development in Portugal, based on the critical success factors identified throughout the research process.
2.0 Evolution of Urban Development in Portugal

2.1 Introduction

This section sets out a short background to Portuguese urban policy, highlighting the principal economic challenges and key policy responses that have shaped city development since the mid 1990s. Similar to many other EU member states, urban policy within Portugal has been developed in response to the socio-economic problems that have been caused by deindustrialisation processes, including high unemployment rates, skills shortages amongst the workforce, and the physical and environmental decay of some urban areas.

The economic climate at both the national and European level will be a central theme that will affect Portugal's ability to promote sustainable urban development in the future. Following on from an increase in national wages, low growth in the economy and high government spending over the past decade, the country has been left with high volumes of debt, which was has proved too expensive to finance since the onset of the global economic crisis.

As a consequence, in April 2011 the Portuguese government was forced to ask the European Union for financial assistance. In early May, Portugal's caretaker Prime Minister\(^4\) Jose Socrates announced that the government had reached an agreement on a bail out from the European Union (EU) / International Monetary Fund (IMF) worth €78 billion. In return for this loan, Portugal has had to agree to a number of measures to increase tax revenue and reduce spending, including cutting public sector wages and the privatisation of stakes in national energy companies (GALP, EDP, and REN), transport (Aeroportos de Portugal, TAP, and freight branch of CP), communications (Correios de Portugal), and insurance (Caixa Seguros), as well as a number of smaller firms.

Given the ongoing financial crisis and the subsequent implementation of austerity measures, it is important that all urban development problems and proposed strategies are considered in the context of these sever national economic challenges.

2.2 Urban Challenges

The context for the project is an understanding of the main urban issues in Portugal and how they are evolving. Analysing the existing urban problems will help to provide the policy context for 2014 and beyond, whilst all the time bearing in mind potential constraints on their implementation (i.e. the financial crisis / national austerity measures). The key problems faced by Portuguese urban areas are outlined in the table below.

\(^4\) Jose Socrates resigned as Prime Minister on the 23\(^{rd}\) of March 2011 after failing to get his proposed package of austerity measures through parliament. He has since assumed a ‘caretaker’ role until elections are held on the 5\(^{th}\) of June 2011
Table 2.1 Portugal key urban problems

<table>
<thead>
<tr>
<th>Problem</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deindustrialisation</td>
<td>In line with the European trend, the significant decline in the manufacturing sector has often led to high unemployment rates amongst low skilled workers</td>
</tr>
<tr>
<td>Suburbanisation / urban fragmentation</td>
<td>Creates a demand for housing that is difficult to meet and places pressure on infrastructure (i.e. public transport)</td>
</tr>
<tr>
<td>Housing Market</td>
<td>Weak presence and disfunctions of the rental market with implications of a growing vacant housing stock and in the deterioration and degradation of the buildings.</td>
</tr>
<tr>
<td>Poor quality of social housing</td>
<td>Leads to high unemployment, illiteracy, welfare dependency and crime and the decay of the buildings.</td>
</tr>
<tr>
<td>Building degradation</td>
<td>The priority given to construction of new residential areas to the detriment of the rehabilitation of consolidated areas has led to the degradation of buildings and a large stock of vacant buildings or empty homes.</td>
</tr>
<tr>
<td>In-migration from former Portuguese Colonies</td>
<td>This has created a range of challenges for urban areas, including social integration and low-skill / income base for many in-migrants</td>
</tr>
<tr>
<td>Out-migration from historic centres</td>
<td>Population loss with not well studied consequences</td>
</tr>
<tr>
<td>High car dependency</td>
<td>Levels of usage of car transport are high and public transport uptake is low, thereby making an adverse contribution to the effects of climate change</td>
</tr>
<tr>
<td>Inefficient energy use</td>
<td>Low levels of energy efficiency in building design and mobility support is too focused on car transport.</td>
</tr>
</tbody>
</table>

Source: Ecorys and CEDRU analysis (2011)

Taking into account all of the problems outlined above that affect cities and metropolitan regions, the following should be viewed as some of the key future priorities towards achieving sustainable urban development: mitigation of the effects of climate change; revitalisation of downtown, inner city and historic centres; intensification of the economic, social and environmental support linked to illegal urban settlements; regeneration of degraded buildings and subsequent reversal of vacation rates; urban rehabilitation; and the up-skilling of the workforce.

2.3 Policy Approaches

In order to respond to the increasingly complex challenges face by its urban areas, Portugal has implemented a vast number of programmes and measures to support the sustainable urban development over the past two decades. The figure overleaf presents a timeline of urban development initiatives that have been implemented in Portugal since 1994.

The figure below provides a timeline of urban development programmes and policies in Portugal.
Figure 2.1 Timeline of Portuguese Urban Development Programmes

**Urban Rehabilitation Programme**
1997-2003
Revitalise areas characterised by urban decline, weak economies, crime and social exclusion
Implemented in 11 Portuguese Cities
Investment: €697 million

**POLIS Programme for Urban Regualification and Environmental Enhancement of Cities**
1999+
Boost dynamics of urban development, animation and regeneration
Implemented in 39 Cities in all mainland NUTS II regions
Investment: €160 million

**URBAN II**
2000-2006
Implementation of innovative strategies for economic and social regeneration, Sharing of knowledge and experience across the EU.
Implemented in Lisbon (€2) and Oporto
Investment: €192 million

**Critical Neighbourhoods Initiative**
2005-2013
Solutions for urban territories that have critical vulnerabilities
Implemented in Lisbon and Oporto
Investment: €85 million

**POLIS XXI Cities Policy**
2008+
Develop regeneration plans, promote cross-border activity, promote involvement of local and regional bodies in urban development
Implemented in cities across Portuguese mainland
Investment: €1000 million

- Environment and Urban Revitalisation Programme
  1994-1995
  Target slum areas and at the rehabilitation of degraded regions
  Implemented mainly in Lisbon and Oporto
  Investment: €476 million

- URBAN Community Initiative Programme
  1994-1999
  Stimulate social and economic regeneration of cities in crisis
  Implemented in Lisbon and Oporto
  Investment: €678 million

- 2008, Portuguese Authorities and the European Investment Bank sign a Memorandum of Understanding for the application of the Joint European Support for Sustainable Investment in City Areas (JESSICA)
  2007-2013
  Proposed investment of €130 million by 2011
2.3.1 Portuguese Urban Development Programmes During the 1990s

Arguably, the surge of Portuguese urban development programmes was initiated by the launch of URBAN I in 1994. This EU-funded initiative supported the economic and social regeneration of cities, focusing in particular on their most deprived neighbourhoods. The programme advocated the development of integrated approaches to tackling problems associated with poverty, exclusion and isolation. Within Portugal, URBAN I provided €67.8 million of funding to tackle social exclusions and improve environmental quality levels within six neighbourhoods across the Lisbon and Oporto metropolitan areas.

During the same period, CSF II (1994-1999), through the Operational Intervention for Urban Renewal, supported the renewal of deprived neighbourhoods in Lisbon and Oporto (particularly those occupied by shanty towns). The activities delivered an integrated approach to addressing housing and social issues, and completed central and municipal government activities covering these issues.

Following the success of URBAN I, the Portuguese government also accessed funding under the Financial Mechanism of the European Economic Area (EEA) to deliver a programme with similar objectives to URBAN. In this context, 1997 saw the emergence of the Urban Rehabilitation Programme (PRU) which adopted the integrated approaches, first pioneered in URBAN I, to tackle problems associated with economic decline, social exclusion, and environmental degradation in both city centre and suburban areas. Between 1997 and 2003, €59.7 million of funding was directed at the delivery of PRU programmes across 11 Portuguese cities, with the aim of supporting business creation, infrastructure improvements, the delivery of new training provision, and development of community facilities.

2.3.2 2000 Onwards – the Delivery of the URBAN II Programme

Following the URBAN I programme, Portugal received €19.2 million from its successor programme (URBAN II). The activities targeted three urban areas, two in the metropolitan area of Lisbon and one in the metropolitan area of Oporto, with the over-arching objectives of supporting the economic and social regeneration of small and medium sized urban centres and large cities experiencing severe socio-economic problems, and encouraging the development and exchange of knowledge and experiences on sustainable urban regeneration and development across the EU.

During the same period, the Portuguese Ministry of Environment and Spatial Planning introduced the "POLIS" programme (Programme for Urban Requalification and Environmental Enhancement of Cities), which invested €160 million on the regeneration of 39 cities on the Portuguese mainland (with the EU providing 75% of this total funding).

The achievements of the URBAN programmes also influenced the establishment of the Critical Neighbourhoods Initiative, which was introduced in 2005. Again, this initiative was focused on two neighbourhoods located within the Lisbon metropolitan area and one located within the Oporto metropolitan area. The activities were characterised by significant levels of partnership working, involving eight government ministries, in addition to national, regional and locally based entities. The initiative was original planned as a two-year programme, but it has been extended to 2013, with local levels of funding allocated to programme activities expected to rise to €65 million.
2.3.3 Current Portuguese Urban Development Policies

The current landmark document for urban policy in Portugal is the POLIS XXI Cities Policy. Introduced by the Ministry of Environment and Land Use Management and Regional Development in 2006, the policy aims to support urban regeneration, competitiveness and differentiation, and regional integration. The programme’s aims are to:

- Qualify and integrate the distinct areas of cities to develop inclusive, coherent and sustainable urban functions that are informed through the active participation of citizens;
- Strengthen and differentiate the human, institutional, cultural and economic capital of cities to increase the range of individual and collective opportunities facing the cities;
- Strengthen the relationship between cities and their surrounding rural areas to develop city regions that offer stronger levels potential for longer-term development;
- Develop innovative urban development solutions, focusing on the themes of environmental sustainability, the efficiency and re-use of existing infrastructure, community empowerment and the development of new partnerships between public and private sector organisations.

More than €1,000 million of ERDF funding has been allocated to implement four POLIS XXI City Policy instruments; namely Partnerships for Urban Regeneration; Urban Networks for Competitiveness and Innovation; Innovative Actions for Urban Development; and National Urban System Structuring Facilities.

The “Partnerships for Urban Regeneration” function places a strong focus on promoting integrated approaches to urban development, covering a range of components, including infrastructure improvements, public space renewal, new public facilities, rehabilitation, social development, and environmental improvements.

Although this function has sought to promote integrated approaches to urban development, the first 3 years of implementation has highlighted a number of challenges that have been encountered in the delivery of this function:

- Delays in starting programme activities;
- Difficulties in accessing financial instruments to support activities proposed by municipalities, social institutions and enterprises;
- Difficulties in engaging the private sector in urban regeneration programmes;
- Insufficient awareness of the potential benefits of partnership approaches amongst public sector organisations, and the need for improvements in communicating the role it can play in generating effective and sustainable urban development;
- Low levels of community engagement, particularly in the planning and design stages of urban development programmes;
- Insufficient engagement of central government in the implementation and monitoring of integrated urban operations;
- The need for stronger monitoring and evaluation of urban development programmes, and more extensive dissemination of good practice.
To help strengthen levels of partnership working between public and private sector bodies in urban regeneration programmes, plans are being developed to implement a €130 million JESSICA programme across Portugal, of which €100 million would be EU funding.

One of the principal problems facing many Portuguese urban areas has been the degradation of buildings. To help address this issue, several financial and tax support programmes have been designed that would facilitate the implementation of preservation works to allow the recovery of housing units and buildings. As an additional means of helping to address this issue, the Legal System for Urban Rehabilitation was established in 2009.

In response to the recent economic and financial crisis, the Portuguese government has also developed a package of legislative and tax measures to help stimulate urban renewal projects. The package has included three principal measures:

- The streamlining of the rental market, through the amendment of the New Urban Lease Act Law 6/2006 to ensure balanced rights and obligations of landlords and tenants (particularly tenants from socially vulnerable groups);
- Simplification of the administrative procedures for renovation, through the introduction of new legislation;
- Tax incentives to encourage urban renewal, through a review of the existing framework for valuing the housing stock. The aims are to ensure that by the end of 2012, the taxable value of Portuguese properties reflects their market value, and that property valuations are updated more frequently (annually for commercial real estate and once every three years for residential real estate). It is envisaged that these measures would create sufficient incentives for both the purchasing and renting of properties.

Alongside these measures, the Portuguese government agrees with European Commission, the International Monetary Fund and European Central Bank to undertake a comprehensive review of how its housing market is functioning, with the support of internationally reputed experts.

### 2.4 Summary

This section has demonstrated that a range of programmes aimed at fostering integrated approaches to urban development have been delivered within Portugal over the past 15 years. It is clear that there are a number of programmes currently in place, which seek to support sustainable development within Portugal’s urban areas; however, the organisations involved in delivering the activities are encountering a number of barriers that are restricting the effectiveness of programme delivery, and the extent to which the programmes have been able to achieve their principal aims and objectives.

These challenges have intensified in light of the economic recession and reduction in the availability of public funding. These include:

- The need to prioritise proposed urban development projects to better reflect local socio-economic needs and challenges;
• The need for more integrated approaches to urban development, with projects linking a wider range of themes together;
• The need to produce more integrated strategic city level plans that act as a framework for ensuring that proposed projects link a wide range of themes together;
• The need to enhance the capacity of key individuals and organisations engaged in urban development processes;
• The need to develop stronger flexibility around the way in which urban development is funded;
• The need to strengthen partnership approaches to urban development;
• The need to promote bottom-up flexible approaches to addressing the key socio-economic challenges affecting Portugal's urban areas;
• The need to successfully engage the private sector during all stages of urban development programmes, and ensure that project activities respond to the private sector's primary needs.

The section that follows recognises the principal issues and challenges that have been encountered, and building on the consultation process for this study, and good practice from both within Portugal and elsewhere in the EU, details the main opportunities facing Portuguese stakeholders that are delivering urban renewal programmes, and key factors that should be considered to maximise the success, impact and sustainability of Portugal's urban development programmes.
3.0 Recommended Approaches for Achieving Sustainable Urban Development in Portugal

The literature review and consultation process have identified a series of key challenges associated with the delivery of sustainable urban development within Portugal. Through our review evidence emerging from Portuguese cities, and examples of successful urban development programmes elsewhere within the EU, we have identified a series of measures that could be potentially be considered to help overcome these challenges.

In reviewing these potential opportunities, we have examined the critical factors that have influenced the success of these integrated urban development programmes, and through the stakeholder discussions, have reflected on the extent to which they can feasibly be transferred to Portuguese urban areas.

Within this section, we have identified the success factors and opportunities for delivering sustainable urban development approaches within Portugal in the future, and have considered:

- The rationale behind each opportunity;
- The progress Portuguese urban areas have made against the crucial success factors;
- Approaches emerging from the case studies that could be transferred to Portuguese urban areas to improve the delivery of sustainable urban development;
- Stakeholders perceptions of the transferability of the lessons emerging from the case studies and specific measures that could be adopted in Portuguese urban areas to promote sustainable urban development;
- Potential actions for Portuguese urban development practitioners to consider upon reflection of the research findings and stakeholder discussions.

The findings from the research process have identified eight critical factors that could influence the success of future Portuguese urban development programmes, which are summarised in Table 3.1 (below).

<table>
<thead>
<tr>
<th>Critical Success Factor</th>
<th>Rationale</th>
<th>Potential Policy Responses</th>
</tr>
</thead>
</table>
| 1. Prioritisation of urban development activities | - Response to growing economic challenges under a backdrop of government austerity measures.  
- The need to set a range of national policies to inform the prioritisation process, including which themes to invest in, and which cities to direct the funding.  
- Once the cities are prioritised (where to focus resources), there will be a need to identify which themes should be prioritised, and which neighbourhoods should form the focus of urban development activities. | - Strengthen financial and human resource processes within urban development organisations.  
- Develop stringent criteria to facilitate project selection.  
- Develop robust evidence bases detailed socio-economic challenges (informed by residents’ and business’ perceptions) to help inform the prioritisation process. |
<table>
<thead>
<tr>
<th>Critical Success Factor</th>
<th>Rationale</th>
<th>Potential Policy Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The need to anticipate the preparation of the 2014-2020 investment cycles so that the strategic planning of the cities can be well structured, guided, and to allow authorities sufficient preparation time to enable them to participate in programme activities.</td>
<td>- Strengthen links between physical projects and other thematic areas to ensure 'trickle down' of benefits to local communities. - Develop practical methods for engaging communities and businesses in project planning and delivery.</td>
<td></td>
</tr>
<tr>
<td>2. Integration of spatial planning with other urban development themes</td>
<td>- Strong historical focus of Portuguese urban development programmes on physical projects. - More integrated approaches that join a range of themes together, could be expected to generate stronger social impacts.</td>
<td>- Encourage development of city-level strategic plans. - Develop city-wide integrated partnerships to take forward strategic planning. - Ensure that integrated plans are monitored and evaluated.</td>
</tr>
<tr>
<td>3. The importance of strategic city level planning</td>
<td>- Municipalities currently have a high number of plans (spatial or thematic public policies) that do not link the various urban development themes together. - The need for single integrated strategies to act as a framework for the delivery of integrated urban development approaches, as opposed to the development of additional plans.</td>
<td>- Development of a comprehensive national capacity building programme of urban development practitioners. - National/Regional networks for sharing good practice at the town/city level. - Networks for sharing good practice between towns and cities. - Participation in Europe-wide urban development networks (e.g. URBACT, INTERREG). - Strengthen evaluation ethos of ERDF programmes to learn lessons.</td>
</tr>
<tr>
<td>4. Knowledge and capacity of individuals and organisations involved in urban development</td>
<td>- Scale of economic challenges and upcoming funding constraints necessitate the requirement for practitioners that can work on a range of themes, and also work with a diverse range of organisations on programmes. - Sharing of good practice could represent an important knowledge development tool. - Evaluation is an important instrument of knowledge production and of collective learning.</td>
<td>- Stage events in Portuguese cities to raise awareness of JESSICA. - Establish city level forums to enable the public sector to engage with developers and banks, in addition to other private sector bodies. - Explore the potential for integrating financial support packages for physical development projects with financial support packages for SMEs. - Allocate ERDF to projects on a tapering scale. - Increase the co-financing rate of projects supported by ERDF to between 85% and 90%.</td>
</tr>
<tr>
<td>5. Flexibility Around Urban Development Funding</td>
<td>- Government austerity measures will restrict the availability of public sector urban development funding, whilst the economic conditions could restrict the ability of the private sector to fund programmes. - The need to increase awareness of JESSICA and the role it can play in funding urban development. - Ineligibility of the renewal of private buildings (including housing) for support by ERDF.</td>
<td>- Incorporate requirements of multi-agency working into ERDF project appraisal process. - Development of city-wide partnerships to oversee</td>
</tr>
<tr>
<td>Critical Success Factor</td>
<td>Rationale</td>
<td>Potential Policy Responses</td>
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| approaches              | - Increase speed of partnership decision making processes.  
- Emphasis on function of partnerships, rather than legal structures. | strategic planning, characterised by strong local authority leadership.  
- Having as a condition of funding the urban operations: These to be implemented by local partnerships. |
| 7. The importance of flexible bottom-up urban development approaches | - Top-down approaches do not reflect the unique socio-economic challenges faced by individual cities.  
- Some urban development challenges are better addressed at a neighbourhood level; however, others are more effectively addressed at supra-local level. | - Develop and embed culture of bottom-up approaches to ERDF-funded activities.  
- Develop a good practice guide to ERDF project managers on delivering effective locally-based approaches to urban development.  
- Encourage networks of smaller urban areas to submit joint proposals to address common challenges.  
- The development of city level forums to ensure that public and private organisations are in regular liaison regarding both planned and ongoing urban development projects.  
- For ERDF appraisal processes to place a stronger emphasis on ensuring that submissions encompass a broader range of themes, and that links between physical regeneration and other activities to boost economic competitiveness (such as SME support) are emphasised.  
- For ERDF appraisal processes to encourage a higher level of submissions that focus directly on increasing a locality’s economic competitiveness.  
- Ensure that ERDF bids contain explicit commitment from private sector stakeholders, both in terms of funding projects, but also as key partners in project delivery.  
- Amendments of ERDF eligibility criteria to include the renovation of privately owned buildings.  
- New regeneration programmes need to be marketed extensively to the private sector, and that support is made available to interested organisations (such as support in accessing the necessary financial instruments), to ensure their participation. |
| 8. Successful engagement of the private sector during all stages of urban development programmes | - The private sector is a key source of information in developing a comprehensive evidence base on socio-economic challenges affecting an area.  
- They will be an important source of funding for future urban development programmes, and will have a key role to play in steering the delivery of projects to ensure that activities successfully fulfil market demand. | |

Source: Ecorys and CEDRU analysis (2011)

In this section we present our ideas – rather than firm recommendations. Some will require further debate and some will depend on rules for the forthcoming ERDF regulation for the 2014-2020 period. We have though tried to be realistic and have placed our analysis and ideas in the context of the economic crisis. Whilst our focus is on the new programming period some of the ideas presented require forward thinking and planning, and are therefore for discussion and potential implementation in the short term. The study recognises that the building blocks for sustainable development are already present. We do not propose radical or ‘fashionable’ solutions for their own sake.
We have also been careful to acknowledge that whilst there are general principles of good practice there are variations for different spatial levels. Porto and Lisbon aside, Portuguese cities are generally small and medium sized by European standards. There are also different challenges and potential solutions at the neighbourhood level, within cities, than for cities and city regions. Involving local communities for example, generally works better at the local/ neighbourhood level.

3.1 Critical Success Factor 1: Prioritisation of Urban Development Activities

Given the recent economic climate and financial crisis, it is arguably more important than ever that local, regional and indeed national authorities responsible for urban development pay detailed consideration to the key urban development priorities, relative to local needs, and allocate funding in response to these priorities.

When considering the continued weak economic competitiveness of many Portuguese cities and regions, there is also a need to reassess, and potentially challenge, the investment priorities that have been used between 1986 and 2011.

The prioritisation process needs to be considered at two principal levels:

- The national level – two main issues need to be considered:
  - The thematic focus of urban development projects - this could include the extent to which housing developments/refurbishments, transport/infrastructure improvements, public realm enhancements, the development of new commercial premises, and the provision of employment and skills support will be prioritised.
  - The cities that will be allocated the highest levels of resources available for urban development. This will need to consider demographic trends experienced within Portugal between 2001 and 2011, with the Lisbon and Oporto metropolitan areas and coastal cities experiencing population growth. There is an issue of choice as spreading resources across all cities (even all cities that might be eligible under the 2014-2020 ERDF programme) is likely to reduce impact, but the difficulty of choice is recognised and needs to be supported as far as possible by quantitative evidence of need and opportunity (this will also help spatial targeting at the sub-city level).

- The city level, which would need to consider:
  - The thematic areas of focus;
  - The geographical focus of activities neighbourhoods or areas within towns/cities (for example, Central Business Districts or suburbs) that will form the geographical focus of urban development activities.

As part of the prioritisation process at both the national and city levels, decisions will need to be made regarding the extent to which activities should be responsive to need (i.e. the thematic or geographical areas requiring most attention), or opportunity (for example, the merits of focusing on those activities that could generate the highest transformational effects or highest levels of economic returns).
To help inform the prioritisation processes, new guidance could be produced at the national level (potentially in the form of a strategy) that supports local authorities to adopt a bottom-up approach to project design, and support the development of projects that relate more closely to local socio-economic challenges.

3.1.1 Rationale

Similar to many other European Union member states, the recent economic and financial crisis has presented Portugal with a series of economic challenges (as reflected by a significant increase in the nation's unemployment rate from 7.6% in 2009 to 10.7% in 2011). Alongside these economic challenges, the nation's urban areas (particularly those with the highest levels of deprivation) are still faced with a number of longstanding socio-environmental challenges, such as inadequate housing provision, skills deficiencies, underdeveloped transport and communications infrastructures, and physical decay of key buildings and public spaces. In-migration from rural to urban areas also continues placing more pressure on resources, but also potentially opening up new opportunities (if new skills and new businesses follow).

Alongside these challenges, the nation is now faced with a sizeable national debt, and in similar to other Western European nations, the Portuguese government has adopted a series of austerity measures to help reduce this debt. One of the implications of these austerity measures is that levels of public funding available for urban development programmes have decreased. It is also anticipated that the allocation of EU funds to Portugal for 2014-2020 is likely to be lower than the period 2007-2013, even though the proportion of funding that Portuguese authorities need to co-fund projects will also decrease. As a result, the quantity and range of publicly funded urban development programmes feasibly be delivered is likely to decrease.

In response to the evolving economic and public funding climates, Portuguese urban development practitioners will need to pay stronger consideration to the justification behind proposed projects. This issue is likely to be most prominent in the largest urban areas, where levels of deprivation are highest, and there are likely to be a higher number of urban development projects being proposed. Linked to this, there will be a need to consider which projects represent the best value out of the reduced public funding budget.

3.1.2 Barriers to Prioritising Urban Development Projects in Portugal

The findings of the consultation process and Coimbra discussion have suggested that the prioritisation processes for Portuguese urban development programmes have historically been driven largely by the regulations and priorities of available funding opportunities, and finances available to municipalities (particularly during the period 2000-2006), as opposed to the distinct socio-economic challenges encountered by the respective geographical areas. Since 2006, many municipalities have experienced difficulties in finding sufficient levels of finance to implement projects.

Given the fiscal constraints and government austerity measures, it is unlikely that the economic challenges will be addressed rapidly. It is also unlikely that private sector resources will compensate for the reduction in public sector funding available for urban development projects. As a result, those

projects that demonstrate the strongest value for money (i.e. the highest economic, social and environmental impacts/transformational effects) relative to the levels of public funding being allocated will need to be prioritised.

The research process demonstrated that although there has been a significant level of strategy development work in Portuguese urban areas, this work has not necessarily led to the prioritisation of urban development projects, based on the main socio-economic challenges facing the respective localities. Furthermore, because the strategies have not necessarily been interlinked, the programmes have not been delivered in an integrated manner, and the programmes have generated a more limited scale of outcomes and impacts.

### 3.1.3 Transferrable Lessons Emerging From the Case Studies and Previous Studies

The need to prioritise urban development themes and neighbourhoods was identified as a critical success factor in the evaluation of the URBAN programme. In many the cases, the prioritisation process was also informed by the development of a detailed robust evidence base demonstrating socio-economic conditions and levels of deprivation across the towns/cities in question.

For example, as part of the URBAN programmes delivered in both Halifax (United Kingdom) and Dortmund (Germany) extensive evidence bases were developed, which detailed key socio-economic conditions at a neighbourhood level against a series of key indicators. To inform the evidence base, the URBAN teams within these respective areas also consulted with the local community to provide greater depth the key socio-economic issues of concern and of priority for their neighbourhood, and to explore opportunities for integrating themes (such as improvements to public spaces, enhancements to the physical environment and community health). The URBAN teams in these areas then used the evidence base to select the thematic and geographical focus of where the URBAN funding would be allocated.

The recent evaluation of URBACT II also highlighted the role that the development of strong evidence bases can play in facilitating the prioritisation of themes and neighbourhoods in designing urban development programmes. It was notable that in light of public funding cuts, the Catalonia Government has placed a strong emphasis on developing and subsequently monitoring a set of robust indicators for identifying levels of deprivation within the region’s urban areas against a series of domains. They have used the analysis of these indicators as the basis for allocating public funding on a thematic and geographical basis for its Urban Renewal programme for 2010-2014.

Although there are a range of examples of urban development programmes outside of Portugal that have highlighted the importance of prioritising issues and geographical areas for focus, the Portuguese case studies have identified examples of the role that prioritising urban development activities can play. For example, the city of Guimarães has prioritised the themes of culture and creativity in shaping its urban development programmes. The Municipality of Guimarães selected the zone of Couros as the focus of these activities, and delivered an integrated programme covering a range of themes, including the rehabilitation of buildings, improvements to public spaces, and activities to stimulate innovation and technological development within businesses. The outcomes have been to increase the attractiveness of the area to tourists, support the cultural diversification of the area, and increase the competitiveness of

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7 Ecorys (2011), "Mid-term Evaluation of URBACT II", Report for the URBACT Secretariat
local businesses. The success of the programme is highlighted by the fact that Guimares has been selected as European Capital of Culture in 2012.

3.1.4 Stakeholder Feedback

The stakeholder consultation process (particularly the Coimbra round table discussion) indicated that the prioritisation processes for urban development activities in Portugal have not been driven by the socio-economic challenges faced by the respective localities. However, the consensus was that the recent economic crisis and reductions in available public funding necessitated more stringent prioritisation processes in determining the allocation of public funding for urban development.

The consensus amongst consultees was that prioritisation processes should not necessarily mean the development of additional urban development strategies. Instead, the over-riding consensus was that prioritisation processes were required to help increase the quality of urban development projects being designed, ensuring that they cut across a range of themes and addressed the most important socio-economic challenges, and thereby ensuring that project implementation was high quality. The prioritisation process would also help to ensure that the activities would generate higher scale impacts and outcomes, and represent better value for money.

3.1.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

In order to facilitate stronger prioritisation process, the following measures could be considered:

- **The need for stronger financial processes within organisations responsible for Portuguese urban development.** This would include ensuring that proposed urban development projects all had a strong rationale, and that the allocation of public funding to the projects could be clearly justified. There will be a need for proposed projects to demonstrate how they could represent value for money.

- **The need to develop stronger mechanisms to facilitate the prioritisation process.** This could mean the development of a more stringent set of criteria that could form the basis for whether urban development projects will be approved or rejected. It is likely that the criteria would need to include:
  - Alignment with key local, regional and national policies and strategies. This does not necessitate the development of a series of new strategic plans, although the development of integrated urban plans cutting across key themes could increase the ease of the prioritisation process.
  - The extent to which proposed projects respond to the key economic, social and environmental challenges affecting the areas in question.
  - Deliverability of the proposed activities. This includes ensuring that each project had clear and feasible delivery plans, and guarantees that the projects would be completed and delivered to a high standard.
  - Anticipated project outcomes and impacts.

- **The need for more careful selection of thematic and geographical areas of focus for urban development projects.** In order to facilitate the selection process, Portuguese organisations
delivering urban development activities could consider developing an enhanced evidence base demonstrating levels of deprivation across municipalities and the key socio-economic needs of neighbourhoods. The evidence base would need to consist of both quantitative and qualitative information (including residents' perceptions of local socio-economic challenges). In order to ensure that the activities were successfully tackling the most important socio-economic challenges, there would be a need to monitor the performance of the projects against the key performance indicators included within the evidence base.

3.2 Critical Success Factor 2: Integration of Spatial Planning with Other Urban Development Themes

The consultation process indicated that Portuguese local and national authorities have placed a strong focus on delivering physical development programmes, particularly those focusing on social housing, environmental issues, public space requalification and public facilities. Three particular weaknesses were identified with the design of urban development projects:

- The need for support to small and medium sized enterprises (SMEs), and also employment/training support to local residents to be more closely integrated into physical-led programmes.
- The need for stronger empowerment of the local population in the design and delivery stages of physical-led programmes targeted at neighbourhoods with high levels of social housing;
- The need for greater integration of transport-related activities into physical regeneration programmes, primarily to help stimulate greater usage of public transport.

3.2.1 Rationale

The principal drawback of the heavy focus on physical development projects is that, operating in isolation, they are not the most effective means of addressing the key socio-economic challenges facing urban areas. Experience from many Western European nations indicates that the benefits of physical development programmes do not trickle down to the most deprived neighbourhoods or neighbouring areas; unless specific measures are installed in the design of programme activities to ensure this takes place.

A prominent example of this is was a major canal side regeneration programme delivered the west side of Birmingham city centre in the United Kingdom during the 1990s, where the programme was focused on the physical development of new commercial and entertainment facilities, in addition to modern apartments. However, the programme activities failed to address some of the prevalent economic challenges affecting this area, including high unemployment and crime rates. For example, residents in the adjacent neighbourhood were largely unable to access the new employment opportunities emerging from the commercial developments, primarily because employment and training support programmes were not integrated into the physical development activities. In contrast, one of the critical factors behind the success of the Bull Ring retail-led development programme in Central Birmingham in 2003 was the fact that customised employment support and training programmes for local people were integrated into the physical development programme.

Within Portugal, the physical-led development programmes were considered to have generated mixed results. For example, some commercial development programmes have not been as successful as
originally anticipated, with occupation rates lower than anticipated. The new commercial developments have also not generated sufficiently high job opportunities for local residents, nor facilitated sufficient growth levels within the businesses locating in new office premises. In addition, the physical development programmes, including public space enhancements, have not addressed the need to enhance community safety levels.

Evidence from previous studies would suggest that the delivery of more integrated urban development programmes has the potential to generate larger-scale impacts and address a wider range of socio-economic challenges. Recent austerity measures will also necessitate the need for more integrated programmes, given that it is unlikely that a sufficient scale of resources will be available to fund programmes narrowly focused on different themes separately.

### 3.2.2 Challenges Facing Portuguese Urban Areas in Delivering Integrated Programmes

One of the current challenges associated with the urban development process in Portugal is that many existing over-riding strategies and plans place a strong emphasis on the need to deliver physical regeneration programmes, centring on new commercial developments (e.g. office or retail), with limited prior consultation with the private sector. Some of the newer commercial developments had also generated displacement impacts in other areas within the same city (for example, the competition created by the new retail developments – including shopping malls - had caused units in other shopping centres to close). These was also a perception amongst the consultees that the delivery of themes that may not generate such high direct economic returns but that were central to improving the urban fabric (such as open space improvements) had not been allocated sufficient priority within existing urban development plans.

The consensus amongst the stakeholders consulted was that a key factor restricting the success of Portuguese urban development programmes (particularly those centring on new commercial developments) was a lack of engagement of private sector representatives during the design stage of projects. This meant that the new developments did not necessarily reflect trends in market demand.

The consultation process also suggested that one reason for the lower priority given to other urban development themes was a perceived low level of engagement of the local community in the project planning process. Across Portugal more generally, low levels of community involvement are thought to be a contributing factor to the lower levels of priority being allocated towards themes that would not normally be expected to generate high direct economic returns in urban development programmes. The Vale da Amoreira Critical Neighbourhoods Initiative sought to address this issue by pioneering new approaches to engaging local residents in the design of urban development programmes.

### 3.2.3 Transferrable Lessons Emerging From the Case Studies and Previous Studies

The case studies from the URBAN evaluation highlighted a number of examples where the delivery of integrated urban development programmes has helped to address prominent longstanding socio-economic challenges. These include:

- In Gijon (Spain), one of the physical development projects involved the development of a new business centre, which contained accommodation space for local businesses. As part of the project, a 'service centre' was developed to provide business support services and help increase the dynamism
of the local business community. In addition, based on the results of a community engagement exercise, a sports centre was renovated, and levels of usage by the local community have increased since the project was completed. The renovated sports centre is therefore making a positive contribution to improving the health of the local population.

- In Dortmund (Germany), the community engagement process led to the prioritisation of enhancements to local parks and green spaces in the north side of the city centre. The delivery of these enhancements had not only generated positive improvements to the local environment, and quality of life for local residents, but had helped to attract visitors to the area (which had the effect of generating significant economic impacts).

- In Leipzig (Germany), a consultation process with local businesses highlighted the need to focus on the provision of support for cultural activities and also the development of new enterprises within the Plagwitz neighbourhood. This ensured that the projects delivered through the URBAN programme reflected the principal socio-economic opportunities facing the neighbourhood.

- In Perama (Greece), a consultation process with both businesses and local residents highlighted the importance of renovating public squares as a means of not only generating environmental improvements, but also in attracting small businesses to locate in these areas (thereby generating job opportunities).

3.2.4 Stakeholder Feedback

The over-riding consensus arising from the Coimbra discussion was that Portuguese urban development projects had placed too strong an emphasis on physical and commercial development projects, and that there was a need to place stronger consideration on the most appropriate means of developing more integrated urban development projects.

The attendees recognised in particular the potential role that improvements to public spaces and historic cores of cities could play in complementing physical commercial developments, particularly in smaller Portuguese cities or suburban areas of the larger cities.

There was also a general acceptance that securing the engagement of both the local community and private sector in both the design and delivery stages of urban development programmes would help to ensure the development of more integrated programmes that would not contribute to addressing the social and environmental challenges relevant to specific localities, in addition to generating direct economic impacts and improving the urban fabric.

3.2.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

There are three measures that could potentially be considered to facilitate the development of more integrated urban development programmes in Portugal.

- The need for stronger recognition of the role projects that could be expected to generate significant social and environmental impacts (such as public space enhancements and the provision of employment support facilities) can play in complementing physical development
programmes. Consideration of these factors will also help to ensure that the benefits of urban development programmes trickle down to the most deprived groups within Portuguese cities.

• The need to identify practical mechanisms of engaging both local community and business members in both the planning and delivery of urban development projects. Whilst time and funding constraints mean it would not be possible for urban development practitioners to engage all residents and businesses, the most effective means of capturing the views of these groups can be through consultations with residents’ associations, community and voluntary groups and business representative bodies (such as Chambers of Commerce and Business Forums). To ensure that project delivery also successfully meets the needs of these groups, some consideration should also be directed at engaging these organisations on management teams or steering groups for urban development projects, primarily to ensure that the projects are successfully tackling the key local socio-economic challenges.

• The need to ensure that more integrated local plans are developed that address a range of urban development themes. This issue is explored in further detail in Critical Success Factor 3 below, but the development of more integrated local plans, ideally on a citywide level, would help to ensure that urban development programmes do not have a narrow thematic focus in the future.

3.3 Critical Success Factor 3: The Importance of Strategic City Level Planning

As stated within Critical Success Factor 1, a significant emphasis has been placed on producing spatial plans to facilitate the urban development process. The Coimbra discussion indicated that a significant number of spatial plans had been produced in many Portuguese cities; however, it was questioned whether the plans promoted integrated forms of urban development.

Indeed, the strategic planning of cities in Portugal is part of the discourse and planning practices for over 20 years. The relevance of strategic planning is systematically mentioned and there have been several instruments that respond to this objective. In addition to the City Strategic Plans, created under the PROSIUURB Programme (Programme of National Urban System Consolidation), the Polis and URBAN initiatives also embodied the principles and objectives of the urban strategic planning. Alongside these programmes, a further set of instruments was developed that formed part of the spatial planning process; these being the case of Master Plans or Spatial Planning Municipal Programmes (PDM), the Urbanisation Plans as an overall city instrument (Planos de Urbanização) and Detailed Urban Plans (Planos de Pormenor).

In this context, the over-riding consensus amongst the study consultees was that whilst there is little evident need for the introduction of additional planning instruments; however, there is a need for more integrated planning approaches. These new approaches would need to address the shortcomings of previous plans, in terms of failing to integrate physical development with support for SMEs, support for the local community in accessing employment and training, and transport improvements. In many respects, there was a need to link the issues covered in existing plans together.

In order to promote stronger integration of the existing instruments available, there is a need to develop a clear idea of the definition of city planning and what it entails. City level planning is a vital component of
the urban development process, but it is important to note that urban development processes are not solely influenced by activities taking place within city areas (entities with limited administrative delimitation). There is a need to consider activities taking place in rural hinterlands, which have been driven by the growth of real estate and commerce in these areas. As a result, there is a need to not only link the content of master plans and city level plans, but also those of master plans and sectoral and regional approaches (namely infrastructures that really conduct new centralities in the territory).

The development of city level plans should also consider two additional factors:

- Socio-economic conditions under various themes at the city level, which could influence the thematic targeting of activities;
- Socio-economic conditions within different areas of the city, in order to inform the spatial targeting of integrated regeneration programmes;

One of the main barriers restricting the development of integrated approaches to urban development is the absence of a national programme or set of guidelines that promotes the integration of existing plans and that will fund integrated projects. In order to address this issue, there is a need to:

- Ensure the integration of thematic areas, and ensure that urban development activities earmarked for different geographical areas within cities, or indeed between different cities in the same region, complement each other. This includes the need to ensure that supporting new commercial activities that will help to increase the economic competitiveness of specific localities or neighbourhoods will not adversely affect the competitiveness of more traditional commercial areas within cities, and will also maintain historical cores of cities. In the current context of urban initiatives policy (Partnerships for Urban Regeneration), the commercial fabric is not included within strategic approaches, even though it should be a fundamental consideration in any city level strategic plans that could be produced. The role of infrastructure to connect places (including road and rail) is also an important component of planning to improve the linkages between spatial areas.

- The need to integrate community development principles into new commercial development activities, namely in the context of the current Portuguese economic crisis. The positive balance of the Critical Neighbourhoods Initiative can be a reference for including social integration within the strategic planning of cities framework.

Given this context, strengthening the links between existing plans to form a single integrated plan should represent a core strategic priority for many Portuguese urban areas. There will be a need to learn from the experiences of the recent Programme of National Urban System Consolidation, where each city prepared a Strategic Plan, but many cities encountered challenges in delivering their proposed programme activities, due to financial incapacity and not aligning their approach with other financial instruments. To overcome financial constraints, it is important that the plans are closely aligned with the aims of available funding streams, and that they are strongly managed and administered (if Municipalities lack the resources to manage the funds to a high standard, there is a need to consider managing the funds at the city region level).
3.3.1 Rationale

City level planning is a vital component of the urban development process. Without a cohesive and strong city level plan which joins up different physical, economic and social components together, effective and efficient urban development goals will be difficult to achieve for many Portuguese urban areas.

One potential mechanism for joining these themes up is the development of strong city-wide integrated plans. These plans would need to cover a range of themes that would align various local strategies and projects, identify clearer linkages between various funding streams, and respond directly to the socio-economic priorities and challenges facing the cities.

A city-wide plan should not necessarily provide the detail of how to tackle all of the problems of a certain urban area but should provide a cohesive and collective vision so that all of the different elements complement and ‘ dovetail’ one another. The city plans should also be closely aligned with any existing regional-level urban development strategies that are in place. This approach would lead to the production of better quality plans.

Plans undertaken at a city level also need to consider issues of adjacency (ensuring that adjacent areas are ‘linked’ in planning terms taking into account activities in each area, the commuting flows of workers and the inter-dependencies between adjacent areas – the example of Lisbon and Sintra was given at the round table – and that unnecessary duplication and overlaps are avoided – to areas providing competing facilities where one would satisfy demand). The second consideration is that city plans provide a framework for activities at the sub-city/hood level and the links between those neighbourhoods).

3.3.2 Barriers to Effective Strategic Planning in Portugal

The research has shown that although there are examples of city wide and strategic planning in Portugal’s cities, the majority of urban areas contain a ‘patchwork’ of strategies and projects with limited clear alignment to an overall single vision. Although there was a consensus amongst stakeholders that Portuguese cities needed a range of different plans and strategies, there was often no mechanism to link them all together in order to ensure they are mutually reinforcing and also minimise the duplication of activity. Organisations operating in separate urban development themes tended to have their own plans and strategies linked to a particular urban issue (e.g. crime) but there was a perception that these were stand alone documents which tended to encouraging people to work in silos.

The integration of project activities has evolved from having a strategic plan for the whole of a city (PROSIURB 1994-1999) to now having integrated area based plans for specific parts of a city (2000-2006 POLIS and "Partnerships for Urban Regeneration ", 2007-2013). The case studies confirmed that the lack of such strategic plans in most cities in Portugal reduced the effectiveness of EU funded programmes due to a lack of city wide planning and preparation by the Municipalities. The lack of a city wide plan also prevented cities from creating medium to long-term plans to enable more consistent and continuous approaches to urban development.

Given the economic climate, Portuguese urban development practitioners will need to be flexible in the delivery of their urban development strategies. It is probable that they will need to update their strategy and develop new policy responses to the economic climate (and stimulate economic activity within the
cities), as opposed to simply recognising the existence of the crisis. Even those strategies and various project action plans that were developed a year ago are effectively 'out of date' as the severity and objectives of the austerity measures have only just been announced. This means that many strategies could be irrelevant or undeliverable in current circumstances and will require a reassessment of what is still possible and a firm refocus on responding to the economic situation.

Given the evolving nature of these economic challenges, it is important that city authorities within Portugal capture the views of local residents and businesses on the issues of greatest concern to help modify the content of the strategies and prioritise potential interventions.

3.3.3 Transferrable Lessons Emerging From the Case Studies and Previous Studies

Not only is city wide planning important for encouraging a more focused approach, it can also have a prominent role to play in addressing specific urban issues. The URBAN evaluation highlighted that city wide planning was particularly important in terms of tackling 'economic' problems. For example, the Leipzig URBAN programme was closely founded by a strategy, which was supported by an evidence base to illustrate the neighbourhoods experiencing the highest levels of deprivation, and contained an integrated programme of activity to tackle the key socio-economic challenges, including the environment, infrastructure improvements, local economic and employment development and social integration. Many small projects were delivered through the programme that cut across these themes.

The Porto Godomar URBAN programme was also an example of one that was founded on a clear strategy, and that integrated the themes of crime reduction and the provision of training for the local population into the need to deliver physical regeneration activities.

The Guimarães case study also confirmed that the success of its urban regeneration interventions was strongly founded on its city-wide plan, which went beyond simply a community funding cycle. Moreover, the successful experience of Viseu can largely be attributed to the fact that the Municipality created a long term city-wide plan for the area that was drawn up prior to them even becoming aware that the Municipality could access funding for urban development projects in 2007-2013. Finally, in the case of Vale da Amoreira (Montijo), the research highlighted that the city wide 'planning process' is a central element in the establishment of local partnerships, in the engagement of multiple actors and in building an effective unified approach to a variety of stakeholders.

3.3.4 Stakeholder Feedback

The issue of strategic urban planning was debated extensively during the Coimbra discussion. Whilst many attendees recognised the importance of producing urban plans, the over-riding consensus was that more plans were not necessarily required. However, there was some frustration regarding difficulties in getting projects operational, and where the implementation of the plans was not as high as originally aspired.

The consensus emerging from the Coimbra discussion was that the future priority should not be the development of more urban development plans within Portuguese cities, but for greater attention to be placed on developing effective implementation arrangements to ensure that planned projects were able to deliver successfully against their aims.
3.3.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

Some of the actions that could be considered include:

- **The need to review existing plans to establish whether they remain relevant in light of the changing economic and public funding climates within Portugal.** This will include assessing whether the content of the strategies is reflective of the key socio-economic challenges facing the geographical area in question. Where plans have been less successful, there will also be a need to explore the reasons behind this and factors influencing the poor implementation of projects, where appropriate.

- **To ensure all major Portuguese cities have an integrated city wide plan in place that draws together the key urban development themes.** The actual content of the plan would be up to cities to decide but would ensure each city has a vision, a set of priorities and a group of agreed targets. The integrated plan could be based on objectives and projects within existing plans that are most pertinent to the key socio-economic challenges facing their localities and also reflect those projects that are implementable. They should also be aligned with the objectives of any regional-level plans that are currently in place.

  The integrated plan would need to be supported by a strong evidence base, and could be used as a framework for prioritising the most important urban development projects. The plans could also operate as a vehicle for directing public sector funding resources targeted at supporting urban areas (this could include the delivery of housing, health and infrastructure improvements) and selecting those projects to be awarded public funding. A template for these documents would be provided at national level, with a key focus on shaping and guiding overall ERDF spend at the city level.

- **The need to develop a city wide partnership to take forward higher level strategic planning of key Portuguese cities.** The partnership need to include membership from the City Authority and also include membership from those responsible for designing and implementing different services of the city including housing, transport, health, education and the police. This group would bring together senior staff within the city to develop the initial plan, share knowledge and ensure transparency and complementarily of their plans and objectives. It would also have responsibility for co-ordinating ERDF expenditure from 2014-2020 for that particular city so that each ERDF project links in with one another where possible.

- **To ensure that the integrated plans are monitored regularly against the evolving economic and public funding conditions, and, where necessary, the content of the plans is amended accordingly.** Many current plans were developed before clarity about the austerity measures and IMF agreements were identified. Both the aforementioned strategy and partnership should have a focus on tackling the current issues brought about by the crisis and be considered in light of lower public and private sector funding.
3.4 Critical Success Factor 4: Knowledge and Capacity of Individuals and Organisations Involved in Urban Development Activities

Recognising the need for more integrated urban development programmes in Portugal than those that have historically been delivered, it is important that the capacity of individuals and organisations engaged in urban development in Portugal is increased. This will not only include local authority representatives, but also engineers, architects, representatives of national government departments, and local community groups, each with their own capacity building needs. It is possible that in the future, practitioners will need to cover a wider range of themes than in previous programmes they have delivered (it is therefore likely that the practitioners will need to cover some thematic areas that they have a more limited understanding of).

In addition to increasing their understanding of a wider range of thematic areas, it is possible that the capacity of the practitioners to successfully engage community and business in project design and delivery processes will need to be enhanced. There may also be a need to enhance the capabilities of the practitioners in facilitating and reporting to multi-disciplined steering committees (for example, consisting of business representatives, public sector bodies, the voluntary sector, property developers). In this sense, building the capacity of practitioners would help to generate stronger leadership and management of the delivery of urban development programmes.

Given that the focus of many urban development programmes delivered in Portugal to date has been the Lisbon and Oporto metropolitan areas, it is important that any capacity building programmes focus on the smaller Portuguese urban centres (where experience of delivering integrated urban development programmes is likely to be more limited), in addition to practitioners operating within the most deprived neighbourhoods within the Lisbon and Oporto metropolitan areas.

3.4.1 Rationale

The capacity and knowledge of stakeholders responsible for developing and implementing urban development policy in Portugal is paramount. Given the depth of socio-economic problems affecting many Portuguese cities, urban development practitioners will need to be aware of innovative new approaches and good practice in tackling urban problems.

Against this backdrop, it is also important that good practice in 'what works' is shared between urban development practitioners across Portugal as much as possible. A strong group of practitioners in the country who have the skills linked to the urban development agenda is even more vital now than ever before.

In addition to increasing levels of understanding on what works in delivering integrated urban development programmes, the sharing of good practice will also help to ensure that Portuguese urban development practitioners are better networked, and better placed to further spread examples of good practice longer-term.

The promotion of this 'learning culture' would also encourage stronger levels of 'self-evaluation' amongst Portuguese organisations engaged in urban development and stronger monitoring of urban development programmes. This would help to improve the quality of activities being delivered and ensure that mistakes from the past are not replicated. It will also help ensure that success is replicated elsewhere.
3.4.2 Barriers Restricting the Capacity of Portuguese Urban Development Practitioners

The general consensus emerging from the stakeholder consultation process indicated that the capacity and knowledge of urban development practitioners in Portugal has improved significantly over the past decade, although this has essentially taken place through a ‘learning by doing’ approach. It has also not taken place under the same backdrop of socio-economic challenges and austerity measures, and requirement for more integrated urban development programmes. A lack of leadership – at all spatial levels – was cited as a key barrier, and therefore a key priority in the Coimbra discussions. Policies at government level to increase capacity at this level do not appear to have been effective.

Although Portugal has seen a large rise in the number of ERDF and non-ERDF projects, no mechanism has been developed for the sharing of experiences and dissemination of good practice around improving the quality of such projects. Even during the ‘Critical Neighbourhoods Initiative’ in Portugal (an experimental programme aimed at piloting new ways of working), there was limited evidence of evaluation work or lessons learnt that was disseminated more widely. In addition, although evaluations of ERDF projects have taken place in Portugal, many tend to lack a robust quantitative assessment of economic impact and also lack an action based approach that puts forward practical ways in which similar activities can be improved.

The Coimbra discussion indicated that some training programmes for Portuguese urban development practitioners have recently been delivered, supporting the continued professional development of around 60 individuals. However, this training programme focused on approaches to regenerating historic cores of cities, and it does not appear that the training programme had the necessary thematic coverage to address all the key facets of integrated urban development. Furthermore, it does not appear that the scale of these training programmes have had the necessary coverage, both in terms of the overall quantity of practitioners trained, and geographical coverage (encompassing all regions/sub-regions within Portugal).

3.4.3 Potential Transferrable Lessons Emerging From the Case Studies and Previous Studies

There are many examples of specific support measures to raise the skills and knowledge base of urban development practitioners and also encourage a sharing mentality. The URBACT II programme encourages urban development practitioners across Europe to come together, share good practice and learn what other cities are doing and also apply that learning to tackle key urban development issues. One notable beneficiary of the knowledge sharing activities was the Polish city of Katowice, who developed their first integrated urban development strategy as a result of their knowledge sharing sessions with a range of authorities, including those from Catalonia, Amsterdam and Bologna who had higher levels of experience in developing integrated urban development strategies.

In Spain, the "Red Urban Initiatives Network" acts as a national level network, which enables individuals and organisations engaged in urban development activities to exchange examples of good practice in urban development. It also provides a discussion forum through which individuals can share experiences on the critical success factors behind the development of successful bids for European funding.

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8 Ecorys (2011), "Interim Evaluation of URBACT II", Report to the URBACT Secretariat
The next call for URBACT II projects could potentially provide Portuguese urban development practitioners with an opportunity to learn about transferrable examples of good practice emerging in other European nations.

The URBAN evaluation also identified successful examples of capacity building programmes directly targeting those involved in the delivery of project activities.

- In *Arhus (Denmark)*, training was given to the training of community and voluntary sector organisations in organisational management, financial control, and health and safety to ensure they could improve their delivery of project activities to meet the needs of target communities.

- In *Perama (Greece)*, the Municipality received training in monitoring and administering projects to enable them to check that the funded projects were performing well against targets and objectives, and responding to local socio-economic needs.

### 3.4.4 Stakeholder Feedback

Although there was recognition at the Coimbra discussion that some training had been delivered to Portuguese urban development practitioners in recent years, there was recognition that the capacity of urban development practitioners needed to increase in the medium-term, starting with project and programme leaders, with good organisational and networking skills but including also raising the knowledge and skills of residents groups and local businesses (e.g. sustainable development often requires a strong knowledge of planning policies and law, commercial considerations and funding opportunities and constraints). There was recognition that the need for more integrated urban development programmes would increase the demand for multi-skilled practitioners who were able to operate across a range of thematic areas.

The attendees also recognised that the need for greater involvement from community and private sector representatives in the design and delivery stages of projects would highlight the need to enhance the capacity of practitioners in terms of their ability to broker partnerships and facilitate collaborative working between different agencies in shaping the delivery of programmes. Given the diversity of organisation that would need to be involved in the programmes, there would be a need to increase the capacity of practitioners in terms of communicating the priorities of programmes to stakeholders.

The other key areas where the capacity of practitioners would need enhancing (based on other critical success factors) include their ability to:

- Manage the process of develop integrated strategies;
- Prioritise projects proposed for public funding, and select projects to be funded after consideration of the evidence base;
- Monitor progress made by funded projects against targets and objectives set.

There was also recognition that the dissemination of learning points between cities had been limited, and this needed to increase if the quality of urban development programmes being delivered in Portugal were to improve. As a result, the development of more networks for sharing good practice between different Portuguese urban areas would be welcomed. If the sharing of good practice is prioritised to a greater
extent, there will also be a need to develop the capacity of Portuguese urban development practitioners to network with representatives from other cities.

3.4.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

Based on the findings of the research process, some of the actions that could be considered include:

- **Further investigation of the potential to develop a comprehensive national capacity building programme for urban development practitioners and representatives of other key organisations delivering urban development activities in Portugal.** Although it is apparent that some Portuguese urban development practitioners have received some training, the requirement for multi-disciplined practitioners including programme and project leaders remains.

At minimum, the practitioners and organisations involved in the delivery of ERDF supported projects and programmes should be supported to develop their skills in key thematic areas, in addition to their ability to respond to other key issues identified in this report, such as:

- Developing integrated regeneration strategies
- Prioritise projects proposed for funding;
- Recommend projects to receive funding (in response to the evidence base);
- Broker partnerships to deliver projects;
- Facilitate project steering groups consisting of diverse stakeholders;
- Monitor and administer projects and programmes;
- Communicate the aims and objectives of programmes and funding streams to a diverse range of stakeholders;
- Network with other cities across Portugal and European to share examples of good practice in urban development.

It is also possible that more extensive training is required by practitioners based outside the Lisbon and Oporto metropolitan areas, given their relative lower levels of experience in delivering urban development programmes.

- **Develop an internal network for individuals and organisations involved in urban development in Portugal to promote a 'learning and sharing' ethos among those responsible for designing and implementing urban development activity.** This network would facilitate the sharing of good practice but could also lead to the development of more innovative responses to urban development, taking into consideration the current economic crisis and helping to apply the learning from this at the local and project level.

- **Develop internal networks for sharing good practice at the town/city level between different Portuguese urban areas.** This could include exploring the feasibility of establishing a network specifically for the medium sized cities (outside of the Lisbon and Oporto metropolitan areas) to exchange good practice in urban development (this could perform a similar function to the "Core Cities Group" in England), and also a network specifically targeted at sharing good practice between smaller Portuguese urban areas (which could perform a similar function to the "Market Towns Forum" in England).
• **Encourage more Portuguese cities to link into existing urban development networks including URBACT, INTERREG and Eurocities.** These existing networks will help Portuguese urban development stakeholders to learn from other cities, particularly in relation to developing and implementing multi-themed urban development projects in times of severe economic difficulties.

• **Installation of a stronger evaluation ethos of ERDF supported projects and programmes.** This would include increasing the focus on assessing the real impact and outcomes of projects and programmes (rather than describing what they have done) and also ensuring that each assessment provides strong lessons and actions for learning. This again should be a key part of the ERDF requirement pre-appraisal.

### 3.5 Critical Success Factor 5: Flexibility Around Urban Development Funding

Given that shortages of available funding to finance urban development programmes could present a potential risk to the extent to which planned urban development projects can become fully operational and feasibly be implemented. Whilst the consultation process did not identify shortages of ERDF funding as a direct problem, significant challenges are likely to be encountered in identifying viable sources of funding (both public and private sector sources) to match the ERDF funding.

Both the stakeholder consultation process and Coimbra discussion suggested that the private sector within Portugal is struggling to raise capital and lacks the confidence to invest. As a result, there is a need to consider alternative finance mechanisms to ensure that Portuguese urban development projects are allocated the necessary funding, not only to ensure that they become operational, but also ensure that they can be sustained longer-term.

#### 3.5.1 Rationale

The lack of public and private sector finance represents a key barrier to delivering successful urban development approaches in Portugal. The recent economic crisis has placed significant constraints on the ability of the private sector to provide resources to fund urban development projects. Enforced government austerity measures have also placed constraints on public sector resources to provide funding for these activities.

Potential future shortages in ERDF funding could be addressed if reductions were introduced on the levels of co-funding that Portuguese organisations needed to provide for ERDF-funded projects. In addition, private sector contributions to ERDF activities could increase if the eligibility criteria for proposed projects were relaxed to enable housing projects to be eligible for funding.

Notwithstanding this opportunity, Portuguese authorities may need to access alternative financial mechanisms if they are to access the necessary levels of financial resources to fund proposed urban development activities. Without any interventions in this field, it is possible that some planned urban development activities will not materialise, and as a result, the most prevalent socio-economic challenges affecting the nation's urban areas could intensify.
3.5.2 Barriers Restricting the Ability of Portuguese Authorities to Access Urban Development Funding

In addition to the anticipated challenges in securing resources from public and private sector organisations to fund urban development programmes (including the provision of match funding for ERDF), the stakeholder consultation process highlighted a perceived lack of knowledge amongst Portuguese public sector bodies, both at the national and sub-national levels, of the various financial instruments that could be used to support urban development programmes.

Difficulties in accessing financial instruments have already presented challenges to the delivery of projects proposed through the ‘Partnerships for Urban Development’ programme. Some proposed projects have been delayed or abandoned as a result of these difficulties. Although the Portuguese government has proposed a series of tax incentives and amendments to the legal system to help stimulate projects focusing on the renovation and refurbishment of housing units, the proposed activities have not been fully implemented as a result of the resignation of the previous Portuguese government.

In addition, awareness of other financial instruments available on a pan-European level was relatively low. For example, although Portugal was one of the first nations to sign up to JESSICA in 2008, the stakeholder consultation process suggested that levels of awareness of JESSICA needed to increase, particularly in terms of the role the instrument could play in supporting the development and delivery of the proposed plans.

The consultation process also indicated that the challenges in accessing finance are not restricted to funding to support the creation of urban development projects, but also funding to sustain the projects. The case study findings from both Portugal and elsewhere indicate that many successful urban development projects are designed in a manner that enables them to access further resources (be it public or private funding) beyond the timescales of the funding stream used to pump-prime the early stages of project activity (such as ERDF). It was proposed during the consultation process that many Portuguese urban development projects had been over-reliant on time-limited funding sources to provide resources to support project activities, and had not identified sufficient opportunities for accessing mainstream resources from central or local government organisations to sustain the future operation of project activities.

3.5.3 Transferrable Lessons Emerging Through the Case Studies and Previous Studies

The Portuguese case studies indicate that financial instability has limited the amount of public sector investment in urban regeneration programmes and projects, as evidenced by the reduced NRSF budgets when compared to CSF II and III.

These case studies have also revealed that the multiple problems affecting urban areas cannot be adequately tackled through a single financial instrument, but rather require a strategically articulated plan that promotes the use of several mechanisms. The case study of Viseu is particularly illustrative of this situation, where the Municipality has successfully used funding from a range of sources, including SOLARH, RECRIA and PROHABIT.

From a sustainability standpoint, the URBAN evaluation demonstrated that the projects that were most successful in accessing continuation funding beyond the cessation of ERDF funding were those projects that were closely aligned with strategic policy frameworks of key national and sub-national public sector
bodies. In this sense, the projects demonstrating high levels of success were supported by mainstream funding.

An example of this was the development of a new school in Porto Gondomar, which space for pre-school and primary-aged children to access educational, recreational and leisure activities. Beyond the cessation of ERDF funding, the continuation of the activities was supported by mainstream funding from the Local Education Authority. The URBAN programme delivered in Le Havre (France), which focused on the regeneration of a neighbourhood south of the city centre (through public space enhancements and the development of new education facilities, including the development of a new media library) was also successful in accessing funding from a national regeneration programme dealing with regional competitiveness.

3.5.4 Stakeholder Feedback

The consensus amongst the stakeholders consulted was that the ability to access funding will indeed present a barrier to the successful commencement and delivery of urban development projects. Given the current economic climate within Portugal and government austerity measures, the consensus indicated that access to European funding and European financial instruments would be pivotal to ensuring that urban development projects were to be successfully delivered. The ability to access emerging funding mechanisms, such as JESSICA, would also be a key factor in determining the viability of many proposed projects.

The over-riding consensus at the Coimbra discussion also highlighted the need to increase levels of communication between public sector bodies and private developers and banks, primarily as a means of encouraging greater levels of private sector investment in urban development projects. This includes not only using private sector funding as a means of financing new urban development projects, but using the private sector as a source of continuation funding for existing projects (potentially alongside mainstream public sector sources).

It is possible that projects to be delivered in the larger urban centres, particularly the historic cores of cities, could prove more attractive to private sector developers, given the potential to generate larger-scale economic impacts. It is also possible that higher levels of private sector investment would be secured if finance to support physical development projects were to be integrated with financial support packages to SMEs to support business and employment growth.

3.5.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

In order to help expand the range of funding sources available for urban development projects within Portugal, there are five key types of interventions that could be proposed.

- **The development of a number of events in each major city, aimed specifically at the city level, to promote and educate people about the opportunities of JESSICA.** These events would provide a full explanation of the programme and provide stakeholders with stronger encouragement to either get involved in existing JESSICA projects or develop new areas around this funding opportunity and model.
• Establish private sector forums at the city level with major developers and banks to encourage more communication and linkages between the public and private sectors on urban development issues. The forum would ensure much more dialogue between the two sectors and ensure more complementarily between each others plans. It would also allow ERDF plans to secure private sector match and visa versa.

• Explore the potential of integrating financial support packages for physical development projects with financial support for SMEs in a given locality. This will help to stimulate business and employment growth as a result of the regeneration programmes.

• Encourage the ERDF appraisal system to properly assess the sustainability of projects more carefully before agreeing the release of funds. As part of the project planning and application process, bidders should be encouraged to develop and submit their sustainability plans pre-appraisal, in order to ensure robust ideas are in place to continue delivery once ERDF ceases to exist. To help increase the sustainability of project ideas, bidders should be encouraged to develop plans for two years longer than the earmarked funding period (for example, projects seeking five years of ERDF funding should be encouraged to develop seven-year project plans) in order to further ensure there are plans to sustain the project post ERDF.

• Allocate ERDF to projects on a tapering scale. This would mean that the level of ERDF allocations would decrease from the first year onwards so that other sources of funding are increasing used the nearer the project gets to the end of its ERDF allocation. This will mean that replacement funds are well in place by the time ERDF ceases to exist.

• Encourage ERDF to reduce the level of co-funds that Portuguese authorities need to provide for ERDF-funded projects. This could address potential difficulties of finding the necessary level of match funding.

• For ERDF to explore amendments in the eligibility criteria for funding ERDF projects. If programmes supporting the renovation of housing and other key privately owned buildings were to become eligible, this would increase the possibility of securing the necessary levels of private sector investment to fund the urban development projects that would address the most important prevalent socio-economic challenges affecting many Portuguese urban areas.

In each case there is an argument for simplification – as far as possible – and transparency. For many external funding, and especially EU funding sources, is seen as overly complex and bureaucratic, and almost designed to discourage as to encourage the development of sustainable urban development projects.

3.6 Critical Success Factor 6: Strong Urban Development Partnership Approaches

Evidence from a range of previous studies would suggest that the development of strong multi-disciplined partnerships is paramount to the successful delivery and sustainability of integrated urban development programmes.
Building on these experiences, if strong partnerships are to be developed for Portuguese urban development programmes longer-term, it is crucial that barriers encountered in engaging community groups and the private sector in both the design and delivery of urban development programmes are overcome. It is also important that the level of collaborative working between different departments within Municipalities and also levels of partnership working between Municipalities and other relevant public sector bodies also increases.

If Portuguese urban development programmes are to be sustainable long-term, it is also important that the partners all work towards a ‘shared vision’ on the individual programmes, and that their engagement programme activities is secured on a regular basis, as opposed to occasional or one-off participation.

3.6.1 Rationale

If integrated urban development programmes are to prove successful in tackling the key socio-economic challenges affecting a geographical area, it is important that strong partnerships are developed, consisting of representatives of organisations operating within the thematic areas covered by the programmes. This may include key departments within the Municipalities and, where appropriate, regional authorities (particularly planning, economic development, housing and education departments), transport providers, property developers, finance institutions, and community and voluntary sector organisations (including residents groups for neighbourhood level regeneration projects).

The formation of multi-disciplined partnerships would have a key role to play in the design stage of project activities, both in terms of qualifying the evidence base to demonstrate the wide-ranging socio-economic challenges affecting the given target area, and develop policy responses to address these challenges. They will also have an important role to play in the delivery stage of programmes, particularly in monitoring and communicating the extent to which the programmes have been successful in addressing the needs of their client groups.

The strengthening of partnerships would overcome the perceived tendency (as highlighted during the consultation process) for Portuguese urban development organisations to work independently across urban areas to tackle urban problems with limited interaction with other organisations addressing related issues.

3.6.2 Barriers Restricting the Development of Multi-disciplined Portuguese Regeneration Partnerships

The findings arising from the research process have identified a need to strengthen partnership-based approaches to urban development in the future. Some of the main weaknesses identified in respect of existing partnership-based approaches to urban development in Portugal include:

- The length of time taken to establish the partnerships;
- The fragility of many partnerships established (for example, some partnership were driven the terms and conditions of the respective funding regimes requiring a minimum number of individuals to be engaged in partnership activities, and levels of commitment varied between partnership members);
- Slow decision making processes, which were exacerbated by complex legal structures;
- Not all partnership members working towards shared visions (as reflected by varying levels of participation in partnership activities).
The case studies show that the promotion of a partnership principle in Portugal was strongly publicised in the current programming cycle of the Community Funds through the instrument “Partnerships for Urban Regeneration”. However, partnership approaches, particularly at the local level, was not uniformly implemented by various local actors, particularly the Municipalities (who were responsible for leading most urban development plans). The consultation process and Coimbra discussion indicated that many Portuguese stakeholders remain largely unaware of the benefits of a partnership approach.

Partnership working within key organisations responsible for urban development is also relatively uncommon in Portugal. The research process indicated that communication and collaborative working between different divisions within the central administration was limited, meaning economic, physical and social development is often disjointed. The lack of a ‘single approach’ to urban development within Local Authorities was often seen to encourage a lack of focus and possible duplication within the organisation on tackling urban problems.

The case studies reveal that good examples of partnership and cooperation between organisations supported in the Action Programme for Urban Regeneration, which has a clear and detailed strategy for fostering local partnerships, have emerged. This is evidenced by the experiences in both Viseu and Guimarães. However, these case studies have also provided evidence of the difficulty of various departments of the city administration engaging with one another. In the case of the Vale da Amoreira, (Montijo), the case study highlighted the difficulties of implementing the Inter-Ministerial Working Group which was unsuccessful in providing a focus for the organisation’s work.

3.6.3 Transferrable Lessons Emerging From Previous Studies

The evaluation of the URBAN programme indicated that the most important critical success factor behind the programmes being delivered was the presence of strong local ownership and partnerships to deliver the programmes. In the majority of cases, the local authority (or Municipality) had a key role to play in the planning process, developing the intelligence base, and providing staffing to deliver the projects. During all stages of the projects, the local authorities worked closely with other public, private and voluntary sector bodies. The evaluation identified three main factors that influenced the success of the partnerships:

- All partners need to play an active and effective role in decision making. To enable this to materialise, some partnerships required external support in building the capacity of community and voluntary sector bodies.

- Partners need to ensure that they focus on local issues that they could influence through collective working.

- To spread the management and delivery of projects across a range of partners.

- The composition of partnerships will vary at different spatial levels. The city-level partnership will focus more on strategic issues and will attract partners with strategic interests. At the neighbourhood partnerships will most likely focus around specific local issues that can be addressed at that level. Experience shows that it is easier to engage small, local businesses and residents groups around
activities that they believe they can influence and are important to their communities (e.g. planning community uses for urban spaces in local neighbourhoods) (see also Critical Success Factor 7 below).

Focusing on specific examples, the success of the URBAN programme in Gijon (Spain) was influenced by the fact that key council departments worked in collaboration to ensure that a range of holistic regeneration projects were delivered. In Sambreville (Belgium), the UBRAN programme successfully created new partnerships between public sector bodies and both individual business and business representative bodies. This ensured that new training programmes for residents with low skills were successfully developed.

3.6.4 Stakeholder Feedback

Over-riding consensus arising from the Coimbra discussion was that stronger partnerships were required to support the delivery of urban development programmes; however, to ensure that partners from different types of organisations were consistently engaged throughout projects, there was a need to ensure that procedures were non-bureaucratic, and that key decisions could be made rapidly.

To improve the efficiency of partnerships, the consensus was that the functions of partnerships should be the most important consideration, and that legal structures could vary, depending on the functions. The mechanisms for financing the partnerships could also be flexible, with local authorities providing support to fund human resource and legal costs, where appropriate.

3.6.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

To ensure that Portuguese urban development programmes are characterised by strong partnerships, two potential interventions could be considered.

- **Incorporating multi-agency working and requirements for partnership approaches in project development and delivery phases into the ERDF project appraisal process.** This could stimulate greater levels of multi-agency working within cities, and ensure that projects are not simply owned by a single organisation.

- **Linked to the possible action of developing city-wide strategic plans, city-wide partnerships could be developed to take forward higher level strategic planning of key Portuguese cities. The partnerships should be characterised by strong leadership from the public sector (particularly the local authority), but also include strong levels of involvement from the private and community/voluntary sectors.** It is important that the latter two sectors have active involvement in discussions, debates and decision making. It is also important that a range of departments from the local authority (and where relevant, regional level authority) are actively engaged in partnership process to ensure that urban development programmes have the necessary wide-ranging thematic coverage.
3.7 Critical Success Factor 7: The Importance of Flexible Bottom-up Urban Development Approaches

As stated above, the findings of the URBAN evaluation indicated that city authorities providing strong levels of leadership was a critical success factor in the delivery of integrated urban programmes. One of the primary reasons is that city level authorities are well placed to develop ‘bottom-up’ responses to the unique socio-economic challenges affecting their locality.

There is, however, a need for flexibility in the delivery of urban development projects, given that some challenges are more appropriately tackled at the neighbourhood level. Given the upcoming constraints around public funding, there is also a need to ensure that competition between Portuguese cities for scarce financial resources does not result in a situation where displacement effects begin to take place (i.e. the allocation of urban development funding allows some cities to accrue positive outcomes and impacts at the expense of cities that do not receive the funding).

3.7.1 Rationale

Many cities and neighbourhoods often suffer from similar problems but at the same time are unique and diverse on a whole range of economic, political, social and environmental issues. The most successful urban development approaches often recognise that the drivers behind urban decline and the solutions to urban problems are unique to a particular locality.

Top-down 'one size fits all' approaches, normally developed at the national and regional level, historically have been less successful, given that they do not deliver tailored policy responses to the unique socio-economic challenges affecting individual cities. Instead, more flexible bottom-up approaches, allowing city and local stakeholders to design and implement local solutions, tend to generate higher levels of success.

The URBAN II ex-post evaluation also indicated that whilst some urban development issues were better addressed at the city level, other issues were addressed more effectively at the neighbourhood level. For instance, changing the economic base of a city towards high growth sectors was more effectively dealt with at a larger city spatial level whereas tackling a crime ‘hotspot’ was more appropriately tackled at the neighbourhood level. This issue therefore requires careful consideration in the urban planning process.

3.7.2 Barriers to Adopting Flexible and Bottom-up Urban Development Approaches in Portugal

The Portuguese case studies have demonstrated that the decentralisation of urban development activities is has been mixed in recent years. Bottom-up approaches can be found throughout Portugal but real 'local' ownership of urban development plans is rare, with the City Authority taking control of most key decisions around delivery and implementation. Local stakeholders including residents and businesses have tended to be consulted at the beginning of various urban development plans but tend not to have been empowered or given responsibility or control to design and deliver solutions to local problems.

The case study research reveals that Portuguese urban regeneration projects and programmes have tended to lack a local focus. The POLIS Programme (2000-2006), for example, was implemented in partnership with the Municipalities, but was planned by Central Government. This resulted in the development of a series of 'identikit' proposals for city programmes, where the focus was on satisfying a
set of national-level criteria, and limited consideration was applied to local socio-economic challenges or needs.

In spite of this, the case studies have revealed a growing appetite for implementing bottom-up approaches within Portuguese urban areas. However, engaging and involving local actors in decision making processes remains a challenge. One programme that appears to have overcome these challenges is the Critical Neighbourhoods Initiative of Vale da Amoreira (Montijo), where the resident population has actively participated in the annual action planning process. Local organisations have also been actively involved in the delivery stage of programmes, given that the local authority has liaised with these groups during the process for planning, reviewing and financing projects on an annual basis. This ongoing liaison has helped to ensure that the programme has responded to the ever-changing socio-economic challenges facing their particular locality.

By comparison in the experience of Guimarães and Viseu, there is a strong concern amongst the programme management team in involving the resident population in decision making exercises (at present their involvement is constricted to attending events, exhibitions and informal discussions).

### 3.7.3 Transferrable Lessons Emerging From the Case Studies

The decentralisation of urban development activity was seen as a critical success factor of the URBAN programme, with local authorities playing the lead role in programme management, as opposed to national and regional authorities. Those URBAN programmes which placed strong emphasis on fostering local ownership of the challenges and ultimately the development of solutions to the main problems in the target areas were seen to be the most successful in terms of the scale of impacts generated (i.e. improving the socio-economic conditions of the target areas). The engagement of local delivery partners, particularly at the neighbourhood level (who have strong local networks and knowledge) were seen as a critical success factor in both the design and delivery urban development projects.

The experiences from some URBAN programmes highlighted the importance of having a city-wide plan (managed by the local authority), which, for example, suggested interventions to link deprived parts of their city with commercial areas, or linked transport policies with employment policies. The outcome was that the plans acted as a framework for facilitating a more co-ordination and a 'united' approach to regeneration within the city.

Within the UK during the past ten years, a number of examples have emerged that demonstrate the effectiveness of groups of districts collaborating together to address specific socio-economic challenges.

- The local authorities in the Greater Manchester metropolitan area have a long history of collaborating, both in terms of submitting joint bids for funding and working together to deliver urban development programmes. One notable success story was the establishment of 'Manchester Innovation', which provided support to businesses across the innovation area to enable them to progress innovation. This model of collaboration could potentially be replicated by local authorities in the Lisbon and Oporto metropolitan areas.

- In England's East Midlands Coalfield, three local authorities comprising of small urban areas (Ashfield, Mansfield and Bolsover districts) collaborated to bid for and deliver a UK government-funded programme that supported enterprise in deprived neighbourhoods. The primary motivation for
collaboration was that all three districts were facing a common economic challenge; namely the need to stimulating enterprise was seen as a means of restructuring their economies, in light of the decline of the coal mining sector in the latter part of the 20th century, and resultant high rates of unemployment.

3.7.4 Stakeholder Feedback

The over-riding consensus emerging from the Coimbra discussion was that greater levels of collaboration between different Portuguese towns and cities was required, particularly in light of upcoming challenges regarding the availability of public funding for urban development projects. This would not only help to facilitate the sharing of good practice, but would also help to reduce the duplication of facilities being developed through the projects.

Developing collaborative approaches could act as a particularly effective mechanism for pooling resources into groups of smaller towns, who may not have sufficient capacity to bid for funds on an individual basis, and where collaboration could also improve the efficiency of delivering project activities (and again overcome potential capacity constraints).

3.7.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

Three potential measures could be considered to help cultivate flexible approaches to urban development within Portuguese local authorities.

• **Develop and embed a culture of a bottom up approaches to activities funded through ERDF.** In the short-term, a key priority could be to ensure that those responsible for developing strategies and major ERDF funded projects have an ethos to consult and work with local stakeholders. This would go beyond simply capturing their views but also ensuring that they actively design and deliver specific aspects of the strategy. This bottom up approach would become part of the ERDF requirements at appraisal stage.

• **Developing a good practice guide that provides practical support to ERDF project managers on how to develop local approaches.** It would provide a toolkit on methods of engaging and empowering local stakeholders to help those responsible for developing various strategies (that are part funded by ERDF) design and implement their approach around this way of working. The toolkit could potentially act as a useful reference point for any capacity building initiatives to help local authorities engage with these groups.

• **Encourage any networks of towns/cities (established through Critical Success Factor 4) to submit joint proposals for the delivery of activities through ERDF and other key upcoming funding streams.** Joint applications should be considered where the nature of the socio-economic challenge in question would be more appropriately addressed at a larger geographical scale than the local level, or where the sharing of good practice between urban areas could make a key contribution to addressing the problem in question.
3.8 Critical Success Factor 8: Successful Engagement of the Private Sector Throughout Urban Development Programmes

A cross-cutting issue, relevant to the other Critical Success Factors, is the importance of engaging the private sector during both the planning and delivery stages of urban development programmes. Given the current phase of government austerity measures, the private sector is a key potential funder of urban development programmes in Portugal.

The successful engagement of the private sector is also a key determinant in developing a comprehensive evidence base on the socio-economic needs of a given area that would support the case for a proposed project. With particular regard to more commercial-focused projects and programmes, engaging the private sector will also play a key role in ensuring that projects respond successfully to trends in market demand. This is important not only during the project design stage (in identifying specific market challenges to be addressed), but also during project delivery, where the focus of project activities may need to change.

This engagement would also help to ensure the design and delivery of more integrated programmes, particularly in terms of ensuring that SME support measures, and other activities to raise the competitiveness of key economic sectors, are delivered alongside major physical development programmes.

There are some notable barriers that need to be overcome, if the private sector were to be successfully engaged in urban development activities. Shortages in available financial resources, together with limited time resources, represent important factors that restrict the extent to which the private sector can feasibly engage in project activities. An additional barrier is the fact that few mechanisms or systems have been developed within many Portuguese cities and regions that can directly stimulate the engagement of the private sector in urban development activities.

3.8.1 Rationale

There is a strong rationale for engaging the private sector during all stages of urban development projects. During the project planning phase, the engagement of the private sector could make a significant contribution to populating the evidence base demonstrating the main socio-economic needs and challenges that need to be addressed in a given locality. This would help to ensure that some of the most important economic challenges affecting many Portuguese urban areas, such as increasing the economic competitiveness of cities and regions and rehabilitating key buildings, would become more prominent in the thematic focus of programmes. It would also ensure that these themes were to become more integrated with other thematic areas, such as public space and infrastructure improvements, in programme design.

The private sector also has an important role to play in ratifying the feasibility of the project ideas being proposed, given that against the backdrop of government austerity measures, they are represent an increasingly important source of project funding. Some of the main types of organisations that need to be engaged during this process include developers, banks, investors, and also key employers in a given locality. They also have an important role to play in determining the extent to which the proposed projects can successfully respond to evolving market trends. In this sense, engagement with the private sector
should represent a core element of the prioritisation process of proposed projects (see Critical Success Factor 1).

From a project delivery standpoint, the ongoing engagement of the private sector has a central role to play in ensuring the success of projects, particularly more commercially-focused projects, where the private sector can help minimise the risk of projects by advising public sector bodies on the extent to which projects are successfully responding to evolving market conditions. For example, this engagement could limit the possibility of new office developments resulting in new levels of occupation, or new commercial or infrastructure improvement projects generating displacement impacts within cities and regions.

3.8.2 Barriers Restricting the Successful Engagement of the Private Sector

There are a range of barriers that restrict the extent to which the private sector can feasibly become involved in urban development activities within Portugal. The recent economic downturn has limited the extent to which the private sector is able to provide financial resources for urban development projects. The stakeholder consultation process and Coimbra discussion suggested that the private sector within Portugal is struggling to raise capital and lacks the confidence to invest in such activities. A perceived lack of awareness of the application processes for ERDF and other financial instruments, and how these funding sources could address the key socio-economic issues of concern, was also identified as a factor that has limited the extent to which the private sector has been engaged in urban development activities in Portugal.

In addition, the narrow thematic focus of many urban development programmes previously delivered in Portugal was also identified as a major factor that has limited private sector engagement levels. A notable problem has been the lack of integration of enterprise and innovation support to local SMEs (i.e. activities that can be seen as having direct benefit to local businesses, and that can help to enhance their competitiveness) into physical development programmes.

Linked to this issue, and as detailed within Critical Success Factor 5, the ineligibility of renovating privately owned buildings for ERDF funding is an additional factor that limits the engagement of the private sector in urban development activities. The downturn in the rental market, and subsequent shortages of finance held by private sector landlords, further limits the extent to which the private sector can invest in projects to enhance the physical fabric of key buildings. This is represents a notable problem in the historic cores of urban areas, where there is a stronger requirement to renovate older, more historic buildings.

From a process standpoint, there are a range of factors that have restricted the engagement of the private sector in urban development programmes. For example, time constraints are a key factor that restricts the extent to which business representatives can provide input into urban development projects. The consultation process and Coimbra discussion suggested that these time constraints are exacerbated by the perceived slow and bureaucratic decision making processes associated with existing partnership-based approaches (see Critical Success Factor 6).

The absence of urban development forums that consist of public and private sector participants, and meet regularly (monthly or quarterly) also acts as a barrier that limits the extent to which the private sector can participate in urban development programmes on a regular basis. The findings of both the stakeholder consultation process and Coimbra discussion indicated that stronger channels of communication between
the public and private sectors need to be developed (potentially through the formation of regeneration partnerships and forums) if this barrier were to be addressed.

3.8.3 Transferrable Lessons Emerging From Previous Studies

The URBAN evaluation findings demonstrated that the successful engagement of the private sector was a key contributing factor to the success of programme activities delivered in many target areas. In many cases, they were represented on the programme Monitoring Committee and therefore played an active role in decision making processes. This degree of involvement played a particularly important role in ensuring that the geographical areas supported through URBAN activities became attractive to private sector investors in the longer-term.

For example, the successful engagement of the private sector throughout the lifetime of the URBAN programme in Leipzig (Germany) ensured that the physical regeneration projects delivered through URBAN funding were successful in improving the area’s image, and stimulated higher levels of investment from the private sector (particularly property developers) within the Plagwitz neighbourhood longer-term.

As part of the URBAN programme delivered in Sambreville (Belgium), a new city-level regeneration partnership was developed, which consisted of representatives of key public, private and community and voluntary sector bodies. The formation of this partnership played a key role in ensuring that the private sector was able to play a stronger role in influencing the urban development agenda in the locality, and work more regularly with the public sector on this issue. This partnership has remained in place since the completion of the URBAN programme, and has ensured that the private sector has been able to work with the public sector in shaping local urban development priorities on an ongoing basis, and that the private sector is able to act as a funder for key projects.

The Portuguese city case studies have also identified a range of successes in terms of the engagement of the private sector:

- In Guimares, one of the key factors influencing the success of the PROCOM programme between 1994 and 1999 was the fact it was managed by a partnership between the Municipality and Retail Association. This helped to ensure that public sector investment into retail centre enhancements were co-financed sufficiently by private sector SMEs.

More recently, the Local Technical Office was created by the Municipality to support the private sector to participate in architecture and engineering-related projects to renovate key buildings in the city’s historic centre. The scheme was also extensively marketed to the private sector, which helped to secure their participation. An additional factor that influenced the relatively high levels of private sector participation was the broader thematic focus of the regeneration programme, particularly the creation of the Technological Specialisation Centre, which was designed to directly benefit the private sector, in that it offered innovation support to help boost the competitiveness of local businesses in the global market.

- In Viseu, the Municipality and IHRU created the Urban Rehabilitation Society, which provided technical assistance support to engage the private sector in renovating key buildings. The support
activities included the provision of advice on national-level financial instruments, which helped to ensure that the private sector was able to access the necessary level of finance to participate in the scheme.

3.8.4 Stakeholder Feedback

Both the stakeholder consultation process and Coimbra discussion identified the increased engagement of the private sector as a key priority for urban development activities across Portugal in the future. As stipulated under Critical Success Factor 5, there is a need to increase levels of communication between public sector bodies and private developers and banks, primarily as a means of encouraging greater levels of private sector investment in urban development projects.

Stronger and more regular interaction between the public and private sector on urban development issues will also help to stimulate the design of more integrated approaches to urban development. For example, this interaction will help to ensure that infrastructure improvements, housing projects, public realm improvements, and enterprise support projects (particularly those targeted at SMEs) can complement major physical and commercial development activities to a stronger degree.

3.8.5 Potential Considerations for Organisations Involved in Urban Development in Portugal

Two potential measures could be considered to help increase the extent to which the private sector is successfully engaged in urban development activities across Portugal.

- The development of strategic forums within each municipality (see Critical Success Factor 5) that meet regularly (minimum of a quarterly basis) will facilitate stronger levels of ongoing communication between the public and private sector (particularly developers and banks) on urban development issues. This would help to raise awareness amongst private sector bodies of how ERDF and other major financial instruments could be accessed to address socio-economic challenges and concerns. It could also help to stimulate higher levels of investment from the private sector into urban development projects (particularly as a source of match funding to ERDF).

- As part of the ERDF appraisal process, greater emphasis could be placed on ensuring that links between physical regeneration projects and other themes (particularly SME support provision and other activities to boost the economic competitiveness of a locality) are identified within the bids. This will also help to ensure that the programmes being proposed are of the necessary scale to secure the interest of the private sector (as opposed to smaller-scale projects with a narrow thematic focus).

- The ERDF appraisal process could also encourage the submission of proposals that place a stronger emphasis on increasing a locality’s economic competitiveness. For example, the provision of funding to support universities to work with SMEs on developing innovations was identified as a particular opportunity during the consultation process.

- Ensure that bids for ERDF projects demonstrate commitment from the private sector, both as a funder of project activities and as a key delivery partner. As part of the appraisal process, a stronger emphasis could be placed on ensuring that private sector organisations state their commitment in writing as a key project partner, and that their role in project delivery is clearly detailed.
Again, this could not only include the private sector as a key funder of physical development programmes, but also in activities to boost a locality’s economic competitiveness.

- **Review the eligibility criteria for ERDF projects to encourage the private sector to provide more financial resources for urban development activities.** This includes reviewing the extent to which the renovation of privately-owned buildings could potentially become eligible for funding.

- **Ensure that new urban development programmes are marketed to the private sector, and that, where appropriate, support is provided to interested private sector organisations in terms of how they can participate.** Reducing the bureaucracy within the urban development process would also provide stronger incentives for the private sector to become engaged.

### 3.9 Summary

The study findings have demonstrated that Portuguese authorities are facing a number of challenges in both the design and delivery of sustainable urban development programmes. These challenges have arguably intensified in light of the recent economic and financial crisis and implementation of government austerity measures, which could restrict the level of finance available to fund urban development programmes and resources available to deliver the required activities.

There are, however, a range of good practice examples, both from within Portugal and elsewhere in Europe, which Portuguese urban development practitioners could use to shape their urban development programmes in the future, and ensure that the main prevalent socio-economic challenges affecting their localities are addressed in an integrated manner.

Although the research process has identified eight key critical factors that could influence the success of future Portuguese urban development programmes, and suggests a range of policy interventions that could be introduced in relation to each factor, there are a number of cross-cutting issues that are applicable to each factor, and need to be considered in shaping future responses to the key socio-economic challenges affecting Portuguese urban areas. These include:

- The need to prioritise proposed project activities to ensure the effective spending of finite resources (this could include ensuring that resources are targeted at the most deprived neighbourhoods, or thematic areas where the socio-economic problems or most severe, or opportunities exist for generating wide-scale economic and social impacts);

- The need to ensure that urban development programmes adopt a more holistic approach to delivering urban development programmes, covering a range of key themes (this includes the need to diversify the focus of programmes beyond the theme of spatial planning, and to link commercially focused physical development projects to measures to improve local transport and communication infrastructures, enhance public spaces, deliver community safety improvements, and provide enterprise and training support to local residents and businesses);

- The need to develop integrated strategies, supported by robust evidence bases, to inform the above prioritisation process and allocation of public funding;

- The need to engage a diversity of public sector bodies (including different divisions within local authorities), together with both the private sector and local community organisations, in both the
design and delivery stages of project activities to ensure that activities are able to successfully address the main socio-economic challenges affecting a given programme target area;

- The need to enhance the capacity of key individuals and organisations involved in urban development activities in Portugal to ensure that they are able to cover the necessary range of thematic areas in integrated urban development programmes, and successfully liaise with (and support partnership working between) the appropriate range of public, private and community sector organisations.
- The need to develop more stringent approaches to monitoring and evaluating the progress of project activities against their main objectives and key socio-economic challenges affecting the respective geographical areas.

The ERDF programme between 2014 and 2020 could provide a key opportunity for Portuguese urban areas to apply the above principles. Other success stories are also likely to emerge before the start of 2014, and any additional transferrable lessons would also need to be applied to the design and delivery of ERDF projects. If future urban development programmes are to prove successful, clearly local authorities across Portugal will have a leading role to play in leading the design and delivery of the programmes; however, it is essential that the programmes also receive strong support from the private sector and community and voluntary sector in the respective localities, but also layers of government at both the supra-local and national levels.
Annex One: The Case Studies
The urban regeneration of the central nucleus of Guimarães has been regularly cited as one of the best experiences of Portuguese intervention in the historic centres. This action led to the classification of the Historic Centre of Guimarães as World Heritage by UNESCO in 2001. It also contributed to the selection of Guimarães as the European Capital of Culture in 2012.

The intervention led by the Municipality of Guimarães is distinguished by a continuous and consistent performance over the past three decades, led by a local technical structure, established in 1985, which ensures the strategy implementation through the implementation of urban rehabilitation operations and technical support for the rehabilitation of buildings. This operation has been conducted with strong participation by residents and owners. The rehabilitation of the historic centre has also benefited from the involvement of technicians from national reference and a strategic planning advisor.

The continuous model of intervention, making use of the instruments of national and EU funding available in each investment cycle, led to the submission of two candidatures to ON2 - North Regional Operational Programme (2007-2013): an intervention in the Historic Centre (Partnership for the Urban Regeneration of the Historic Centre of Guimarães), and an intervention in a contiguous urban sector (CampUrbis Project/Partnership for the Urban Regeneration of Couros). These interventions are framed within the policy instrument “Partnerships for Urban Regeneration” (PRU), which is characterized by the implementation of urban development operations defined in the form of an Action Programme, which combines a coherent set of projects with a strong integrated character and that involves the multiple urban actors organized in a Local Partnership.

**Name of the Project**

- Rehabilitation of the Historic Centre of Guimarães

**Territorial Context**

- **Beginnig** 1983
- **End** Continuous
- **City** Guimarães
- **NUT III** North
- **Urban Context** Medium-sized City
- **Promoter Entity** Municipality of Guimarães

**Resident Population** 9,317 inhabitants

**Funding Sources**

- % National Budget
- % Community Funds
- % Private Sector

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Investment (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campurbis Project</td>
<td>9,986,963,00</td>
</tr>
<tr>
<td>Guimarães Historic Centre PRU</td>
<td>9,967,693,00</td>
</tr>
</tbody>
</table>

**Objectives**

- The Zone of Couros will have new areas destined to creativity, which will attract activities that will induce technological development innovation and cultural diversification.

- The Zone of Couros will be an appealing area, able to provide the visitors with unique and
**Guimarães Historic Centre PRU**

- The Zone of Couros will be an economic development area, resultant from the installation of innovative entrepreneurial projects and from the interaction of institutions and organizations of the city of Guimarães and its region.
- Enhance Symbolic and Cultural Heritage of the city of Guimarães, particularly associated to rehabilitation and interpretation of the Monumental Set of Monte Latito – Castle of Guimarães, the Church of S. Miguel do Castelo and the Palace of the Dukes of Bragança.
- Qualify the public areas that structure the Historic Centre of Guimarães, giving privilege to its identity, tourism, and urban animation.
- Ensure better urbanistic conditions that allow fostering and revitalizing the cultural, commercial and tourism services supply adequate to the demands of performing an international great event and strengthening the competitiveness of the city of Guimarães within the national and European urban system.
- Guarantee the urban integration of new fostering poles for the city located in the Historic Centre; namely the Monte Latito, the Alberto Sampaio Museum, the Raul Brandão Municipal Library and the Arte Primitiva Moderna Museum.
- Promote local history to the population, contributing to strengthen its collective memory and identity.
- Create a physical and immaterial context aiming at the participation and citizenship of the people of Guimarães promoting a better relation between the community and the event to be performed in 2012.
- Provide the conditions of urban governance essential to the success of such ambition, the one of becoming the European Capital of Culture, to which the city has applied.

**Urban Problems**

- Almost all the entire area of intervention, embraced by the protection zone delineation of the area classified by UNESCO, having the Zone of Couros been classified as a “limit zone” of the classified area;
- Zone with history, mostly related to industrial activity predominantly associated to tanneries, but converted to textiles in the middle of the last century, with important industrial archaeological site to preserve and integrate;
- Existence, in the vicinities of the intervention area, of various spaces that gives it added value (railway station; Vila Flor Cultural Centre, hotels, educational community facilities and public spaces);
- Young labour force characterized by low education levels;
- Need to attract new targets to the University of Minho - Campus of Guimarães.

**Campurbis Project:**

- Need to extend the effort of rehabilitation and fostering of public spaces into new spaces of the city that have not yet been intervened;
- Need to rehabilitate and revitalize some areas of the city that are still degraded, adapting them to current and future needs, giving it new uses;
- Need to intervene in public spaces, making them more attractive, qualified and suited to different needs and uses;
- Need to rehabilitate and upgrade some cultural facilities, adapting them to the needs resultant from Guimarães’ Candidature for the European Capital of Culture 2012, as well as focusing on creating new infrastructure necessary to achieve the objectives of the Programme established for the event;
- Need to enhance the cultural heritage of the city, through the creation of interpretive elements that allow tourists and visitors but also residents, a deeper understanding of its importance and meaning;
- Need to rehabilitate and upgrade the city’s commercial structure, creating new centralities capable of constituting poles of tourist attraction and boosting the local economic fabric;
- Need to adapt and extend the current offer of the tertiary sector, in order to respond to new challenges;
- Need to extend the effort of re-intervening in the local commerce revitalization and modernization in order to adequate it to the market’s new demands.

**Partnership for the Urban regeneration of the Historic Centre of Guimarães:**

- Programme of Support for Trade Modernization (PROCOM): The preservation of the traditional economical activities is one of the municipality’s priorities and over the past years, the Historic Centre of Guimarães had some projects for the local commerce revitalization and modernization in order to adequate it to the market’s new demands.
- Programme for Degraded Properties Recovery (PRID).
- Programme of Urban Rehabilitation (PRU).
- Programme for Degraded Urban Areas Recovery (PRAUD).
- Complex process for converting the economic structure, associated to the crisis of the traditional industrial model of the region of Vale do Ave.

**RESULTS FROM EVALUATIONS**

**Evaluations**

- There are no evaluation experiences.

**PREVIOUS INTERVENTIONS**

**Rehabilitation Previous Interventions & Urban Revitalisation**

- Campurbis Project:
  - The intervention in the Zone of Couros, under the Campurbis Project is an opportunity for developing an urban revitalization strategy, making use of the rehabilitation policy experience from the Historic Centre.
- Partnership for the Urban Regeneration of the Historic Centre of Guimarães:
  - Programme of Support for Trade Modernization (PROCOM): The preservation of the traditional economical activities is one of the municipality’s priorities and over the past years, the Historic Centre of Guimarães had some projects for the local commerce revitalization and modernization in order to adequate it to the market’s new demands.
  - Programme for Degraded Properties Recovery (PRID).
  - Programme of Urban Rehabilitation (PRU).
  - Programme for Degraded Urban Areas Recovery (PRAUD).
  - Special Regime of Co-partnership for Rented Properties (RECRIA).
The case study of Viseu is focused on the ongoing experience named by the Action Plan “Partnership for the Urban Regeneration of Viseu”. This instrument comes after Viseu POLIS Programme (2000-2006) as the main operation for the city’s qualification, operating in an integrated manner on the core of the city. Its implementation is the result of a candidature from a partnership of local authorities, led by the Municipality of Viseu, to Mais Centro - Regional Operational Programme of the Centre, particularly under the Specific Regulation (REPRU), which establishes the access conditions to the Policy Instrument “Partnerships for Urban Regeneration”, entered in Axis 2 - Development of Cities and Urban Systems.

The instrument of policy “Partnerships for Urban Regeneration”, integrated in the POLIS XXI Cities Policy, seeks to underline a new intervention period in the Portuguese cities, characterized by the implementation of urban development operations defined in the form of an Action Programme, which combines a coherent set of projects with a strong integrated character and that involves the multiple urban actors organized in a Local Partnership. This case study is illustrative of the ongoing Portuguese experiences under the NSRF and within the network of medium-sized cities in the national urban system.

**Name of the Project**
- Partnerships for the Urban Regeneration of Viseu

**Territorial Context**

<table>
<thead>
<tr>
<th>Location</th>
<th>Viseu</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td></td>
</tr>
<tr>
<td>NUT III</td>
<td>Centro</td>
</tr>
</tbody>
</table>

**Urban Context**
- Medium-sized City

**Promoter Entity**
- Municipality of Viseu

**Area**
- 10.33 km²

**Resident Population**
- 21.545 inhabitants

**Funding Sources**
- National Budget
- Community Funds
- Private Sector

**Total Investment (€)**
- 9,827,277.58

**Partners**
- Sociedade de Reabilitação Urbana – Viseu Novo
- Habisolís – Empresa Municipal de Habitação Social de Viseu
- Santa Casa da Misericórdia de Viseu
- Fábrica da Igreja Paroquial de Coração de Jesus
- Associação Nacional de Aposentados, Pensionistas e Reformados – MODERP (Delegação de Viseu)
- Centro Social de S. José
- Lar-Escola de S. António
- Internato Viseense de Santa Teresinha
- Associação Comercial do Distrito de Viseu
- Centro Social de Santa Maria
- Centro Cultural Distrital de Viseu
- Companhia Paulo Ribeiro, Associação Cultural
- Associação de Andebol de Viseu
- Escola Superior de Tecnologia de Viseu
- Associação de Restaurantes e Similares de Portugal
- Região de Turismo Dão-Lafões
- Diocese de Viseu – Seminário Maior de Viseu
- Orfeão de Viseu – Instituição Cultural e Recreativa;
- Centro de Artes do Espectáculos de Viseu – Associação Cultural e Pedagógica (Viráio - Teatro Municipal)
- Centro Social de Santa Maria
- Universidade Católica Portuguesa – Centro Regional das Beiras – Departamento de Arquitectura, Ciências e Tecnologia

**Objectives**

- General
  - Promote Urban Regeneration
  - Re-centre the Urban Centre
- Specific
  - Foster inter-generationality
  - Boost social support in the community
<table>
<thead>
<tr>
<th>VISEU</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DESCRIPTION OF THE INTERVENTION</strong></td>
</tr>
<tr>
<td><strong>Urban Problems</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>RESULTS FROM EVALUATIONS</strong></td>
</tr>
<tr>
<td><strong>Evaluations</strong></td>
</tr>
<tr>
<td><strong>PREVIOUS INTERVENTIONS</strong></td>
</tr>
<tr>
<td><strong>Rehabilitation &amp; Urban Revitalisation</strong></td>
</tr>
</tbody>
</table>
### VALE DA AMOREIRA

**DESCRIPTION OF THE INTERVENTION**

**Summarized Introduction of the Case Study**

The "Operations of Qualification and Urban Reintegration of Critical Neighbourhoods Initiative" abbreviated to "Critical Neighbourhoods Initiative" (IBC) is a National Programme coordinated by the Secretary of State for Cities and Land Use Management and by an instrument of Cities Policy. This programme aims at developing solutions for the qualification of urban territories characterized by critical vulnerability through integrated socio-territorial interventions. Focusing on an experimental basis in three areas (Cova da Moura in Amadora, Lagarteiro in Oporto and Vale da Amoreira in Moita), these were selected considering their different characteristics and without the intention of the Programme to be extended to other territories.

This initiative was originally designed to be in force for a period of two years, however, in December 2007, it has been extended until 2013. The Programme is characterized by adopting a system of governance based on local and institutional partnerships, involving various Ministries and public bodies, as well as local organizations and associations, based on a management model that appears as innovative, confirming its relevance for being the case study of the present study.

**Name of the Project**

Critical Neighbourhoods Initiative (IBC) - Vale da Amoreira

**Implementatio End Period**

<table>
<thead>
<tr>
<th>Beginning</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2013</td>
</tr>
</tbody>
</table>

**Location**

City: Moita

NUT III: Lisbon and Vale do Tejo

**Urban Context**

Lisbon Metropolitan Area

**Promoter Entity**

Secretary of State for Cities and Land Use Management

**Area**

2.5 Km²

**Resident Population**

12,360 inhabitants

**Funding Sources**

- National Budget
- Community Funds
- Private Sector
- Financial Mechanism of the European Economic Area (EEA Grants)

**Total Investment (€) - initial amount**

| IBC - Vale da Amoreira | 3,869,606 € |

**Operations of Qualification and Urban Reintegration of Critical Neighbourhoods Initiative**

10,343,524 €

**Territorial Context**

**Sectoral Partners**

- Administração Regional de Saúde de Lisboa e Vale do Tejo (ARS/LVT)
- Alto Comissariado para a Integração e Diálogo Intercultural (ACIDI)
- Centro de Formação Profissional do Seixal
- Centro de Emprego do Barreiro
- Centro de Saúde do Vale do Amoreira (CEVDA)
- Centro Distrital de Segurança Social de Setúbal (CDSSS)
- Direcção Geral das Artes (DGA)
- Direcção Geral de Reinscrição Social (DGRS)
- Escola do Bairro da Baixa da Banheira
- Escola Básica 2/3 do Vale da Amoreira
- Instituto de Desporto de Portugal (IDP/IP)
- Instituto da Juventude (IPJ/IP)
- Instituto Português da Juventude (IPJ/IP)
- Instituto de Manutenção e do Audiovisual (ICA/IP)
AXIS 1 - Stimulating Economic Activity: qualifying employment and entrepreneurship. The structuring projects to be developed under this Axis will be: i) Promotion of vocational training in contexts of exclusion; ii) Arte desconcentrada: centre of artistic experimentation.

AXIS 2 - An area with urban life quality, attractive and competitive. The structuring projects to be developed under this axis will be: i) Arte desconcentrada: centre of artistic experimentation, ii) Integrated platform for social support.

AREA 3 - A socially cohesive parish that values children, young people, and older people. The structuring projects to be developed under this axis will be: i) Promotion of vocational education in contexts of exclusion; ii) Integrated platform for social support.

AXIS 4 - A meeting place that values cultural diversity, opened to the outside. The structuring projects to be developed under this axis will be: i) Integrated platform for social support.

AXIS 5 - A governable territory, institutional competencies, participation, and shared responsibility. The structuring projects to be developed under this axis will be: i) Participation network, citizenship and governance.

VALE DA AMOREIRA

DESCRIPTION OF THE INTERVENTION

Urban Problems

- Low housing quality;
- Predominance of social housing;
- Poverty, connected to low educational and professional skills and strong unemployment incidence;
- "Dormitory" with high deficiencies of collective facilities and transport infrastructure;
- Strong predominance of foreign population (from Portuguese-speaking African countries, where the Portuguese language is the official language - PALOP), with difficulties related to social integration;
- Social stigmatization of the neighbourhood;
- Insecurity;
- Drug Traffic;
- Discrimination and spatial segregation;
- Family breakdown and other family issues;
- Lack of juvenile and time occupation dynamics together with deviant behaviours;
- Increase of infectious diseases;

RESULTS FROM EVALUATIONS


- The methodologies introduced by the Technical Support Group enabled ensuring the effectiveness of the principles of partnership and the participation of the actors from the Local Partnership Group, who felt that, in fact, they had been mobilized for the process, contributing significantly to the sharing and discussion of a partnership working;
- The contents of the resulting products have base gaps in their elaboration, which puts into question their suitability;
- Nevertheless, it was agreed the ownership of the products by the actors, though there was hardly a reflection by the institutions on the way they look and operate in the territory;
- The methodology used in elaborating the action plan (work by axes) was positive, as it allowed discussion about each axis, but it blocked the discussion across them, which had losses in terms of dynamics and the collective view;
- The constitution of the Technical Support Group together with the launch of the Programme was very positive, as it was a neutral and impartial entity, which placed all participants on the same level, thereby enabling to suppress previous conflicts and disagreements;
- In the process there were several difficulties and bottlenecks caused by the unknown possibility of funding for the actions, by the difficulty of certain actors in making decisions and lack of commitment by key players, by the need to meet deadlines for delivering the products, by the existence of different standpoints regarding how they should intervene, which...
Together caused some wear and demobilization of the partners. In this context, it was important the role played by the Local Partnership Group to mitigate those barriers;

- One of the most notable shortcomings is the lack of involvement of non-organized groups of the population and the population itself, which at the end of the 1st phase is unaware that this process is happening in their neighbourhood;
- The IBC funding model has both advantages, such as allowing a decentralized partner in the economic dimension of projects and reverse the usual logic in the construction of projects, but also disadvantages, particularly in terms of guaranteeing IBC’s sustainability;
- The fact that the partnership is constituted both by local and central actors contributed to a greater diversity of views and consistent approaches to problems;
- It was a very positive fact that there was a technical support team, allowing local actors to focus on the discussion about the territory. One less positive aspect indicated consisted precisely in the transition from Phase 1, which involved the end of the Technical Support Office;
- The creation of the Inter-Ministerial Working Group has not proved fruitful, as it did not contribute in an effective way to the effectiveness or efficiency of the intervention. The means of communication between the Inter-Ministerial Working Group and the members of the Local Partnership Group have always been critical, with no streamlining sense among them aiming at achieving the processes faster, with regard to supporting the definition of actions.

### PREVIOUS INTERVENTIONS

<table>
<thead>
<tr>
<th>Rehabilitation &amp; Urban Revitalisation</th>
<th>Previous Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996 – Urban Rehabilitation Project</td>
<td>had as main objectives the urbanistic rehabilitation and the improvement of collective equipments, as well as the population socio-cultural and socio-professional valorisation, taking advantage of the specific potential of Vale da Amoreira, including the ethnic and cultural diversity, good accessibility and its unique insertion in the urban structure of the municipality. The actions were scheduled until 2002, and this initiative reflected its innovative character operating in an integrated and coordinated way on the physical, social, and economic components. Among the actions carried out during the intervention, there are the interventions of physical nature, the construction of new equipment, and training to the population specific groups.</td>
</tr>
<tr>
<td>2000-2006 - Integrated Programme for the Qualification of the LMA’s Suburban Areas - Operation for the Urban Revitalization of Baixa da Banheira/Vale Amoreira (PROQUAL)</td>
<td>had as one of the objectives completing some of the actions not achieved by the PRU (Partnership for Urban Regeneration) however, the intervention would ultimately be far below the expectations of the local actors. Since there was no specific allocation of funds for financing the programme, several actions would ultimately not be financed, namely the actions of local regeneration, with only some interventions that were implemented at a physical level.</td>
</tr>
</tbody>
</table>
Annex Two: The Literature Review
In order to highlight the way in which urban development policy within Portugal has evolved in recent years, we undertook a detailed review of key policy frameworks that have shaped urban development in Portugal. We also reviewed evaluations of major recent urban development programmes that have been delivered in Portugal in order to identify the transferrable lessons that could be applied to future urban development activities.

The key findings from the Literature review are summarised in Section 2 of the report. This Annex details in full the key issues that have emerged from each policy frameworks and evaluation report, and their implications in respect of the future of urban development activities within Portugal.
<table>
<thead>
<tr>
<th>Programme</th>
<th>STRATEGIC PLAN FOR HOUSING 2008/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Period</td>
<td>Beginning 2008</td>
</tr>
<tr>
<td>Financing Source(s)</td>
<td>Contracts with the families</td>
</tr>
<tr>
<td>Promoter Entity</td>
<td>Institute for Housing and Urban Rehabilitation (IHRU)</td>
</tr>
<tr>
<td>Recipients</td>
<td>The State</td>
</tr>
<tr>
<td>Main Objectives</td>
<td>Streamline the Rental Market</td>
</tr>
<tr>
<td>Related Urban Problems</td>
<td>State of the Building: it stands out the overcrowding of housing in areas where the population variance is above average, it is young and the families are considerably sizeable (compared to national average) and the existence of deeply degraded areas with poor life and housing conditions, occupied by migrants with integration problems, persisting slums in some areas, not covered by the PER census; Constraints of historical centres: it stands out the financial difficulties of the owners and legal difficulties of rehabilitating old buildings, attractiveness low capacity due to lack of infrastructure required by contemporary lifestyles; bureaucracy of the rehabilitation programmes and low rate of candidatures approval; significant proportion of the elderly population as the current occupants of the buildings in need of rehabilitation; support directed exclusively to the building, excluding public space. Social housing neighbourhoods: a considerable weight of accommodation in housing estates, where the resident population gathers multiple vulnerabilities; it is also highlighted the model and ways of managing these residential areas, given the logic of lifelong occupation of dwellings; procedural complexity for breaking off the contract of social rental (long term); selling off “social” dwellings at low cost; accelerated deterioration of neighbourhoods. Constraints on prices: high value for land rent and difficulties in obtaining land for social housing; obsolescence of lower cost parameters established by the Central Government in relation to current prices of the various components of the housing product. Social Issues: identified vulnerability factors, including drug addiction and alcoholism, “newly poor”, coming from the instability and precariousness of the labour market; “family breakdown”; violence within the family; isolated elderly.</td>
</tr>
<tr>
<td>Goals Related to Each Objective</td>
<td>Streamlining of the Rental Market</td>
</tr>
<tr>
<td>Rehabilitation of the Private and Public Housing</td>
<td></td>
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<tr>
<td>-----------------------------------------------</td>
<td></td>
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<tr>
<td>Housing intervention in critical areas in the scope of cities policy;</td>
<td></td>
</tr>
<tr>
<td>Housing intervention in degraded properties;</td>
<td></td>
</tr>
<tr>
<td>Public Housing Rehabilitation.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing Innovation and Adequacy</th>
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</thead>
<tbody>
<tr>
<td>Encouraging extensive housing experimentation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing Policies Monitoring and Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observatory for Housing and Urban Rehabilitation;</td>
</tr>
<tr>
<td>Housing Local Programme.</td>
</tr>
<tr>
<td>Programme</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Implementation Period</td>
</tr>
<tr>
<td>Financing Source(s)</td>
</tr>
<tr>
<td>Promoter Entity</td>
</tr>
<tr>
<td>Recipients</td>
</tr>
<tr>
<td>Main Objectives</td>
</tr>
<tr>
<td>Related Urban Problems</td>
</tr>
</tbody>
</table>
The following objectives include several goals (see goals):

- Protect and valorise cultural and landscape patrimony;
- Evaluate and prevent risk situations and factors and develop measures to minimize the respective effects;
- Promote competitiveness regional poles and qualify employment;
- Promote a better balance in the population territorial distribution and ensure the conditions for attracting population with higher qualification levels;
- Strengthen the regions structuring urban centres, particularly in the less developed regions;
- Structure and develop infrastructures networks for support accessibility and mobility, favouring the consistency of new centralities and more polycentric urban systems;
- Promote the educational networks planning for the pre-school, primary and secondary education, technical/vocational training and for the adults education and training and implement criteria of rationality in land use planning of higher education;
- Develop a national network of health care delivery to ensure universal access and to streamline the use of the National Health Service valuing the primary health care and response to vulnerable groups.
- Develop programmes and encourage actions to improve housing conditions, namely concerning vulnerable social groups;
- Streamline amenities and programmes networks to respond effectively to the needs of different social groups and families, promoting the integration of the groups most vulnerable to poverty and social exclusion and ensuring security for all citizens;
- Develop a supra-municipal network with sports and active leisure facilities that enhances human movement, deepens equitable access and qualifies the urban system progress;
- Streamline a network of cultural equipments that values identities, heritage and artistic expression within a framework of further education to culture and to enhance equitable access and participation in cultural activities;
- Develop networks of infrastructures, equipments and support services to the accessibility and mobility while enhancing security, quality of service and conditions of territorial and social equity;
- Increasing access to broadband Internet across the country and promote a rapid and effective economic and social appropriation of Information and Communication Technology (ICT);
- Promote ICT as a key instrument of territorial development and social cohesion, generalizing its use in disseminating information and offering services of public interest;
- Renew and strengthen the territorial management capacities.
<table>
<thead>
<tr>
<th>Programme</th>
<th>National Strategy for Sustainable Development (ENDS) 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter Entity</td>
<td>Institute of Environment, Ministry of Cities, Land Use Management and Environment (MCOTA)</td>
</tr>
<tr>
<td>Recipient</td>
<td>Public policies managers and decision-makers, economical, social, and cultural actors from the civil society and citizens.</td>
</tr>
<tr>
<td>Main Objectives</td>
<td>Prepare Portugal for the “Knowledge Society”; Sustainable Growth, Competitiveness at a Global Scale and Energetic Efficiency; Better Environment and Heritage Valorisation; More Equity, Equal Opportunities and Social Cohesion; Better International Connectivity of the Country and Balanced Valorisation of the Territory; An Active Role of Portugal in the European Construction and International Cooperation; more Efficient and Modernized Public Administration.</td>
</tr>
<tr>
<td>Related Urban Problems</td>
<td>Strong population concentration in urban areas: the Metropolitan Areas of Lisbon and Porto occupy only 4.2% of the Mainland area, but host over 40% of the total population and about two thirds of the residents in urban areas; Saturation of the urban development model in the Lisbon region: the region under the direct influence of MLA covers a wide region; however, resources and activities in this region are highly concentrated in the surrounding core of the capital. Other urban central areas should be developed, contributing to a greater polycentrism and a lesser saturation of its urban development model. Spatially diffuse urbanization of the Porto Metropolitan Area: in the MPA it matters to foster polycentrism as the territory organizing factor, since the occupation of the territory has an urbanization too spatially diffuse, which had adverse effects on land use management, environmental quality and efficiency of production activities; Lack of green spaces: the need to create ecological corridors and “green” public spaces in the cities as key investment to improve its environmental quality.</td>
</tr>
</tbody>
</table>
| Goals Related to Each Objective | Sustained Growth and Competitiveness at the Global Scale: Reach 39% of electricity production from renewable energy sources (waves, biomass, biogas, hydro, wind, photovoltaic) by 2010; Increase the consumption of bio fuels in accordance to the percentage of the total transport fuels (reach 5.75% in 2010). Better Environment and Heritage Valorisation: Meet the limit values set for the regulated pollutants in terms of air quality throughout the national territory, but more particularly in urban centres; Pursue an approach for material, meeting the recycling goals of EU directives for the following types of materials (metals, plastics, wood, glass, paper and card, etc.). For Biodegradable Municipal Waste: limits on landfill: 75%, 50% and 35%, to achieve by stages in 2006, 2009 and 2016, respectively; Implement reverse logistics centres in the two metropolitan areas for waste collection and routing of specific waste of higher volume. More Equity: Equal Opportunities and Social Cohesion: Reduce the levels of poverty on vulnerable groups by focusing the resources on those most in need (Ensure, by 2009, a solidarity supplement to 300,000 elderly most in need); Develop a new generation of specific programmes for employment, directed at target groups within the next three years (2006-2008). (Cover 135.000 people younger than 23 years old, 115.000 young people between 23 years and 30 years, 265.000 unemployed people between 30 and 54 years, 90.000 unemployed people aged 55 years or more; 108.000 unemployed people with higher education; 153.000 people at disadvantage situations; 46.000 people with disabilities, 38.500 unemployed immigrants). Better International Connectivity of the Country and Balanced Valorisation of the Territory: Support the establishment by 2013 of 12 networks of cooperation among neighbouring cities to promote territorial competitiveness and innovation; Support, between 2005-2010, the creation of 10 thematic networks for heritage and common resources valorisation; Encourage urban revitalization programmes that create high quality urban and...
<table>
<thead>
<tr>
<th>Territory</th>
<th>environmental spaces and promote partnerships for urban regeneration, involving the rehabilitation of 20,000 dwellings by 2009;</th>
<th>Promote 30 Agglomeration Contracts by 2013.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Role of Portugal in the European Construction and International Cooperation</td>
<td>Privileged structuring of Portugal’s territorial cooperation under the European Union context, with four European regions to be selected by setting inside the country which cities will be representing those partnerships.</td>
<td></td>
</tr>
<tr>
<td>Programme</td>
<td>POLIS XXI Cities Policy</td>
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<td></td>
</tr>
<tr>
<td>Implementation Period</td>
<td>Beginning 2008</td>
<td>Terminus 2013</td>
</tr>
<tr>
<td>Promoter Entity</td>
<td>Ministry of Environment and Land Use Management</td>
<td></td>
</tr>
<tr>
<td>Recipients</td>
<td>Partnerships for Urban Regeneration: Actors (municipality, services decentralized from central administration, enterprises, NGO, etc.) committed to an Urban Regeneration Partnership protocol headed by the municipalities.</td>
<td>Urban Networks for Competitiveness and Innovation (RUCI): Actors (municipalities, institutions of higher education, R&amp;D centres, enterprises, business associations, etc.) engaged in a shared strategy for competitiveness, innovation, and internationalization of cities or city networks.</td>
</tr>
<tr>
<td>Main Objectives</td>
<td>Qualify and integrate the different areas of each city, seeking an urban operation globally inclusive, consistent and sustainable and more informed by the citizens participation.</td>
<td>Strengthen and differentiate human, institutional, cultural and economic capital of each city in order to increase the range of individual and collective opportunities and thus enhance the regional, national and international role of urban agglomerations;</td>
</tr>
<tr>
<td></td>
<td>Innovate on solutions for urban qualification, promoting those that guide themselves by principles of environmental sustainability, efficiency and reuse of infrastructure and existing equipment instead of new construction, seize the opportunities provided by new technologies and training of communities and development of new forms of public-private partnership.</td>
<td></td>
</tr>
<tr>
<td>Related Urban Problems</td>
<td>Strong population concentration in urban areas: 60% of the population lives in urban areas;</td>
<td>Strengthen the urban areas role; the cities need to affirm themselves as active areas for competitiveness, citizenship, and life quality.</td>
</tr>
<tr>
<td>Goals Related to Each Objective (policy instrument)</td>
<td>PRU 60 operations of urban regeneration by 2015.</td>
<td>RUCI 31 cities involved in strategic networks and/or programmes for competitiveness, innovation, and internationalization by 2015.</td>
</tr>
</tbody>
</table>
### Mid-term Evaluation of the URBAN Community Initiative Programme

| Period | Implementation
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Beginning</strong></td>
</tr>
<tr>
<td><strong>Fixed in the Programme</strong></td>
<td>1994</td>
</tr>
<tr>
<td><strong>Financing Source(s)</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>European Regional Development Fund (ERDF)</td>
</tr>
<tr>
<td></td>
<td>European Social Fund (ESF)</td>
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<tr>
<td></td>
<td>Central Administration</td>
</tr>
<tr>
<td></td>
<td>Local Administration</td>
</tr>
<tr>
<td></td>
<td>Private Sector (Sub-Programme of Lisbon-Casal Ventoso; Amadora – Venda Nova/Damaia de Baixo)</td>
</tr>
<tr>
<td><strong>Beneficiaries</strong></td>
<td></td>
</tr>
<tr>
<td>Municipality of Porto</td>
<td>32.6%</td>
</tr>
<tr>
<td>Municipality of Gondomar</td>
<td>11.3%</td>
</tr>
<tr>
<td>Municipality of Lisbon</td>
<td>24.3%</td>
</tr>
<tr>
<td>Municipality of Amadora</td>
<td>10.4%</td>
</tr>
<tr>
<td>Municipality of Oeiras</td>
<td>8.8%</td>
</tr>
<tr>
<td>Municipality of Loures</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>Main Objectives</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contribute to improve life quality in terms of basic social conditions, urban area qualification and local environmental elements valorisation;</td>
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<tr>
<td></td>
<td>Support the streamlining of local economic activities and reinforce the entrepreneurial initiative and the employment creation;</td>
</tr>
<tr>
<td></td>
<td>Enhance and train human resources;</td>
</tr>
<tr>
<td></td>
<td>Promote local streamlining.</td>
</tr>
<tr>
<td><strong>Related Urban Problems</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chaotic urban growth: migration (domestic and international) concentrated in urban areas of low quality, often from illegal origin, marked by a deficiency or wide degradation of infrastructures, community facilities and public transport as well as in central urban areas, aged, or in the cities’ outskirts, in areas unsuitable for urban purposes;</td>
</tr>
<tr>
<td></td>
<td>Economic and social restructuring: the tertiary process contributed to a relocation of functions to the cities’ surrounding areas, while the central areas watch an aging population and abandonment, loss of economic and social vitality.</td>
</tr>
<tr>
<td></td>
<td>Weak financial capacity of the authorities to intervene: poor responsiveness, in technical and financial terms, by the Central and Local Government to intervene in these urban areas, a factor that induces its prevalence and subsequent worsening, leading these territories gradually to become repulsive for the remaining population.</td>
</tr>
<tr>
<td></td>
<td>Buildings State: bad or weak housing conditions associated with the illegal/marginalized origin of these urban areas, suffering from various basic infrastructure and urban problems, including lack of community facilities, public transport, etc.;</td>
</tr>
<tr>
<td></td>
<td>Socio-ethnic miscegenation: following an intense process of rural exodus and international migration, it was noted a significant population concentration from very heterogeneous origins such as geographical, ethnic, social and cultural origins, especially in the Metropolitan Areas of Lisbon and Porto,</td>
</tr>
<tr>
<td></td>
<td>Stigma and habitat’s social and territorial segregation: the process of suburbanization of the Metropolitan Areas by generating serious levels of economic and social decline in certain urban areas, with stigmata of physical deterioration, functional of these areas, has contributed to an isolation of populations in these urban areas, with low economic and social capacity and strong impact of social issues.</td>
</tr>
<tr>
<td><strong>Goals Related to Each Objective</strong></td>
<td><strong>Expected</strong></td>
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<tr>
<td>Problems in the Programme’s Implementation</td>
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<tr>
<td>-------------------------------------------</td>
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<tr>
<td>Resolving some critical issues do not depend exclusively on the URBAN Programme, presenting a resolution far more complex, depending on truly specific national policies;</td>
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<tr>
<td>The fact that each of the 6 sub-programmes and intervention models are significantly different does not allow the adoption of a standard model, which is, however, compensated by the Regulation of URBAN once it grants great receptivity for the management model conception;</td>
<td></td>
</tr>
<tr>
<td>In most Sub-programmes, diagnostic tools used in justifying the candidatures proved to be insufficient, which led, already in the course of the implementation, significant reformulations on the interventions and the need of further knowledge about the information used, with consequences in terms of capacity of physical and financial execution of the Sub-programmes.</td>
<td></td>
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<tr>
<td>The period of a Community Support Framework is too short to consolidate the sustainability of results, which require the promotion of a new culture;</td>
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<tr>
<td>Tenuous dissemination of the Programme both in the intervention areas and outside, in the sense of mobilizing an increasing part of local and external communities to their active involvement and to change the usually stigmatized image that these intervention areas have;</td>
<td></td>
</tr>
<tr>
<td>The success of partnerships with Public Administration proved to be variable between Sub-programmes, depending, above all, on the leadership and relationship capacity from the local offices, the level at which relationships would be established, the existence, or not, of previous collaboration experiences with the governmental bodies concerned.</td>
<td></td>
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</tbody>
</table>
# Mid-term Evaluation of the Porto – Gondomar URBAN II Community Initiative Programme

## Instruments and Type of Evaluation

**Implementation Period**

<table>
<thead>
<tr>
<th>Beginning</th>
<th>Terminus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2006</td>
</tr>
</tbody>
</table>

**Financing Source(s)**

- European Regional Development Fund (ERDF)
- European Agricultural Guidance and Guarantee Fund (EAGGF)
- Cohesion Fund
- Ministry of Environment, Land Use Management and Regional Development (MAOTDR)
- Portuguese Road Institute
- High Commission for Immigration and Intercultural Dialogue, PI (HCIID)
- European Social Fund (ESF)
- Cohesion Fund
- Institute on Drugs and Drug Addiction (IDT, IP)

**Promoter Entity**

Steering Committee for the North’s Regional Development (CCDR-N)

**Beneficiaries**

- Municipality of Porto
- Municipality of Gondomar
- North’s CCDR

<table>
<thead>
<tr>
<th>Fixed in the programme</th>
<th>Evaluation description:</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Main Objectives**

- Recover the urban environment and enhance the public space;
- Contradict and frame the drug addiction plague;
- Revitalize the social environment;
- Revitalize the economic context;
- Enhance the juvenile population socio-educational context.

**Related Urban Problems**

- **Degraded urban environment**: strong urban disqualification, degradation of buildings and lack of community facilities and infrastructure;
- **Social and territorial segregation**: the area of intervention has individualized small housing units, embedded in the urban area, where problems such as unemployment, school dropout and drug addiction are extremely concerning, which, coupled with the progressive disqualification from public spaces and built heritage contributes to the segregation of residents;
- **Socio-ethnic miscegenation**: presence of populations from diverse geographic, ethnic, social, and cultural origins, where 34% of families are Roma and 7% of African origin.
- **Economic vulnerability of families**: the presence of high unemployment rates among households, exacerbated by low educational levels and high dropout rates.

**Goals Related to Each Objective**

**Specific Objectives**

- **Promote Porto-Gondomar Urban area environmental rehabilitation and valorisation**
  - Extension of the operated pavement (m): 1,850
  - Nr of created/rehabilitated green areas (m2): 175,000
  - Nr of created remedial areas: 75

- **Support the integration and mobility of disabled persons improving their life quality**
  - Extension of the circulation areas for disabled people (m): 3,000
  - Nr of created slopes: 75

- **Rehabilitate leisure and public spaces in order to strengthen sociability and the meeting of generations**
  - Nr of created/rehabilitated associative areas: 5
  - Urban public space rehabilitation (m2): 60,000

- **Promote the residents participation and involvement in the buildings and recovered spaces management.**
  - Projects for residents self organization: 1

- **Provide the area with sports and educative associative equipments network that work as integration platforms.**
  - Nr of created/rehabilitated sports equipments: 1
  - Nr of created/remodelled socio-cultural equipments: 1

- **Rehabilitate buildings with potential to host social functions.**
  - Nr of created/rehabilitated associative areas: 5

- **Improve the workforce employability, particularly of young people and women**
  - Nr of participants in actions for support socio-professional integration by gender and age: 135
  - Nr of trainees enrolled in vocational trainings by gender and...
<table>
<thead>
<tr>
<th>Objective</th>
<th>Number of Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote the development of personal and social skills that facilitate the professional or personal/family projects development</td>
<td>120</td>
</tr>
<tr>
<td>Promote the increase of the workforce scholarship.</td>
<td></td>
</tr>
<tr>
<td>Support initiatives for self-employment</td>
<td>120</td>
</tr>
<tr>
<td>Take advantage of the potential of the technologies of information society in order to promote socio-professional integration.</td>
<td>300</td>
</tr>
<tr>
<td>Promote the establishment and development of economic activities including local employment initiatives.</td>
<td>1</td>
</tr>
<tr>
<td>Promote projects and activities of entrepreneurial associations, establishing partnerships and cooperation networks</td>
<td>2</td>
</tr>
<tr>
<td>Promote youth participation in activities aimed at healthy and rewarding lifestyles</td>
<td>4</td>
</tr>
<tr>
<td>Facilitate the access to information and treatment programmes</td>
<td>500</td>
</tr>
<tr>
<td>Motivate the drug addicts for treatment</td>
<td>300</td>
</tr>
<tr>
<td>Strengthen the structures for supporting the rehabilitation and treatment for drug addicts</td>
<td>2</td>
</tr>
<tr>
<td>Provide children with opportunities and contexts for learning</td>
<td>200</td>
</tr>
<tr>
<td>Promote a dynamic participation in the identification, analysis and resolution of local problems and reflection and debate on social and educational problems</td>
<td>2</td>
</tr>
<tr>
<td>Providing young people with guidance and information regarding the development of professional projects</td>
<td>10</td>
</tr>
<tr>
<td>Raise the degree of autonomy and planning capacity of educational agents and associations</td>
<td>600</td>
</tr>
<tr>
<td>Promote the rehabilitation of the public image of the areas and populations most unqualified</td>
<td>15</td>
</tr>
<tr>
<td>Giving young people new opportunities for leisure time, particularly the development of sports activities</td>
<td>5000</td>
</tr>
</tbody>
</table>

Total Nr of actions: 9
| Foster sports public spaces and revitalize the cultural and local life | Nr of supported cultural animation projects: 20 |
| Promote access to regular cultural and recreational activities and provide the community with some of these activities | Nr of involved local associations: 14, Nr of involved participants: 5,000 |
| Enhance and diversify the activities developed by cultural and sports associations | Nr of new activities aroused: 6 |
| Improve quality of life for seniors and provide home care | Nr of aged and other dependent people covered: 100 |
| Establish and revitalize partnerships organized according to local projects | Nr of supported partnerships projects: 6 |
| Promote and facilitate the access of the excluded population to health services, housing, social security and employment | Nr of monitored potential users: 60 |
| Contribute to improving access to information about rights and social duties | Nr of performed information actions: 6, Nr of participants: 60 |

**Problems in the Programme’s Implementation**

- Need to revise the elements introduced in the SWOT analysis of the Programme;
- Need to adjust the programming to comprise a greater intensity of inter-municipal cooperation and joint initiatives and integrated;
- Need to revise the concepts underlying each indicator and measurement methods;
- Difficulties in the initial phase of the programme by the beneficiaries in accomplishing the “rules” for accessing the projects;
- No Programme’s Procedures Manual;
- Need for more active participation from the elements of the Monitoring Committee;
- Low level of information about the SIGNO Information System regarding achievement and result indicators of the Programme;
- Need to revise the targets and indicators contained in the Programme’s Complement.

<table>
<thead>
<tr>
<th>Instruments and Type of Evaluation</th>
<th>Implementation Period</th>
<th>Financing Source(s)</th>
<th>Promoter Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning 2001</td>
<td>%European Regional Development Fund (ERDF)</td>
<td>Steering Committee for Lisbon and Vale do Tejo Regional Development (CCDLVT)</td>
</tr>
<tr>
<td></td>
<td>Terminus 2006</td>
<td>%Institute for Employment and Vocational Training (IEFP)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>%European Agricultural Guidance and Guarantee Fund (EAGGF)</td>
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<td></td>
<td></td>
<td>%Portuguese State – Ministry of Employment and Social Solidarity</td>
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<tr>
<td></td>
<td></td>
<td>%European Social Fund (FSE)</td>
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<tr>
<td></td>
<td></td>
<td>%Social Security</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>%Local Administration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>%Ministry of Education</td>
<td></td>
</tr>
</tbody>
</table>

### Beneficiaries

- Municipality of Lisbon/Office for Casal Ventoso Conversion

### Main Objectives

- **A** - Promote the cohesion of urban space highlighting the integration of the new Bairro do Casal Ventoso and its surroundings, betting on the creation of supra-local equipments and on trade and services development;
- **B** - Promote the transition of citizenship duties and rights, based on integration into the labour market, on the promotion of academic success and access to social support mechanisms;
- **C** - Combat drug addiction in the neighbourhood and its surroundings.

### Related Urban Problems

- **Spatial Segregation**: the newly built neighbourhoods for resettlement were not integrated into the rest of the urban fabric, closing in on themselves and are devoid of supra-local amenities, trade and services;
- **Stigmatization of Neighbourhood**: connoted since the ‘30s as an extremely problematic slum, and since the late ‘70s, strongly associated with drugs use and dealing. The architectural models of the neighbourhoods for resettlement and the densification of the building blocks are factors contributing to the rapid identification of these sets;
- **Vulnerability and social exclusion**: concentration of population affected by numerous social problems such as failure and dropout of young, low-skilled labour force, high poverty incidence, prevalence of distorted codes of values, which often lead to illegal activities and deviant social behaviour.

### Goals Related to Each Objective

<table>
<thead>
<tr>
<th>Specific Objectives</th>
<th>Expected Goal 2006 (indicators of result)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong></td>
<td></td>
</tr>
<tr>
<td>Green areas to be created: 30 ha</td>
<td></td>
</tr>
<tr>
<td>Public spaces to be created: 7 ha</td>
<td></td>
</tr>
<tr>
<td><strong>B and C</strong></td>
<td></td>
</tr>
<tr>
<td>Nr of youngsters covered by professional training/projects: 60</td>
<td></td>
</tr>
<tr>
<td>Nr of people with minimum school level: 30</td>
<td></td>
</tr>
<tr>
<td>Pop. in pre-school and school age covered by the Socio-educational Compensation Integrated Plan: 450</td>
<td></td>
</tr>
<tr>
<td>Nr of old people and retired covered by socio-integrating actions: 380</td>
<td></td>
</tr>
<tr>
<td>Nr of people covered by actions that facilitate active life inclusion: 135</td>
<td></td>
</tr>
<tr>
<td>Nr of developed partnerships: 8</td>
<td></td>
</tr>
<tr>
<td>Nr of reception offices to be created: 2</td>
<td></td>
</tr>
<tr>
<td>Nr of drug addicts in treatment programmes: 2,000</td>
<td></td>
</tr>
<tr>
<td>Nr of structures of the Integrated Plan for Drug Addiction Prevention created or reorganized: 6</td>
<td></td>
</tr>
<tr>
<td>Nr of youngsters covered by information/prevention action: 5,000</td>
<td></td>
</tr>
<tr>
<td>Nr of drug addicts integrated in active life: 10%</td>
<td></td>
</tr>
<tr>
<td>Nr of employment local initiatives to be created or supported: 70</td>
<td></td>
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<tr>
<td>Nr of areas to be created to host economic activities: 23</td>
<td></td>
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<tr>
<td>Nr of youngsters involved in actions: 650</td>
<td></td>
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<tr>
<td>Problems in the Programme’s Implementation</td>
<td></td>
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<td>-------------------------------------------</td>
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<tr>
<td>Nr of actions to be implemented: 35</td>
<td></td>
</tr>
<tr>
<td>Nr of equipments to be created: 4</td>
<td></td>
</tr>
<tr>
<td>Nr of spaces to be created for local support associations: 2</td>
<td></td>
</tr>
<tr>
<td>Nr of spaces to be created for local associations: 7</td>
<td></td>
</tr>
<tr>
<td>Nr of pedagogical and leisure actions: 16</td>
<td></td>
</tr>
<tr>
<td>Nr of events that facilitate sociability: 30</td>
<td></td>
</tr>
<tr>
<td>Nr of training/information actions to local actors: 30</td>
<td></td>
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</tbody>
</table>

In the transition from the strategic objectives of the Programme to the objectives of the axels, there are articulation problems, particularly in terms of achieving the strategic objective related to the promotion of citizenship and, in particular, to the access to social support mechanisms; The types of interventions, in some cases, should be more specific, since some types of actions do not suggest an established full compliance with the targets set for some Measures; Given the financial figures involved in the Programme, it is necessary to take a greater temperance in setting the goals.
<table>
<thead>
<tr>
<th>Instruments and Type of Evaluation</th>
<th>Mid-term Evaluation of the Amadora-Damala-Buraca URBAN II Community Initiative Programme (2001-2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Period</td>
<td>Beginning 2001 to Terminus 2006</td>
</tr>
<tr>
<td>Financing Source(s)</td>
<td>%ERDF %IEFP %EAGGF %Ministry of Employment and Social Solidarity %Ministry of Education %Social Security %Local Administration %European Social Fund (ESF)</td>
</tr>
<tr>
<td>Promoter Entity</td>
<td>Steering Committee for Lisbon and Vale do Tejo Regional Development (CCDLVTF)</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>%Municipality of Amadora - Fixed in the Programme Evaluation Description:</td>
</tr>
<tr>
<td>Main Objectives</td>
<td>A - Rehabilitate the urban environment and enhance public space;</td>
</tr>
<tr>
<td></td>
<td>B - Integrate African people;</td>
</tr>
<tr>
<td></td>
<td>C - Valorise the young population socio-educational context;</td>
</tr>
<tr>
<td></td>
<td>D - Enhance the social environment.</td>
</tr>
<tr>
<td>Related Urban Problems</td>
<td>%Degradation of public space and state of the buildings: having its origin in a spontaneous process of urbanization that led to the creation of a slum, the accommodations are degraded, overcrowded and there is a shortage of community facilities and green areas;</td>
</tr>
<tr>
<td></td>
<td>%Predominance of immigrant population: mainly from Africa (particularly Cape Verde);</td>
</tr>
<tr>
<td></td>
<td>%Social Stigma: the urban area is negatively connoted by the general public, given the association of this territory to violence, drug trafficking and other illegal activities, high incidence of immigrant population and strong opposition to the dominant values shared by society;</td>
</tr>
<tr>
<td></td>
<td>%Precarious employment: low levels of schooling and the low qualification motivate a large labour insecurity, low wages and high incidence of unqualified and socially devalued activities among the resident population;</td>
</tr>
<tr>
<td></td>
<td>%Social Issues: incidence among the resident population of problems like drug addiction, alcoholism, lack of concern with the children by parents, high numbers of teenage pregnancies, prevalence of undocumented immigrants, etc...</td>
</tr>
<tr>
<td>Goals Related to Each Objective</td>
<td>Specific Objectives</td>
</tr>
<tr>
<td></td>
<td>A</td>
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<tr>
<td>C and D</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Nr of actions to monitor drug addicts: 200</td>
<td></td>
</tr>
<tr>
<td>Area created for leisure-pedagogical functions for children: 330m²</td>
<td></td>
</tr>
<tr>
<td>Nr of vacancies created in day-nurseries structures for children: 200</td>
<td></td>
</tr>
<tr>
<td>Nr of tourneys/sport events: 30</td>
<td></td>
</tr>
<tr>
<td>Spots created for internet accessing: 9</td>
<td></td>
</tr>
<tr>
<td>Area created with educational purposes: 156 m²</td>
<td></td>
</tr>
<tr>
<td>Creation of new vacancies in facilities for children: 200</td>
<td></td>
</tr>
<tr>
<td>Nr of local associations involved directly in Programme’s projects: 8</td>
<td></td>
</tr>
<tr>
<td>Local Reception Offices created: for Local: 1</td>
<td></td>
</tr>
<tr>
<td>Average number of participants in awareness actions/forums for the population: 2,500</td>
<td></td>
</tr>
</tbody>
</table>

Problems in the Programme’s Implementation

-
<table>
<thead>
<tr>
<th>Instruments and Type of Evaluation</th>
<th>Critical Neighbourhoods Initiative, Global Evaluation Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Source(s)</td>
<td>Community fund, National projects, Mobilization of new financing sources and in public-private partnerships</td>
</tr>
<tr>
<td>Promoter Entity</td>
<td>Ministry of Environment and Land Use Management and Regional Development (Secretary of State of Land Use Management and Cities – Institute for Housing and Urban Rehabilitation)</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>Cova da Moura, Vale da Amoreira, Lagarteiro</td>
</tr>
<tr>
<td>Main Objectives</td>
<td>Development of public-public and public-private partnerships.</td>
</tr>
<tr>
<td>Related Urban Problems</td>
<td>Socio-territorial segregation: although the areas of intervention are included in metropolitan contexts (Cova da Moura and Vale da Amoreira in LMA and Lagarteiro in PAM), all show signs of non-integration in the remaining urban fabric of the city, setting up territories characterized by marginalization and urban decline; Precarious and Degraded Habitat: although it comes to distinct housing situations, the three areas of intervention show signs of unqualified and rundown housing; Socio-urbanistic stigmatization: it is noted a strong social and urban stigma at the intervention areas due to the presence of populations with considerable economic and social needs and to the development of illegal activities, a situation aggravated by the lack of infrastructure, road access, collective equipment, urban movable, resigning them to non-appealing territories to the rest of the population; Concentration of disadvantaged social groups: Strong prevalence of situations such as unemployment, immigration, and concentration of other social issues.</td>
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<tr>
<td>Goals Related to Each Objective</td>
<td>Objectives</td>
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<tr>
<td>Problems in the Programme’s Implementation</td>
<td>At the level of internal coherence of the Programme, although the principles and objectives are consistent over the various documents to formalize the Programme, it is considered that they present a very abstract and wide description, resulting in some overlap of ideas between the fields of each objective and a lower explanation of the results to be achieved. Necessity of using more suitable methodologies to a more systematic and continuous involvement of the residents along this early stage of the Initiative; The uncertainty of the Initiative’s financing system at the planning stage led to difficulties in achieving a pragmatic plan and the assumption of responsibility by some actors, being one of the blockers on the continuity of some processes; The organizational design of the Initiative, which includes the coordination of multi-levels of decision-making and participation of stakeholders, and interdependencies between the structures organizational model, gives it a highly complex and demanding in terms of its orchestration and some risks terms of its...</td>
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effectiveness, although it was noted a strong coordination and leadership in this implementation phase.

- The implementation of the Initiative principles call for technical fields that are not always on the field, and even there, pose major difficulties in its implementation;

- In terms of coordination, and communication there was a lower agility at the vertical level. The different organizational structures and hierarchies in the ministries present at IBC (Critical Neighbourhoods Initiative) may be one of the factors that affected and influenced the process of communication and relations between actors and agencies of the same ministry, which resulted in some cases, a dissonance between the perceptions of decision-making power;

- The structure of the Technical Assistance Office (TAO) showed ambiguity in their functions and role, presenting a technical team, whose profile and skills were the most appropriate in making participated diagnoses than in the planning stage.

- The left of TAO (provided only for the implementation phase of the Initiative) was a destabilizing factor for the Local Partnership Groups (LPG), as reflected in the cutting and loss of experiential heritage of collective action and of knowledge capital and of confidence gained through the cumulative effects gradually generated.

- After completing the first phase of the initiative there was a considerable impasse in the implementation of the initial expectations, which have triggered the positions of actors, who at first had expressed themselves more sceptical given the State’s intent and intervention ability;

- For the objective of “developing public-public and public-private partnerships” during this phase, the composition of LPG was in some way unbalanced due to a greater preponderance of public actors, not being identified private and strategic actors that respond to the “mobilization of new sources of funding and public-private partnerships, in order to build projects without permanent dependence on public resources.

- The elaboration processes of the action plan changed the actors’ way to relate as they were accustomed to, from a predominantly unilateral logic to a logic of consensus and collective bargaining and made this phase stressed by tensions and actors with more individual behaviours. It should also be added that although the actors expressing sense of belonging and identification with the action plans built, integrated design in plan, does not always translate into a capacity to develop integrated projects, since this requires major changes in the organizational cultures in presence, existing a tendency to reproduce the same ways of doing, less integrated and coordinated;

- The preparation phase of the action plan and management model (two months) has registered a pressure in the conclusion given a deadline that was defined a priori and the adoption of the same timings in the three territories influenced and lead to a minimization of quality of the discussion of some aspects, especially at the level of action plans and management model;

- The participation of a multiplicity of actors took different levels in the ways of the actors’ involvement particularly among representatives of local partner groups and residents living in these territories. The participation of the residents focused on the level of information about the process and the level of consultation with ad hoc groups and/or segments of the population. However, this level of participation puts the residents in a passive position in relation to the process and weak generator of greater action capability by the community, notable obstacle to the process of community empowerment.
Annex Three: Abbreviations
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>CCDR-N</td>
<td>North Regional Coordination and Development Commission</td>
</tr>
<tr>
<td>CCRDLVT</td>
<td>Steering Committee for Lisbon and Vale do Tejo Regional Development</td>
</tr>
<tr>
<td>DG REGIO</td>
<td>Directorate General for Regional Policy</td>
</tr>
<tr>
<td>EEA</td>
<td>European Economic Area</td>
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<tr>
<td>ENDS</td>
<td>National Strategy for Sustainable Development</td>
</tr>
<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>JESSICA</td>
<td>Joint European Support for Sustainable Investment in City in Areas</td>
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<tr>
<td>IHRU</td>
<td>Institute for Housing and Urban Regeneration</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MAOTDR</td>
<td>Ministry of Environment, Land Use Management and Regional Development</td>
</tr>
<tr>
<td>MCOTA</td>
<td>Ministry of Cities, Land Management and Environment</td>
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<tr>
<td>NSRF</td>
<td>National Strategy Reference Framework</td>
</tr>
<tr>
<td>PNPOT</td>
<td>National Programme of Land Use Management Policy</td>
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<tr>
<td>PRU</td>
<td>Urban Rehabilitation Programme</td>
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