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ESPON Seminar

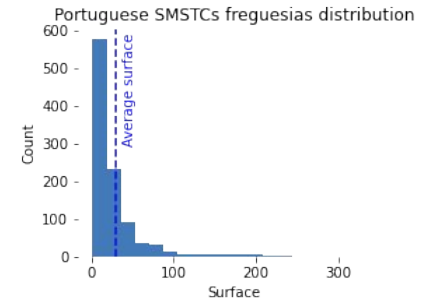
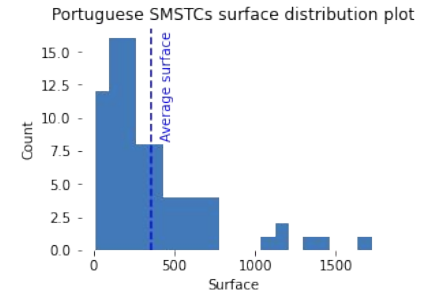
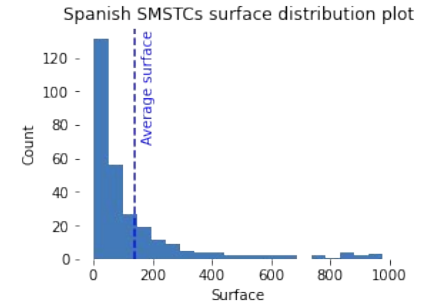
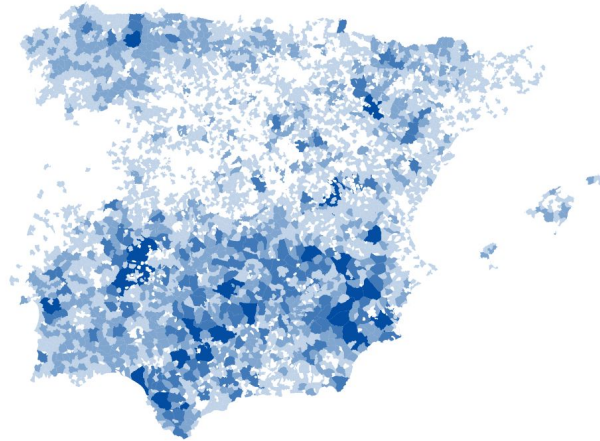
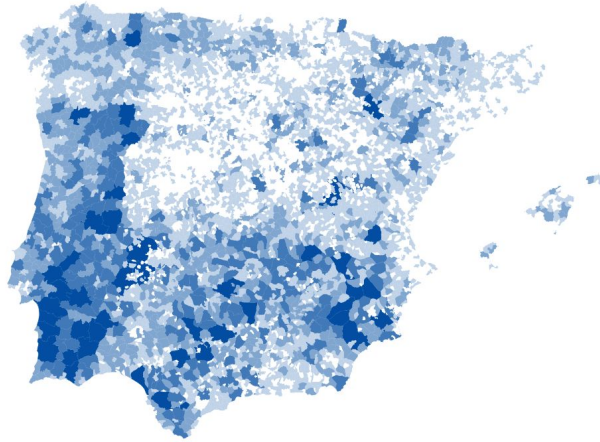
Small and medium-sized cities in Europe

15-16 November 2023 in Cuenca, Spain

SMSTCs in Portugal. The Case of Fundão
Rodrigo Vargas

Administration territories division texture.

- First findings relate to municipalities size: while in Spain the average surface is 61.91km², in Portugal it is 320.51km².
- Looking at the Freguesias scale, in Portugal, the average surface is 30.89 km².
- The municipality fragmentation texture in Spain bears more similarities to the size of Freguesias in Portugal.
- There is a territorial connection across both countries of the Iberian Peninsula, exhibiting the same pattern size across different regions from north to south.

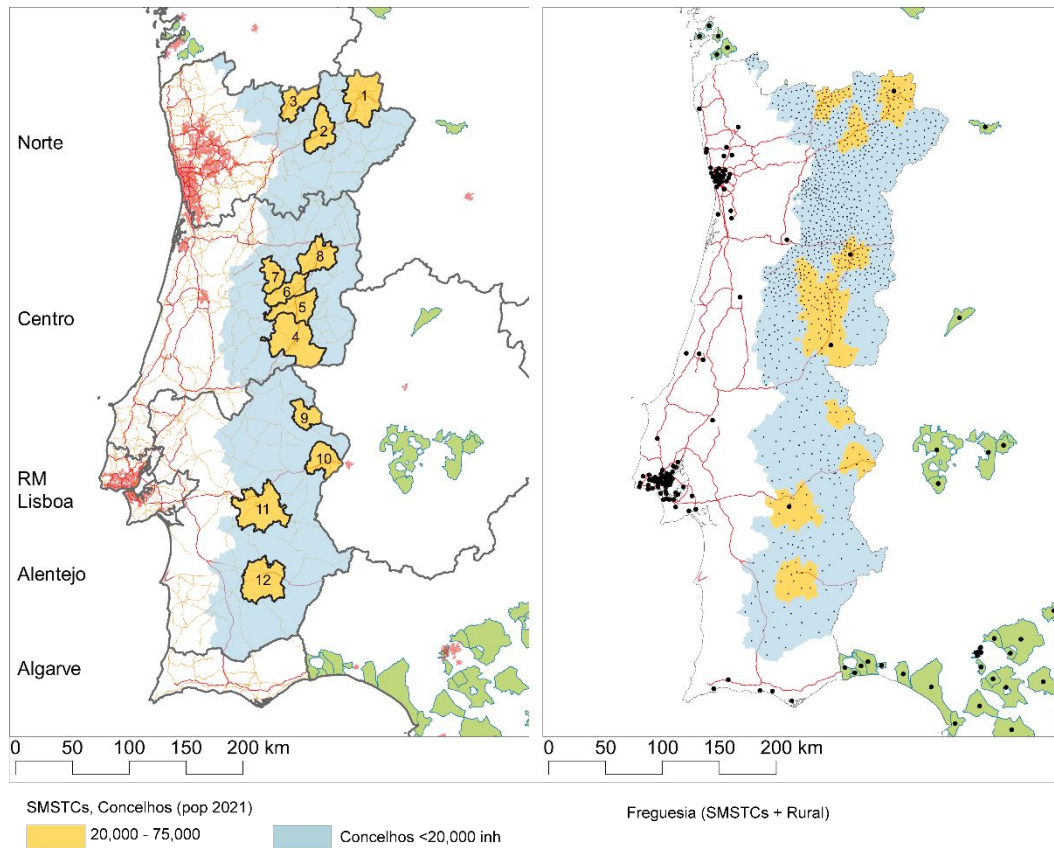


SMSTCs in the functional organisation of the territory

- **2 metropolitan areas:** 44.8% of the country's population (4.6 million inhabitants in 2021 and 34 municipalities)
- **10 Regional urban centres*** > 75.000: 11.9% of Portugal's total population (1.2 M inhabitants in 2021)
- **82 SMSTCs**** > 20.000 - > 75.000: 25.4% of the country's total population (2.6 million inhabitants, in 2021)
- **164 Small and rural municipalities** < 20.000: 13.8% of Portugal's population (1.4 million inhabitants in 2021)
- Population structure clearly polarised between the coastal and inland areas

* According to ESPON report another 22 municipalities dwelling more than 75,000 inhabitants are allocated in the metropolitan areas

** According to ESPON report 12 out of them area allocated in the metropolitan areas

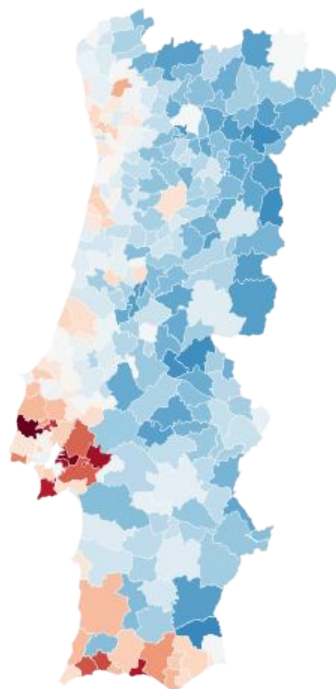


Population variation in Portugal 2001 - 2021.

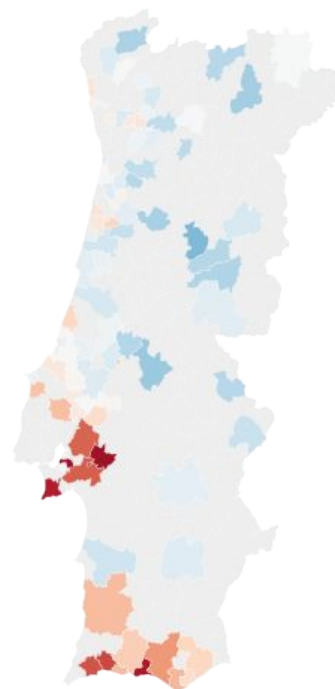
Data suggest a **population shift towards larger urban centres**, raising concerns about the sustainability and vitality of smaller municipalities.

- There are 82 SMSTCs in Portugal mainland (2021).
- The majority lost population in the last two decades, as the all country, thus explaining the reduction from the 93 SMTCs existing in 2001.
- Only 4, out of the 12 municipalities that are no longer in this range, increased their population. These are situated in the cost line and are either part of the 2 metropolitan areas or hold the role of regional capitals.

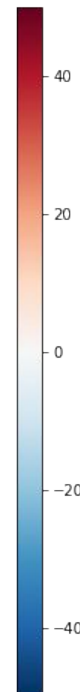
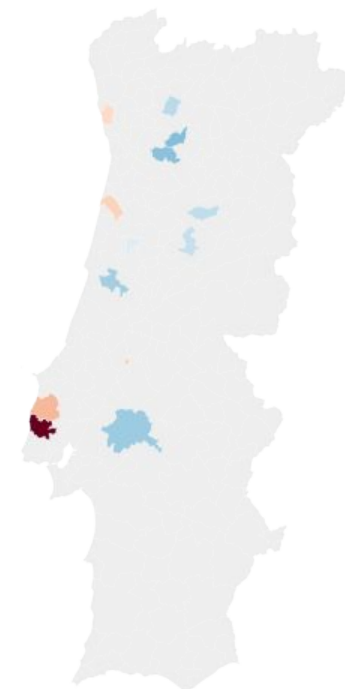
% Population variation 2001 - 2021



SMCT % population variation 2001 - 2021



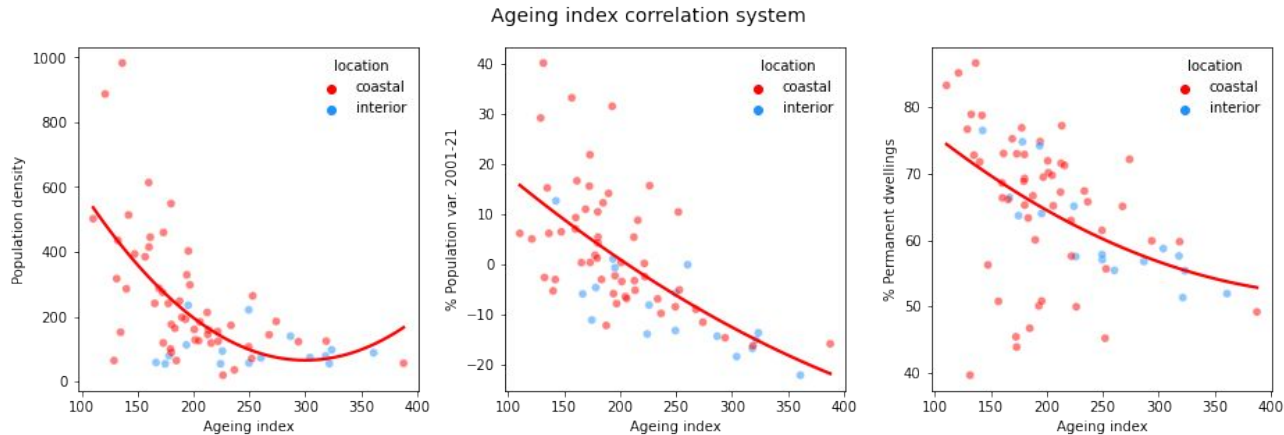
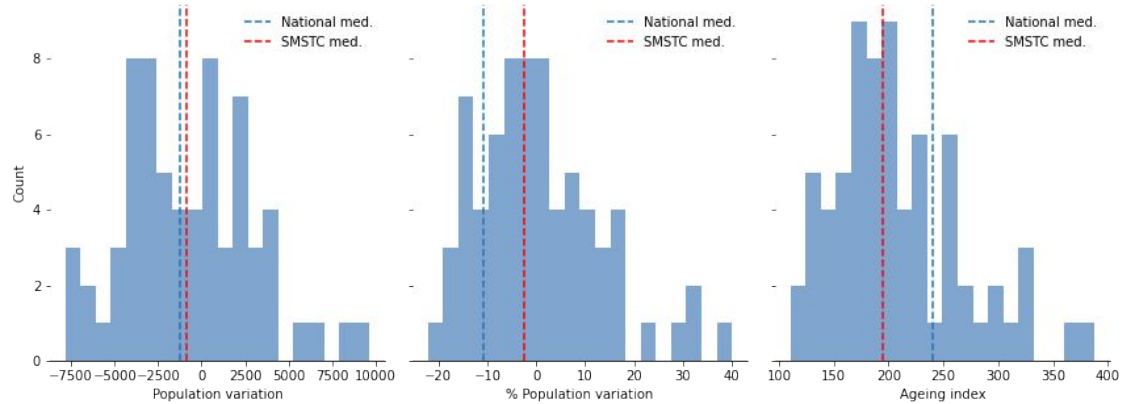
Old SMSTCs 2001 - 2021 (% variation)



Population variation in Portugal 2001 - 2021.

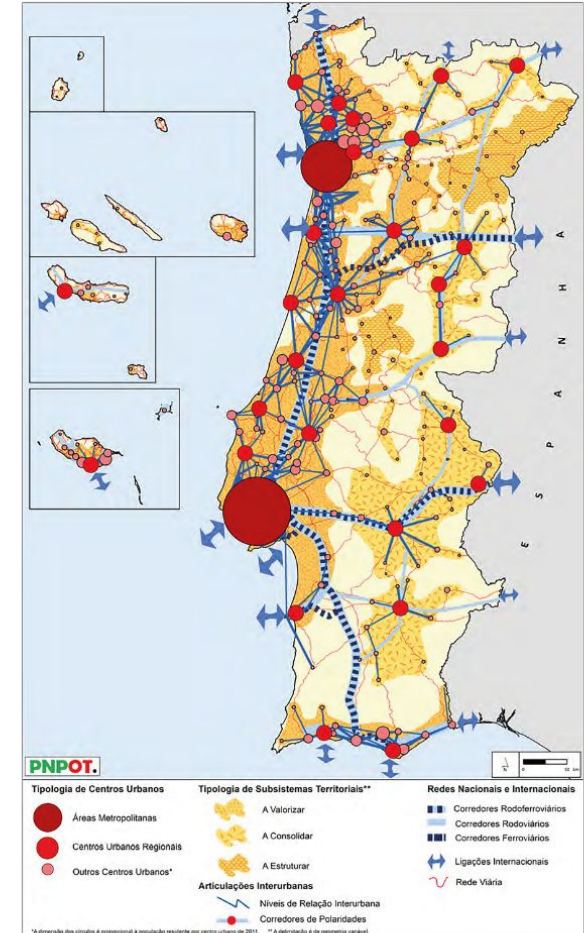
Data analysis suggest different trends in SMSTCs

- General population loss also in SMSTCs
- Increasing ageing index
- Main indicator correlated with ageing index
 - Population density
 - Population variation rate
 - Rate of inhabited dwellings



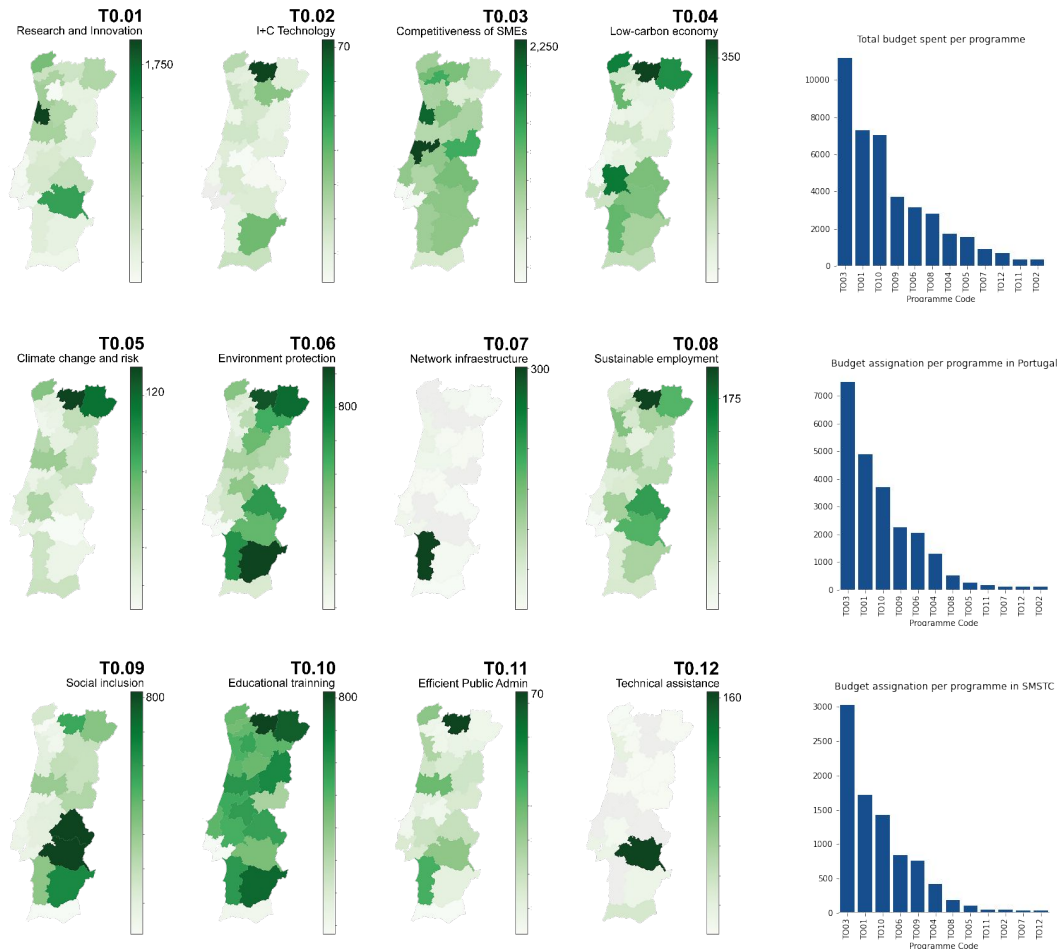
Strategic policy framework

- **Portugal 2030 Strategy** – the framework for Portugal 2030 Agreement.
- **PNPOT-2019** - National Spatial Planning Policy Programme
- **PRR** – Portuguese Recovery and Resilience Plan, “Building the Future”
- **Interior Valorisation Program 2022** - which replaces the Programme for National Territorial Cohesion.



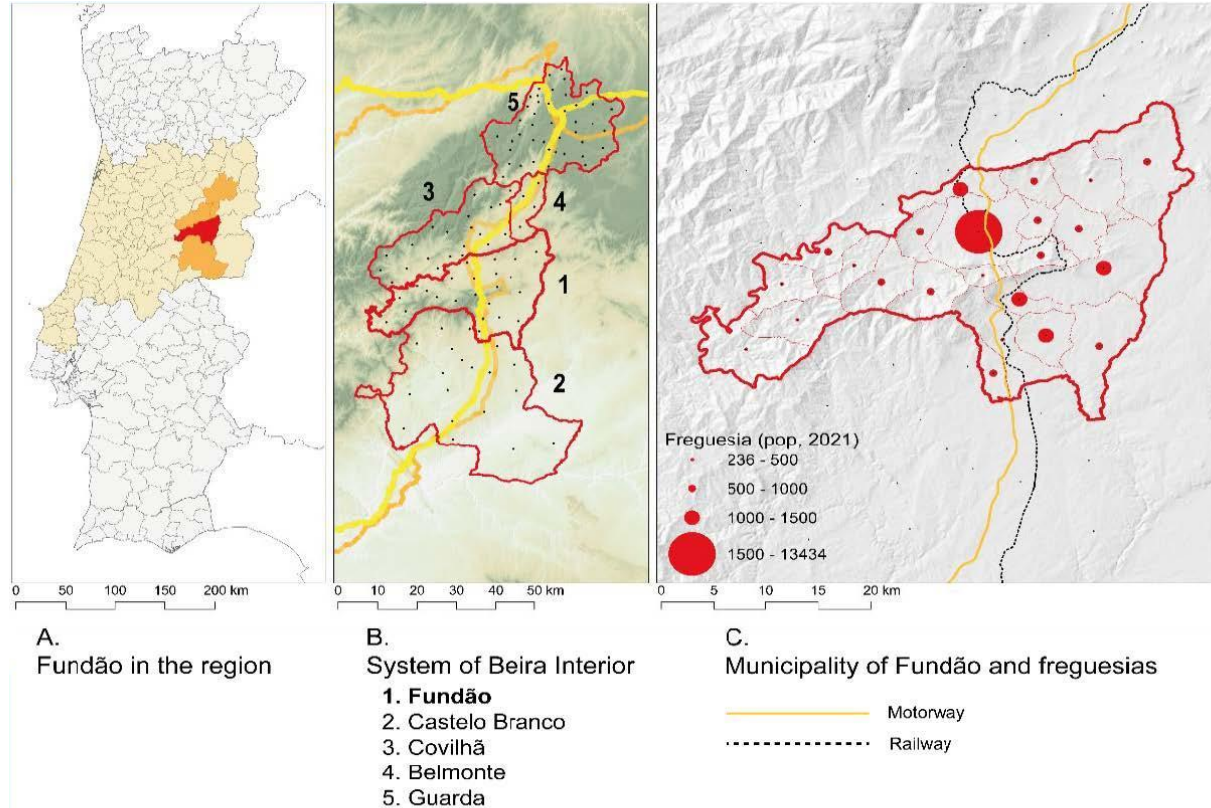
European Funding

- TO03, TO06 and TO10: Boosting the **competitiveness of businesses**, **environmental protection** and **training**, across the whole of Portugal. Priority axis for SMSTCs ensuring **demographic consolidation** and employment in natural/rural environment
- TO04, TO08 and TO09: Provision of **skilled and sustainable jobs in the long term**, aiming to **reduce social inequality**
- TO01, TO02 and TO11: Reinforcing the clustering of economic bases through **innovation and technology**, which are also key vectors for **modernising local administration**.
- TO05, TO07 and TO12: Reducing risks of **climate emergencies** improving **connectivity** and increasing technical assistance to address challenges in **cross-border areas**. Targeted to areas with a significant presence of SMSTCs.

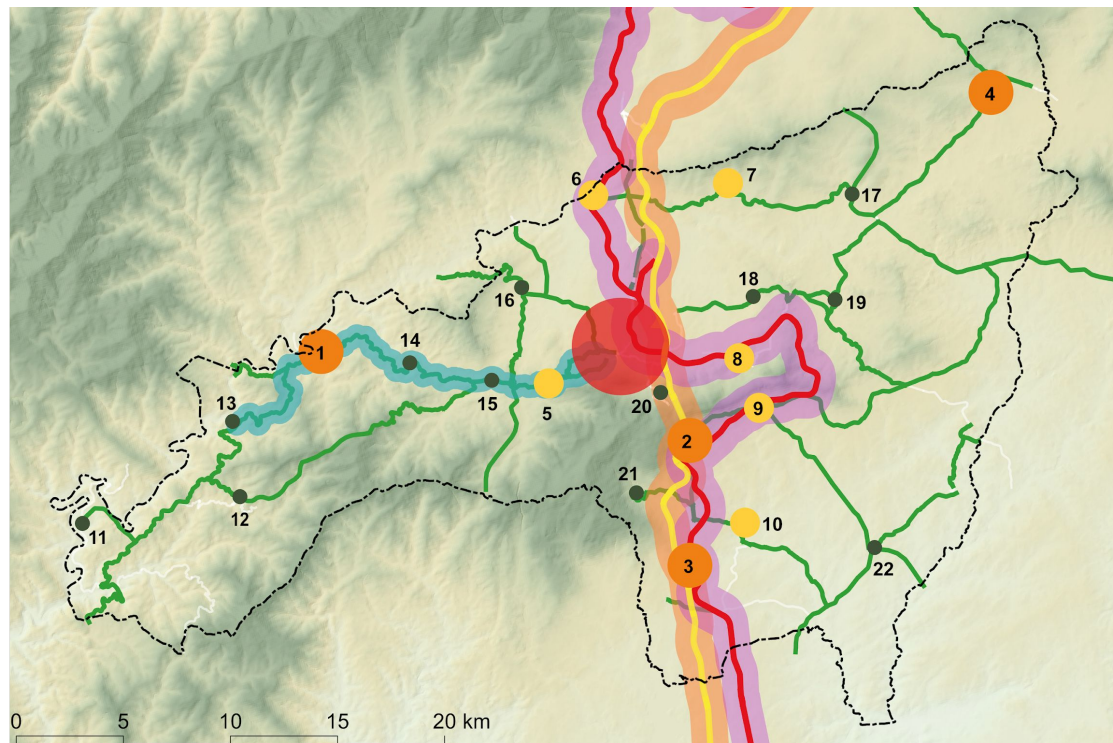


Case Study - Fundão

- Fundão is located in the Central Region of Portugal, more precisely it is one of the 15 municipalities that compose the Intermunicipal Community (CIM) of Beiras e Serra da Estrela.
- It is a functional pole of the regional corridor that connects, Guarda Fundão/Covilhã and Castelo Branco –from north to south- a polynuclear urban system.
- This axis is marked by traditional industrial activities (textile and dairy products, Agro-food...). Also relevant for tourism related to Serra da Estrela/Serra da Gardunha mountain system and its heritage value.
- With a population of 26,509 inhabitants and a surface area of 700 km², it is divided into 23 freguesias (parishes) (LAU 2). The most being Fundão (13,434 inhabitants), with 50% of the population.
- Its geography comprehends, mainly, a mountainous system, Serra da Estrela, at the west and two plain areas in the north, where the main urban area is allocated, and in the south, with three minor nuclei, separated from the main one for Serra da Gardunha mountains.



Case Study - Fundão



Settlement hierarchy

- Level 1.** Fundão
- Level 2.** (1) Silvares; (2) Alpedrinha; (3) Soalheira; (4) Três Povos
- Level 3.** (5) Souto da Casa; (6) Alcaria; (7) Pêro Viseu; (8) Alcaide; (9) Vale de Prazeres; (10) Póvoa de Atalaia
- Level 4.** (11) Janeiro de Cima; (12) Bogas de Cima; (13) Barroca; (14) Lavacolhos; (15) Castelejo; (16) Telhado; (17) Capinha; (18) Fatela; (19) Enxames; (20) Alcongosta; (21) Castelo Novo; (22) Orca

Road hierarchy

- Railway corridor N/S Alcaria / Soalheira
- Highway corridor N/S Fundão / Soalheira
- Transverse motorway corridor Barroca / Fundão
- Rest of road network

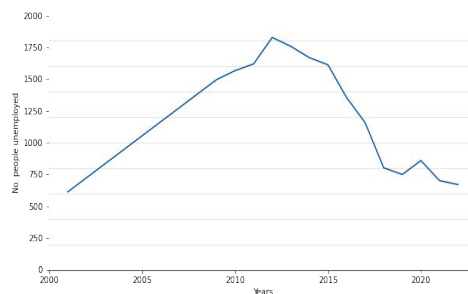
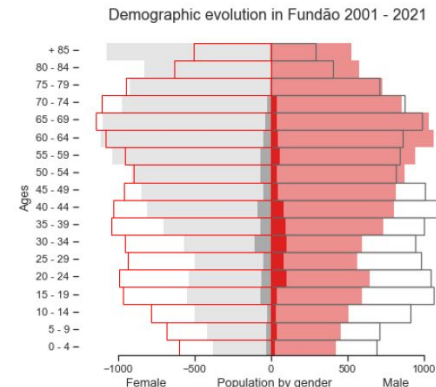
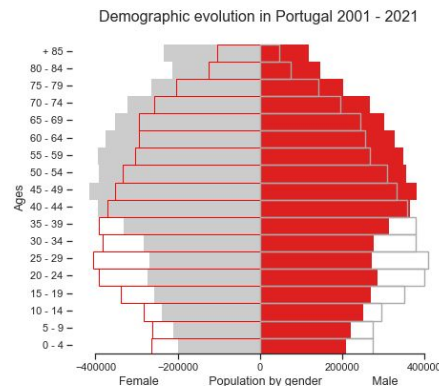
Case Study - Fundão

- Fundão exhibits a set of territorial and sectoral policies that have been implemented at different levels of governance to tackle problems that are common to most low-density territories in the country.
- The municipal and regional smart territory innovation strategies that were identified strongly rely on fostering innovation and helped to reverse economic weaknesses and break the loss of population.
- Urban Renewal and Migrant Welcoming Policies have complemented the strategies implemented at the municipal level.

N°.	Acronym	Description	Unit of measurement	Data
A1	PU	Urban population	Nº inhabitants	13,434
A2	PR	Rural population	Nº inhabitants	13,075
A3	SU	Urban surface area	Hectares (Ha)	2,580
A4	SR	Rural surface area	Hectares (Ha)	67,420
A5	DU	Gross urban density (DU=PU/SU)	Nº inhabitants / hectare (pop/Ha)	5.21
A6	DR	Gross rural density (DR=PR/SR)	Nº inhabitants / hectare (pop/Ha)	0.19
A7	PR	Population growth rate / 10 years)	Percentage (%)	9.28
A8	MB	Annual municipal budget	f/year (2021)	€34,952,565
A9	PT=PU+PR	Total population	Nº inhabitants (2021)	26,503
A10		Per capita income (A8/A 9)	€/pop/year (2021)	€1,318.80

Demographic and economic trends in Fundão

- Significant population loss (9.28%) since 2011 and a total lost of 2,700 residents over a period of 10 years.
- Clear decrease of young people under the age of 14, which coincides with an increase of people over 65 years, as life expectancy has risen
- Characteristics of rural area where young people have migrated in search of better job opportunities.
- Recent opposite features, regarding new foreign immigrants attracted by the Strategic Plan for Innovation of Fundão
- Substantial decrease of unemployment: from 10.9% in 2013 it subsequently 2.8% in 2022.
- Another relevant trend identified is the polarization that the central city exercises over more peripheral and rural areas.



Strategic policy framework

- Regional Spatial Plan (PROT) Centro 2011 – Proposal (still not approved)
- Beiras and Serra da Estrela Intermunicipal Development Strategic Plan 2020 (EIDTBSE2020)
- Revision of the Municipal Master Plan (PDM) of Fundão (September 2023)
- Strategic Plan for Innovation in the municipality of Fundão(2012)
- PEDU, Strategic Urban Development Plan (2015)
- ELH 2021 Local Housing Strategy

Lines from interviews contribution

- “Empty” Spain and low-density territories in Portugal
- The uniqueness of the territory and the SMSTCs and the importance of size
- Multi-level governance and internationalization
- Leaderships and traditional lack of territorial collaboration
- The need for competencies at local level.
- Innovation as an opportunity, universities role and the territory presented as a common front.
- Communications infrastructures as key factors
- The bridge between the urban and the rural.
- Fundão Strategy: endogenous resources; innovation; regional networks and internationalisation.

Intermunicipal Development Strategy for Beiras and Serra da Estrela

2 basic principles:

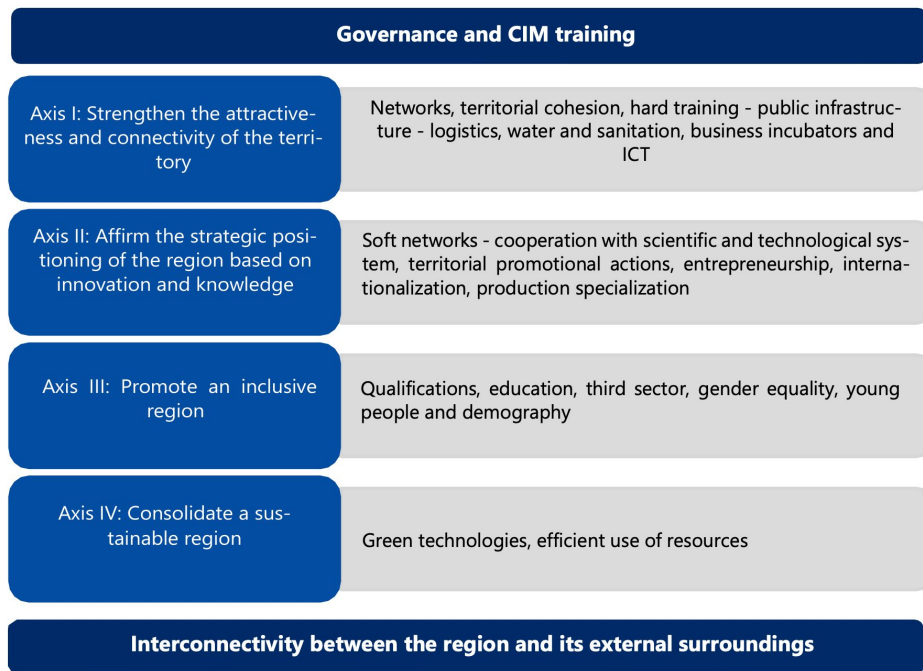
- Inclusive involvement of entities in the plan
- Invest in network/partnership projects

2 transversal axis:

- Governance and CIM training
- Territorial connectivity

4 pillar axis:

- Strengthen attractiveness and connectivity
- Strategic positioning throughout innovation
- Promote inclusiveness
- Consolidate sustainability



Strategic Plan for Innovation in the municipality of Fundão

Main objectives:

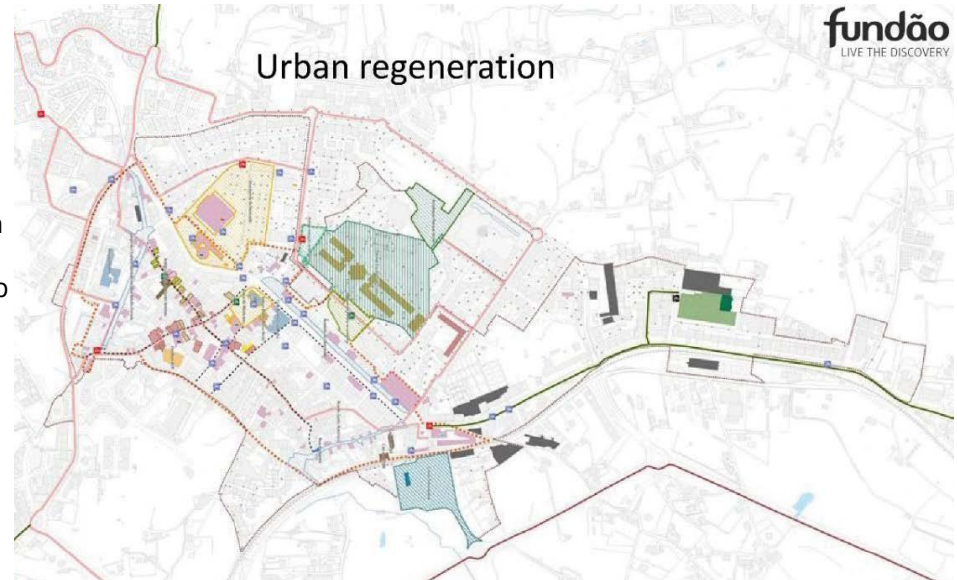
- Tackle depopulation
- Implement territorial innovation strategy
- Bring about economic transformation

Key goals:

- Involve the wider community - work together to design the plan
- Provide infrastructure - attract technological companies
- Support an innovation ecosystem - leveraging entrepreneurship
- Promote urban regeneration - new businesses and residents

Focus actions:

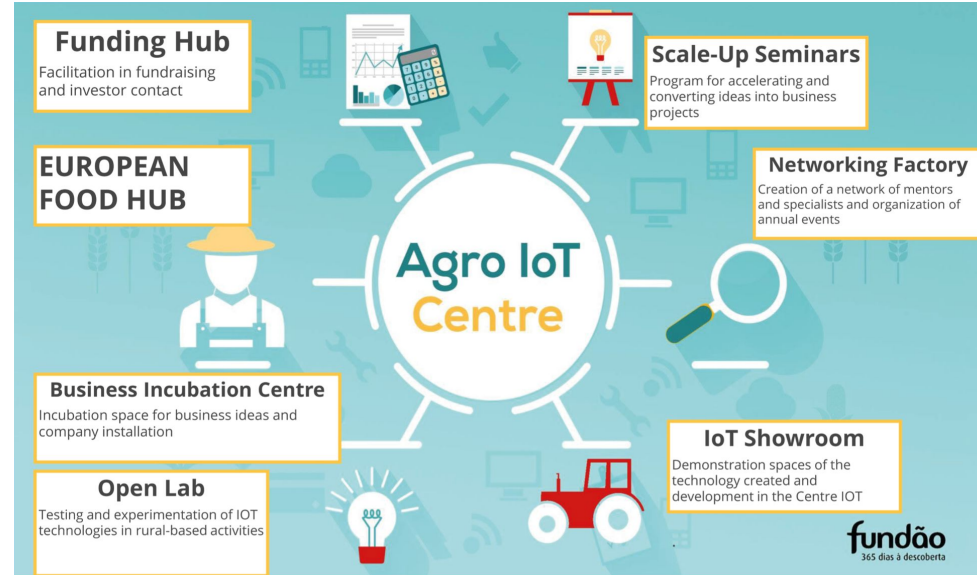
- Creation of business hosting infrastructure
- Incentives and institutional support - companies and people
- Training people - develop new professional skills;
- Receiving immigrants and refugees;
- Positioning Fundão as a technology, innovation and welcoming destination.



Strategic Plan for Innovation in the municipality of Fundão

Lines of action:

- Urban regeneration
- Municipal rental housing programme
- Migrations Centre
- Innovation facilities
- Consortium Living Lab Cova da Beira
- Anchor companies in the territory
- Agriculture and industrial endogenous products
- Tourism
- Renewable energies
- Networking throughout localities and insitutions



Strategic Plan for Innovation in the municipality of Fundão

Achievements:

- €150 million of private investment
- 700 people trained and certified
- 100 jobs created at the Incubator
- 1,000 new jobs in traditional sectors
- Unemployment reduced
- Urban regeneration (57 private buildings plus 8 public buildings repurposed)
- 75% increase in urban planning processes
- Successful municipal rental housing programme (356 contracts and 188 homes)
- Migrations Centre (270 people capacity, 264 refugees requested asylum)
- Fundão is one of 5 locations in Portugal, in addition to Lisbon and Porto, where nearshore software development centres operate
- PPR 2020-2030: Fundão recognised as a hub of competitiveness with transformative potential upon the whole country.

TODAY



Fundão's Cherry, recognized brand



Positive migratory balance



63 nationalities



Innovation Ecosystem reference in Portugal



Digital nomads' home



1,000 new qualified jobs created



16 IT companies



80 start-ups



Support 250 private investment projects



Programming classes from age 6



1ST Social Impact Bond in Portugal, Code Academy Bootcamps



2015, 1ST place in the European Enterprise Promotion Awards



2016, Municipality of the Year



2018, 1ST place in the RegioStars Awards



Policy recommendations

European level

- Create legal framework that allows SMSTCs to be recognised as key actors in European development;
- Promote the creation of SMSTC lobbies that would directly defend their rights before EU bodies;
- Increase the number, and improve the quality, of studies focused on SMSTCs at the NUTS III level;
- Promote the development of a European Territorial Agenda, following the model of urban agendas adopting a broader, integrative, territorial perspective.
- Investing in cooperation networks and developing projects with participation of local stakeholders (municipalities, companies, entities working in the scientific and technological sectors, and other facilitators)
- SMSTCs located in the cross-border area should be placed at the centre of decision-making processes;

National level

- Decentralisation as key principle for low-density territories. The more competencies are available for local authorities, the better;
- Strengthen inter-municipal cooperation based on shared social, economic and environmental interests;
- Establish a system of horizontal, multilevel, bottom-up governance;
- Building a spatial data infrastructure focused on SMSTCs systems that facilitates decision-making based in evidence.

Regional level

- Improve coordination between planning and regional development policies,
- Planning should be promoted from the regional or Intermunicipal Community perspective to foster cooperation between different administrations;

Policy recommendations

Municipal level

- Establish local development agendas, coherent, flexible to change and cross-sectoral;
- Recognise the value associated with the high quality of life in many SMSTCs;
- Economic activity based on both endogenous and exogenous resources;
- Intelligent productive specialisation: developing virtuous combinations of different areas of knowledge and sectors of economic activity
- Adding value to the primary sector and then encourage further associations throughout the production and distribution chain of its products;
- Re-evaluate the concept of “rural areas”, emphasising the notion of landscape and cultural components;
- Assume a leading role in the management of “renewable energy” policies;
- Place capacity building and training at the heart of the territorial policies;
- Ensure technological connectivity;
- Rehabilitation, urban regeneration and refunctioning of public buildings should be a priority;
- Focusing on leveraging existing infrastructure, making them more dynamic and also developing intangible initiatives.
- Take the vacant housing stock as an asset to create distribution policies;
- Address issues related to population ageing.
- Improve accessibility;

Resources

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