

National Report

Regional Sustainable Development

Portugal



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Introduction

This National Report on regional sustainable development in **Portugal** has been written as part of the REGIONET project. REGIONET (Strategies for Regional Sustainable Development: An Integrated Approach beyond Best Practice) is a research project funded under the EU's 5th framework programme for research. The main objective of the project was to provide an integrated and interdisciplinary approach to support the implementation of sustainable development in regions across Europe.

The project team of REGIONET consisted of sixteen partners coming from fourteen different European countries (current and new Member States). It was considered a good idea, to use this opportunity for developing a comprehensive study about regional sustainable development in Europe. The high number of project partners (plus associated partners) allowed us to have seventeen storylines and a comprehensive picture of regional sustainable development policy-making across Europe.

In order to ensure comparability, the project team developed a framework for analysis. This framework was used by each national team to carry out the review on regional sustainable development in their country. Out of the project's general objectives, the following main sections are covered within each National Report:

- *National background on regional development*: this includes not only the history of regional development in the country but also the political and administrative system and structure. This section also includes some national initiatives for sustainable development.
- *Regional sustainable development*: this section includes national and regional initiatives for regional sustainable development. An important aspect, too, is the role of Structural Funds in fostering sustainable development at the regional level and what the experiences of the regions are with Structural Funds programmes and Community Initiatives.
- *Multi-Level governance*: this section elaborates on the involvement of the different political/administrative levels in policy-making – from the EU, to the national and regional level – as well as the multi-level interaction between the different stakeholders. Additionally, it is analysed how cross-sector policy integration in regional sustainable development is carried out by the different levels.
- *Evaluation methods and tools for regional sustainable development*: the current evaluation methods, tools and indicators are described in this section. It also looks on different types of measurements for regional sustainable development, and if a harmonization of the various methods and tools already takes place in Europe.
- *Analysis of regional sustainable development*: summarizes the practical experiences with regional sustainable development across Europe. This section also evaluates the general trade-offs, top-down and bottom-up analysis as well as the future of European regional policy for the period after 2006 when new Structural Funds regulations will be implemented.

,This National Report of **Portugal** gives therefore a comprehensive overview of regional sustainable development. Together with the other reports, it makes up what is the first comparative study of regional sustainable development in Europe. In 2004, a publication including all National Reports, together with an introduction and conclusion chapter, is planned. Please find further information and ordering details about this forthcoming book on the REGIONET project homepage: www.iccr-international.org/regionet.

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2. List of abbreviations

AIMinho	Minho Industrial Association
AMAVE	Ave Valley Municipallities Association
CAA	Voluntary Environmental Agreements
CCR	Regional Co-ordination Commissions
CCRN	North Region Regional Co-ordination Commission
CGIBHA	Commission for the Integrated Management of the Ave Hydrographic Basin
CITEVE	Technology Centre for the Textile and Clothing Industry
CNA	National Committee for the Environment
CNADS	National Council for the Environment and Sustainable Development
CSF	Community Suppot Framework
DGDR	General Directorate of Regional Development
EAP	European Union's Environmental Action Programme
EEC	European Economic Community
ENDS	National Strategy for Sustainable Development
ENVIREG	European Community Innitiative: Environment and Regions
ERDF	European Regional Development Fund
EU	European Union
IDITE-Minho	Minho Institute for Technological Development and Innovation
INAG	National Water Institute
INTERREG	European Community Innitiative: Inter-regional Co-operation
JNICT	National Council for Scientific and Technological Investigation
LIFE	European Community Innitiative: Financial Instrument for the Environment
LVT	Lisbon and Tagus Valley Region
MARN	Ministry of the Environment and Natural Resources
MCOTA	Ministry of Cities, Spatial Planning and the Environment
NGO	Non Governmental Organisation
NUTS	Nomenclature of Territorial Units for Statistics
OID	Joint Operation for Development
PDR	Regional Development Plan
PEDIP	Operational Sub-programme for the Industry
PEDIZA	Specific Programme for the Integrated Development of the Alqueva Area
POA	Operational Programme for the Environment
POAAP	Land-use Plan for the Water Reservoirs of Alqueva and Pedrógão
POR	Regional Operational Programme
PROAVE	Sub-Regional Programme for the Ave
PRODESREDI	Programme for Differentiated Economic and Social Development
PRONORTE	Regional Operational Programme for the North
PROZEA	Regional Land-use Plan for the Área of the Alqueva Water Reservoir
RCM	Ministers Council Resolution
RDP	Regional Development Plan
RSD	Regional Sustainable Development
SIDVA	Ave Valley Integrated Depollution System
TRATAVE	Company created for operation, maintenance and management of Ave's domestic and industrial waste watwer system (concession)

3. Portugal – National Report

1. NATIONAL BACKGROUND ON REGIONAL DEVELOPMENT

1.1 Political and Administrative System

Located in the Western part of the Iberian peninsula, covering approximately a fifth of its area, the mainland is about 89 000 Km², attaining 92 141 Km² once the Azores and Madeira Archipelagos have been included. In 2001, Portugal had a population of about 10,4 million inhabitants. The Spanish border covers 1 200 Km and the coastline is 943 Km long. Two-thirds of the Portuguese population are concentrated on the coast. Portugal reveals a vast variety of landscapes and habitats that are difficult to be arranged into regional units.

In the period from 1143 to 1297 Portugal gained both its political independence and its continental borders. Portuguese territory was enlarged with the archipelagos of Madeira and Azores, in the outbreak of the “era of discoveries”. In the 20th century a dictatorship regime was established for almost half a century. The 1974 democratic revolution brought a new constitution and the ending of the colonial Portugal, which was completed in 1999 by handing over Macao to China.

In Portugal, the current political system is based on four bodies of sovereignty:

The President of the Republic (represents the Portuguese Republic)

The National Parliament (represents the Portuguese citizens)

The Government (leading institution of the country’s overall policy and superior body of the public administration)

Courts

Apart from the Courts, the people elect these bodies by direct and periodic suffrage. The regional division of the country can be traced as far back as 1835, on the reign of D. Maria II. At that time the 17 administrative districts were created, out of groupings of municipalities, substituting the old Kingdom provinces. In 1926, the territory known as *trastagana* was withdrawn from the district of Lisbon, thereon constituting the new district of Setúbal. The civil governor, a Government representative dependent of the Minister of Internal Administration, is the main district authority. In 1936, new provinces were constituted, summing up a total of 11., These had nothing to do with

the district groupings, to the exception of the Minho provinces (Viana de Castelo and Braga districts) and of the Algarve (Faro district). With the 1959 revision of the Constitution, the provinces were abolished, even though this division clearly lives on the mental map that the Portuguese population has of the national territory.

In the *III Plano de Fomento*, 1968-73 (Third Development Plan), regional development is clearly an issue, and the question of the regional division of the country enters into debate. As a result in 1969, the following planning regions are created: North, Centre, Lisbon and South. The Regional Planning Commissions had the power to act within the territorial limits defined by the regions. After the 1974 revolution, these divisions are revised, after new territorial limits have been defined for the regions - North, Centre, Lisbon and Vale do Tejo, Alentejo and the Algarve -, and in 1979, the Regional Coordination Commissions are set up (renamed recently Regional Development Coordination Commissions). Also very recently, the Lisbon and Vale do Tejo region had its West and Mid-Tejo (Centre Region), and the Lezíria do Tejo (Alentejo) territories taken out from it, for reasons related with the EU selection criteria for less favoured regions. These five regions form the NUTS level II, aggregating municipal groupings that constitute the NUTS III sub-regions. The archipelagos of the Azores and Madeira are also classified as two NUTS II regions, but constitute autonomous administrative regions, in contrast with the mainland regional division, for this division does not confer political decentralisation at a regional level.

Since no political decentralisation exists at a regional level in mainland Portugal, the public policy for regional development is outlined and implemented by locating Central Administration organisms around the country and by municipal associations. In effect, the local authority based on the municipality’s administrative unit is, for many authors, the only dimension of territorial identity that is relevant at a lower administrative level in the country (Gaspar, 1993).

In 1991, the complexity involved in managing the two main urban areas in the country led to the creation of the Lisbon and Oporto metropolitan areas, which aimed at articulating actions of supra-municipal scope that concerned development and spatial planning. Since then, to a large extent, the metropolitan areas institutions stagnated by the lack of financial resources and political determination. A new administrative division of the country is to be implemented with

the creation of 7 Great Metropolitan Areas, 10 Urban Communities and 3 Intermunicipality Communities.

Table 1

Public Administration and Territorial Division

Spatial deconcentration	Organisms from the Central Administration (Regional Directorates of several ministries)
De-centralization	Local Authorities: Civil county (no. = ± 4200; bodies: civil parish assembly and civil parish council) Municipalities (no. = 308; bodies: municipal assembly and Town Hall) Administrative regions (not implemented) Autonomous regions (no. = 2; bodies: regional assembly and government)



Figure 1. NUTS (level II) in Portugal (mainland)

Table 2

Territorial division for statistical purposes

NUTS I	Mainland Portugal, Autonomous Region of the Azores and Autonomous Region of Madeira
NUTS II	Seven regions corresponding, in the mainland, to the five Regional Development Co-ordination Committees, and also to the territories of the two Autonomous Regions of the Azores and Madeira
NUTS III	Thirty territorial units, twenty-eight of which lie in the mainland and two correspond to the Autonomous Regions of the Azores and Madeira



Figure 2. NUTS (level III) in Portugal (mainland)

1.2 History of Regional Development

In 1996, the Government attempted to regionalize the mainland, contending that the creation of regions would aid in the campaign against regional unbalance, promote equal opportunities, social and economic cohesion, national solidarity, and would also better address the challenges related to territorial competitiveness that ensued from European integration. This process ended in the national referendum that was held on the 8th of November 1998, when the Government's proposal was rejected and the case is, at least temporarily, closed. Very recently, there is a government decision to the creation of other metropolitan areas and urban communities based on the municipalities aggregations, which should emerge from local authorities. To a certain extent this political decision is a way to counter-act the lack of regional power in Portugal.

The history of regional development has a late start in Portugal. In fact, the first concerns towards regional policy came forth only in the late 1960's, with the elaboration of the Third Development Plan, when the regional development strategy was essentially based on the urban network and development poles.

With the 1974 democratic revolution, regional development issues diminish in importance, and economic and social policies become the centre of concern. Regional development is regarded as an area of economic development. Then again, the strong stance of the local powers during the mid-1970's discouraged regional planning. The Mid-Term Plan (1977-80) didn't take advantage of the potential for regional empowerment, based on the existing Regional Planning Commissions.

Table 3

Administrative division of national territory

NUTS II	Area (Km2)	Population 2001	Pop. / Km ²	NUTS III
North	21 289,0	3 687 293	173,2	8
Centre	28 493,2	2 348 397	82,4	10
Lisbon	2 671,0	2 661 850	996,6	5
Alentejo	31 596,7	776 585	24,6	4
Algarve	4 995,2	395 218	79,1	1
Azores	2 321,9	241 763	104,1	1
Madeira	784,8	245 011	312,2	1

INE, Anuário Estatístico (Statistical Yearbook)

Up to the end of the 1970's the planning system was extremely rigid and dependant upon sectoral public organisms that developed high planning technical skills set on hierarchic structures. Sectoral logic superseded territorial logic. The regional division that was used by the different ministries had no correspondence to the remaining divisions – the territory being divided according to sectoral planning goals (energy,

agriculture, defence...). This fact contributed towards a rather opaque regional planning logic.

In 1979, the Regional Co-ordination Commissions (CCR) were institutionalized, corresponding to planning regions. There is an endeavour to territorially coordinate the public investments of the various sectoral policies. Yet there is little technical ability - especially when compared to the larger ministries -, or accumulated experience gained from territorial management. Worse still, the financial means necessary for the activity of the CCR, up to Portugal's joining the EU, were insufficient for the creation and implementation of programmes that asserted a regional logic. The absence of administrative regions only partially justifies this difficulty, for the modest role of the CCR resulted mostly from an insufficient territorialization of the sectoral public policies (Figueiredo, 2002).

Until 1988, there were, however, a certain number of changes that had an impact on regional development policies - the creation of the Ministry of Territorial Planning and Administration in 1986 (hereafter responsible for the CCR) probably being the most evident of all. The aim of this measure covered not only regional planning and development, environment and spatial planning but also the management of the ERDF. It was also responsible for the elaboration of the First Regional Development Plan for the period of 1986-1990, required to access the Structural Fund; and also implemented systems for regionally based incentives and the promotion of endogenous potential.

With the reform of the Structural Funds and the approval of the Delors Package by 1988, not only was the overall amount of the Structural Funds doubled, but also new measures were incorporated into a Community Support Framework (CSF) that contemplates diverse fields of action structured around several Operational Programmes. The European Commission approved this document after an analysis of the Regional Development Plan proposal presented by the Portuguese State.

Up to the present day, three CSF have been/are in force: CSF I (1989-93), CSF II (1994-1999), CSF III (2000-2006). With the CSF I, a new phase of regional development policy begins in Portugal, for it takes shape from a Regional Development Plan (RDP) that covers the whole country and is articulated with the Programme for Differentiated Economic and Social Development (PRODESREDI). In this sense, the RDP itself ends up being more of a development policy than a programme exclusively aimed at regional development. In addition to a more structured intervention, decentralized management, monitoring and evaluation, units were created, and an effort was made to stimulate the

participation of the local economic agents and actors.

The launch of the CSF II is linked to the Single European Act and the Delors Package II, and namely, for the less developed countries of the EU like Greece, Portugal, Spain and Ireland, with the accessibility to the Cohesion Fund. In addition to the widening of the ERDF's scope to the inclusion of health and education, and the ESF's reinforcement in sectoral programmes, three trends were observed: a slight increment of the participation of civil society in territorial planning; some public-private partnership experiences and the disappearance of Integrated Development Operations.

In the current phase of Community programming, the CSF III, a greater deal of attention is paid to the territorial dimension of the interventions, through an increase of the financial endowment of the regional programmes and the re-entry of the ESF into these programmes. But the main sign of reinforcement of the territorial dimension in the CSF III is the establishment of a sectoral investment quota for the regional programmes. For that purpose, a series of regional organisms, **deconcentrated** from the Central Administration, are involved in the management of these regional programmes. We are looking at a new logic and structure of governance that strives to achieve a greater level of coherence regarding territorial development policies.

1.3 National Strategies on Sustainable Development

Some historical background on the development of environmental policy in Portugal can account for the current institutional structure, strategies and actions targeted to sustainable development in Portugal.

Portugal's entry into the Community was a historical opportunity due to the types of intervention that it rendered possible in the environmental domains, and for enabling the start and continuous existence of an increasingly integrated, active and systematic inclusion of the environment in the national public policy agenda. We can observe, as a result, in the last decade: i) a rapid evolution of environmental consciousness within Portuguese society and, ii) a deep transformation of the institutional framework. These modifications concern not only the structures of the central administration organisms but also all the mechanisms that articulate the State and civil society.

The first organism of the Portuguese State dedicated to environmental questions was a permanent study commission, the National Committee for the Environment (CNA), dependent upon the National Council for Scientific and Technological Investigation (JNICT), created in 1971 by the chairman of the Cabinet of Ministers. Its creation is related to the Portuguese preparation for the 1972 United Nations Conference on Human Environment that took place in Stockholm. The national policy that was at the time devised for the environment was related to large public projects, and was under the orientation of the economic policy; therefore, it was more evident in the investments that were directed towards water infrastructures for agricultural development, and industrial and urban supplying systems, as well as for the production of hydroelectric-power and flood control.

The democratic revolution of the 25th of April of 1974 permitted some progress in the formulation of Portuguese environmental policy: the setting up of the Secretary of State for the Environment in 1975 and the creation of the Directorates-General for the Quality of the Environment and Natural Resources attest to this evolution. The acknowledgment of rights for the environment in the 1976 Constitution of the Portuguese Republic (article 66), by holding the State responsible for environmental protection, reflects a strengthening of the internal initiative. Nevertheless, during the 70's the environment was viewed more as a technical than scientific question, and the national normative base was late in establishing itself, as was a regional development policy integrating environment and spatial planning.

It is after Portugal joined the EEC that the steps assuring an effective institutionalization of the environmental policy were taken. Approved by the Parliament of the Republic in 1987 (Law no. 11/87, 7th of April), the Environmental Framework Act (*Lei de Bases do Ambiente*) constitutes an innovative landmark in the process of institutionalization of the environmental public policy, congregating in a unique legislative instrument the main guidelines for the protection of environmental values.

Since then the State has assumed an active role in the coordination of environmental policy – as can be shown by the acceleration of the judicial-legal framework, the multiplication of financial instruments and, more recently, the stimulation of market mechanisms. This claim for public protection of the environment was strengthened by the reorganization and creation of institutional structures, be it at a governmental or civil society level. Thus, the Ministry of the Environment and Natural Resources (MARN) is created in 1990, currently named Ministry of Cities, Spatial Planning and the Environment (MCOTA).

In the 90's, the structures that enable the establishment of public-private partnerships for environmental management are created. With these, the State assumes a double role of intervention: assurance of the equity criteria and the safeguarding of national scale planning interests and the search for an efficient local level performance. These would not be the only measures, however. The introduction of the concept of sustainable development in the revision of the Constitution, and the creation of the National Council for the Environment and Sustainable Development (CNADS) in 1997 were institutional measures that are emblematic of the current environmental policy. The CNADS is a forum that brings together different actors – from administrative to research levels – to discuss – at a national level - the sustainable development.

Of course, the European Directives and Regulations have been fundamental in the setting of internal environmental policy. In the first place, because they play a decisive role in the establishment of the national legal framework; secondly, because they define strategic guidelines, namely by looking for territorial management and strategic sectoral planning instruments. Although it can be said that the first instruments of environmental public policy, due to their sectoral character (water, air, soil, etc.), are "first-generation" type, currently the instruments are "second-generation" type, for they pursue integration between the economy, society and the environment as a necessary condition for sustainable development.

However, by joining the Community, Portugal inherited two types of "pressures" that influenced the construction of its own environmental agenda: if, on the one hand, it had to try to solve the environmental problems that existed within the European space and participate in the execution of policies that were formulated by more developed societies, on the other hand it had to face very basic problems throughout its national territory that had been long solved by its European partners. In effect, the short-term construction of environmental policies in accordance with two basic axes – environmental infrastructures and resource preservation and management – was and still is an important challenge for the Portuguese State. In this double role, Portugal developed environmental strategies, and arguably a set of responsible solutions for environmental preservation was outlined.

As mentioned, the evolution of the environment policy in Portugal is, above all, an outcome of European integration. It is precisely through the Community Support Framework and its key instrument, that the reforms in the diverse domains of environmental policy were established in Portugal. In a very general way,

the commitments show an increase in funding and expenditures on the environment:

- During the CSF I (1989-93), and in spite of the lack of a clear outline of a national level sectorally integrated strategy for the environment, investments were made for the construction of infrastructures, especially in the area of waste treatment and water supply.
- It is precisely during the period of investment associated with the CSF II (1994-99) that, for the first time, an "improved environment underpinning a sustainable development" is underscored. For the first time ever there is an Operational Programme for the "Environment and Urban Revitalisation", placing an emphasis on initiatives that required large investments and an "Operational Programme for the Environment" (POA) The available financial resources, although more significant than in the past, ended up helping, for the most part, to surpass accumulated deficiencies.
- Continuing the strategy that began in the previous period, the CSF III (2000-06) puts forth a proposal for an overall setting and strategic orientation, where the environment is clearly associated to Axis 3 "To Evaluate the Value of the Territory and the Geo-economic Position of the Country". Once again it is a nationwide plan - the "Operational Programme for the Environment". Its objectives are clear as regards how to pursue sustainable development (MCOTA, 2002, p.49): "sustainable management of the natural resources and improvement of environmental quality, integration of the environment in territorial development and sectoral policies, protection and valuation of natural heritage and the development of environmental education and information".

Of course other financing mechanisms contributed to this rise of initiatives concerning the sectoral integration of the environment: the Cohesion Fund and the Community Initiative Programmes, conceived to find common ground solutions in European territory, and that seek to provide direct support for the environment – such as ENVIREG and LIFE (and, indirectly, others such as INTERREG); and the Regional Operational Programmes, these of national initiative (CSFs).

In short, the 90's represent a period of great progress in the establishment of the national strategy for environmental policy in Portugal, namely:

- By creating a whole framework of environmental legislation (be it at a sectoral level - water, waste, noise and air – or at a general level – Framework Act for the Environment, Environmental Associations Act, Spatial Planning Act, Decree-Law for the Environmental Impact Assessment, etc.);
- By reinforcing the capacity for intervention of the environmental institutions (creation of the Ministry and of regional bodies responsible for environmental management and spatial planning);
- By developing projects for national planning (national environmental policy plan, strategic plans for the water and waste sectors, coastal area planning, etc.). It should be noticed that the first nationwide plan that strived to promote an integration of environment/development was the National Policy Plan for the Environment (approved in Cabinet in 1995, RCM 38/95);
- By investing on water supply and wastewater systems and waste infrastructures;
- By stimulating the formation of partnerships between public institutions and between public and private institutions for the resolution of environmental problems.

The national strategic framework for the environmental policy developed for the CSF III is defined in the National Strategy for Sustainable Development (ENDS). The ENDS is also one of the commitments made by Portugal to the United Nations Agenda 21 Programme (UNCED in 1992), and is associated with the decisions that came out of the Gothenburg Summit in 2001. The ENDS is based on four principal strategic domains, which unfold into guidelines that will direct the political action taken during the period of 2000-06 towards sustainable development (Table 4).

The National Strategy for Sustainable Development is backed by a set of strategic documents of national scope that in some way conform to the instruments and strategic policies of international/European scope (Table 5) (Note: strategies and documents that are specifically related to land-use planning, transportation, energy, forests, agriculture, tourism and health domains have not been considered in this table).

Table 4
National Strategy for Sustainable Development

Strategic domain	Guidance lines
1. To guarantee a balanced development of the territory	1 st) Promote a more efficient use of natural resources 2 nd) Promote a policy of sustainable land-use planning 3 rd) Protect and value landscape, natural heritage and biodiversity
2. To improve the quality of the environment	4 th) Improve provision levels 5 th) Quality of the environment in a transversal and integrated perspective
3. Sustainable production and consumption	6 th) Promote the integration of the environment in sectoral policy – dissociate economic growth from the use of resources and environmental impact 7 th) Promote the change in production and consumption patterns 8 th) Establish strategic partnerships aiming at the modernization of organizations and of economic and social activities
4. Towards a fraternal society of knowledge	9 th) Promote employment, education and training, investigation, the access to culture; and technological cooperation and professional qualification, heightening skills and aiming at an increase in competitiveness of the Portuguese population 10 th) Develop education, sensitization, information, participation, access to justice and liability for sustainable development 11 th) Evaluation and analysis – systematic monitoring of progress by the use of indicators 12 th) Portugal's responsibility in a broad sense

MCOTA, 2002 (adapted)

Table 5
Basic strategic documents for the definition of Portuguese environmental policy

International and European Instruments	National Instruments: sectoral plans, strategies and documents
6 th Environment Action Programme, 2001-2010	Operational Programme for the Environment (POA)
European Climate Change Programme	National Climate Change Programme (PNAC)
Clean Air for Europe (CAFE)	Air Quality Action Plan
EU Sustainable Development Strategy	National Strategy for the Conservation of Nature and Biodiversity
Agenda 21	Local Agenda 21
Bird and Habitats Directive/ Natura 2000 Network	National System of Classified Areas
European Conservation Strategy / Global Conservation Strategy	National Ecological Reserve
Pan-European Biological and Landscape Diversity Strategy	National Network of Protected Areas
Community Biodiversity Strategy	National Plan for Water and Regional Plan for the Azores Water
MAB-UNESCO Programme	Strategic Solid Urban Waste Plan (PERSU)
ISO 14000 series of International Standards	Strategic Hospital Waste Plan (PERH)
Community Eco-label	Strategic Agricultural Waste Plan (PERAGRI)
Community eco-management and audit scheme (EMAS)	Strategic Industrial Waste Plan (PESGRI)
IPPC Directive	Strategic Water Supply and Waste-Water Disposal Plan (2000-06)
Water Framework Directive	National Plan for Industrial Waste Prevention (PNAPRI)
Landfill Directive	Plan of Action for Solid Urban Waste (2000-06)
	Commitment to Good Environmental Practices

MCOTA, 2002 (adapted)

Recently, sectoral implementation programmes for the ENDS started to be developed in Portugal.

2. REGIONAL SUSTAINABLE DEVELOPMENT

2.1 National Initiatives Linked to Regional Sustainable Development

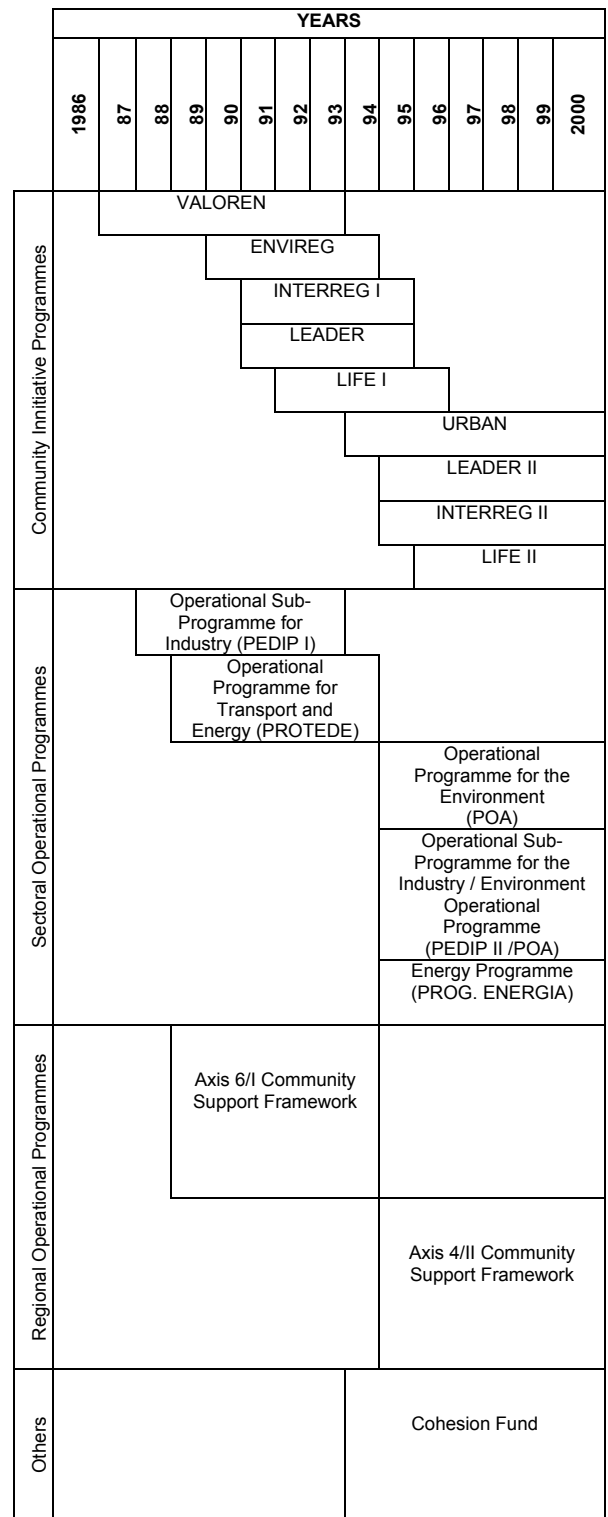
Environmental measures, as a whole, have been supported by financial incentives (in addition to the legal framework in force, among other environmental policy instruments) that are co-financed by the EU. Figure 3 shows a summary of the measures (EU-supported, excluding the financial participation of the European Investment Bank) with an environmental component during the period of 1987-2000.

Regarding the period comprised by the CSF I, the national initiative funding for the environment was handed out in the sectoral and regional domains, especially through the Operational Sub-programme for the Industry (PEDIP I, modernisation of the industry) and the Regional Operational Programmes (POR - promotion of the regional development on a NUTS II level). The ENVIREG Community Initiative and the financial instrument for the environment, LIFE I, also emerge as important sources of specific sectoral-environmental financing.

In accordance with information provided by the Community Support Framework Monitoring Committee, namely the synthesis report of the Ex-post Evaluation Study of CSF I, May 1995, relative to the period of 1989-93, the regional development area, in what regards the environment and natural resources, shows a favourable evolution. Public water supply, the public sewers network and urban solid waste collection have generally improved, in spite of considerable regional disparities.

Looking at the period of the CSF II management, it is possible to point out the actions and financial frameworks for the environment and to estimate the respective investments taking only into consideration the programmes and intermediate evaluations of the Cohesion Fund, the Operational Programme for the Environment, the Regional Operational Programmes (POR), the Operational Sub-programme for the Industry (PEDIP II) and the Community Initiative Programs (LIFE II...).

Among the group of national initiatives related to sustainable development, those proceeding from the Cohesion Fund deserve separate attention. Instituted in 1993, the Cohesion Fund is one of the most important financial instruments in terms of incentives towards environmental protection and transport infrastructures.



Queirós, 2001, p. 165

Figure 3

Organization chart of Community supported measures including an environmental component, 1986-2000

It was agreed that Portugal's share would lie between 16 to 20% of the total fund support (15,15 billion ECU), which would give 2 424 to 3

030 MECU (at 1992 rates) between 1993 and 1999 for both sectors.

The projects to be financed must contribute to the environmental improvement on areas of great urban concentration, on water sources and critical areas.

The Cohesion Fund aid -80-85% of public or similar expenses- for the environment were initially included in the European Union's Fifth Environmental Action Programme (5th EAP). At stake are not only the interests of the Portuguese State, but of the Community space as a whole: the need to reduce, within the set deadlines, the disparity in relation to Community averages relative to the protection of the environment.

Portuguese authorities applied to the Cohesion Fund mainly with projects for the Portuguese coast and for areas of great urban concentration. This way, they guaranteed a greater effectiveness of intervention as required in the respective regulation. Over half of the Portuguese population (about 64%) were therefore reached by this instrument.

The annual evolution of the projects approved by sector by the Cohesion Fund shows that initially water supply was the most highly contemplated area of intervention, a trend that shifted to urban solid waste management projects. Water supply related investments are connected to systems that serve great urban concentrations (water supply systems), or to hydraulic infrastructures that support these systems or are destined to increase water availability in less favoured areas (the Alqueva, Odelouca, Funcho, Enxoé, Odeleite and Beliche reservoirs).

A particularity of this instrument lies in the type of promoters selected – municipal associations, companies and other public entities (table 6). This strategy aims to continue with the Cohesion Fund guidelines, and public expenditure limitations.

In fact, according to the General Directorate of Regional Development (DGDR, 1998), the most significant fraction of Community aid is absorbed by investments in the hand of public companies and peer entities (51%); also noteworthy is the fraction related to the local (18%) and central office administration (14%).

Table 6

Cohesion Fund - Environment: typology of measures, spatial location and promoters

Project	Location	Promoters
Water Resource Plans	Coastal region	Central Administration services
Dams (Enxoé, Odelouca-Funcho, C. Bode, ...) and water supply systems	Large concentrations of population	Public and private companies held as responsible authorities of same rank as public authorities
Multi-municipal Water Supply Systems		Concessionaire companies of multi-municipal systems
Studies for the implantation of the " ", and for Strategic Environmental Plans		Municipalities
Multi-municipal Systems for Solid Waste Treatment		Municipal Associations
Studies and projects: basic sanitation, vulnerability of coastal zones		
Draining and treatment of urban sewers basins and requalification of protected areas		

Queirós, 2001

Two other relevant national initiatives of environmental policy are: the POA and POA/PEDIP II. The POA priority goals were the improvement of the national management of water resources, the reduction in environmental impact resulting from productive activity, the improvement of conditions and quality of life in large urban agglomerations, the conservation and valuation of natural heritage and promoting environmental awareness. (table 7).

The conservation and valuation of the natural heritage around 50% of the global POA investment, presumed a multifaceted intervention in sensitive areas of high natural value. This programme, under the direct responsibility of the Minister for the Environment (a highly centralised management), aimed mainly at coastal areas and inverting the degradation of water resources, at promoting environmental monitoring measures and at improving accreditation laboratories. The country needed to build networks for the control and surveying of pollutant emissions, thus justifying to a certain extent that the beneficiaries are the central administration and local services.

In 1994 both Ministries for the Environment and the Economy signed a Protocol for the joint management of environmental funds within the Operational Programme for Industry (PEDIP II), known as PEDIP II/POA.

The minimisation of the impact of industrial emissions on the environment was a goal set under the POA budget heading of the mentioned "Improvement of the Environmental Impact of

Productive Activity” measure and “Support System for Industrial Depollution” action.

Table 7

National Programmes of Community Interest: Sub-Programmes and Measures

Sub-programme/Areas	Measures/Actions
OPERATIONAL PROGRAMME FOR THE ENVIRONMENT (POA)	
Conservation and Valuation of the Natural Heritage, and Improvement of Environmental Quality	Integrated actions for preservation in sensitive protected areas Actions for valuation and protection of the coastal strip Regularisation and planning of water courses and other natural areas Environmental qualification of urban concentrations
Improvement of the Environmental Impact of Productive Activity	Support system for industrial de-pollution Support for industrial solid waste treatment
Information and Environmental Training	Evaluation, prevention, information and environmental training infrastructures
PEDIP II (industry) / POA (environment)	
	New infrastructures for support of the industry
	Company diagnoses and audits Innovation and internationalization of company structures Promotion of dynamic factors of competitiveness Support for SME modernization projects Strategic projects of contractual regime Support for Certification and for the implementation of Systems for Total Quality Management
	Inter-company Cooperation and company resizing Missions for environmental awareness Missions for productivity and demonstration projects

Queirós, 2001

Since the Operational Programme for Industry aimed at the modernization and increase of industrial competitiveness, the articulation between both policies, executed through a sole interlocutor - the manager of the PEDIP II - was an innovation conceived to improve environmental performance of Portuguese industry. This articulation was carried out through environmental measures that were created by PEDIP II.

Aware of the need for converging economic efficiency and environmental protection, and

since this type of concern was not present in past decades, the industrial policy stimulated, especially in the 90's, an entrepreneurial attitude that was favourable to the internalization of the environmental externalities of the industry.

In this sense, it can be said that we are looking at a landmark in the history of Portuguese industry for, through the access to the PEDIP II/POA incentives, there began a shift in the attitude of the economic agents regarding environmental problems.

The idea was to transform the traditional model of industrial activity, reason for which the PEDIP II, in association with the POA, explicitly tried to harbour investments that promoted modernization of the industrial domain.

During the CSF II, environment was an issue present in the majority of national programmes. Its overall contribution towards sustainable development took place in three complementary areas: construction of infrastructures, increase in efficiency of the use and recovery of natural resources, and support for firms to consistently comply with the legal environmental framework.

The public-private partnerships (Portuguese authorities and industry corporations) established between the different levels of the administration (central and/or local administration), between local entities (municipal associations) and the emergent institutional figure of the Concessionaire Companies, clearly display new forms of contractualization that came forth for the resolution of the most urgent environmental problems (table 8).

A major conclusion is that the existence of this type of programmes allowed the identification of the national resources, that started to be subject of a more sustainable use (natural parks, ecological reserves, protected landscapes...), being now a considerable part of the ecological structure of the national territory. Also, the reference bases for the valuation of the local/regional endogenous potential were encouraged and defined. Moreover, it is also a fact that the supply levels of water, basic sanitation, collection and treatment of urban waste have both increased and improved.

It is not so certain, however, that this shift has taken place within a context of reduction of the regional unbalance, for as far as basic living conditions are concerned, the measures at stake systematically privileged the areas with the highest concentrations of population and economic activities.

Table 8

POA and PEDIP II / POA: Typology of measures, location and promoters

Prog.	Type of projects	Location	Promoters
POA	Recovery of susceptible and protected areas Coastal area protection	National Coastal areas	Central Administration. (mainly public services within the Ministry of the Environment)
	Water course planning and regularization /water resource management (i.e., to improve fluvial beaches)	Highly populated areas	Local Administration (Municipal Associations and Town Halls)
	Qualification of the urban environment		Non Governmental Organisations for the Environment (NGOs)
	(systems for reducing industrial pollution and waste minimisation)		Industrial companies and corporations
	Water supply, wastewater and waste infrastructures		
PEDIP II /POA (Measure 2)	Creation of external collective infrastructures for environmental protection	National	Industrial companies and corporations
	Creation of external infrastructures for the reduction of pollutant emissions, and of higher efficiency equipment		
	Support for environmental certification (EMAS, Eco-label...)		
	Environmental awareness-raising activities for the upholding of Community norms		
	Demonstration Projects for environmental protection		

Queirós, 2001

2.2 The role of the environment in the goals set for the development of Portugal over 2000-2006

In the wake of the Community negotiation process, the Regional Development Plan (PDR) for 2000-06 (CSF III) provides the new framing for the XXI century environment policy. The document holds the following view for sustainable development:

"The model for sustainable development that is planned for the coming century simultaneously rests on economic prosperity and social and environmental equity. The relation between these components must not be looked upon as a source of conflict but as a commitment, reinforcing new solutions for the accomplishment of economic and social cohesion (...) The new development model is, therefore, guided by principles of environmental sustainability and economic and financial sustainability". (PDR 2000-06; points 5 and 7 of the introduction – *author's translation*)

As mentioned, the Regional Development Plan 2000-06 environment policy is essentially connected to two priority axes:

a) Axis 3: "To affirm the value of the territory and the geo-economic position of the country". For such it depends on a specific operational measure that privileges the conditions for the pursuit of sustainable development, and integrates 5 priority areas:

- a sustainable management of the natural resources and the improvement of environmental quality, based on three principles: equity, solidarity and responsibility;
- the integration of the environment in territorial development and sectoral policies requires the definition of intervention areas and/or target-sectors that, in turn, demand the recognition of the economy-environment interdependence, the exploration of opportunities and management of conflicts, and the application of the polluting agent-user-payer principle;
- the protection and valuation of natural heritage that suffers from lack of definition of institutional responsibilities regarding the implementation of measures and actions;
- the establishment of a strategic partnership with all actors, which presupposes a dialogue between them, leaving the promotion of an integrated approach to the central administration;
- the development of environmental education and information, aimed at the involvement of the civil society in the decision-making process.

b) Axis 4:"To promote sustainable development in the regions, and national cohesion". In this axis some sustainable development related problems are equated:

- a regional base that is vulnerable throughout the social and economic levels, especially in the most peripheral zones;
- the necessity for a higher valuation of the Atlantic coastal strip, due to its importance in terms of international insertion;
- the modest position of the main national urban agglomerations within the European urban system;
- the integration of the ultra-peripheral regions of the Azores and Madeira in the European market;

- the bordering regions of Portugal/Spain represent the longest Community border;
- the inadequacy of the Portuguese international accessibilities;
- the deficiencies in human resources qualification;
- the precedence of water cycle management over regional disparity issues;
- the fragilities of Portuguese agriculture.

Regarding the environment, initiatives, investments and development actions directly associated with Axis 3, these should attain the following goals by 2006:

- to assure water supply services to 95% of the population, and waste water treatment services to 90%;
- to diminish the pollutant load in the water by 80%;
- to supply 98% of the population with treatment and an adequate disposal of solid waste;
- to assure 100% of the collection and adequate disposal of industrial waste.

As with the CSF II, the Operational Measure for the Environment that is proposed in the CSF III is a financial instrument of national initiative that seeks to create the conditions for Portuguese sustainable development within the 2000-06 timeframe (as with the POA during the CSF II). Again, this instrument is not the only one to support environmental investments in the CSF III: the Cohesion Fund, the Structural Funds and the investments of the Regional Operational Programmes (or Regional Operational Interventions) in environmental domains are also relevant for the accomplishment of the national sustainable development strategy.

Again, MCOTA is the responsible entity for the management of the Environment Operational Measure and the target beneficiaries are the services of the same ministry, and other public or private entities. The intervention priorities call for the production of information, highlight the integration of the environment in the socio-economic sectors and play an important role in supporting the strategies towards conserving biodiversity.

As for the Regional Operational Mainland Interventions, these undergo a shift in relation to the previous CSF for, in addition to providing aid for municipal and inter-municipal investments, they start to take part in integrated actions of

territorial base (which is compliant with the specificities of NUTS II) and measures, regionally deconcentrated from the central administration. The sub-programme of each of the Regional Operational Mainland Interventions corresponds to the respective deconcentrated component and is structured into measures and thematic groups - including the environmental domain. This domain lies under the jurisdiction of the Regional Directorates for the Environment and comprehends:

- the management of water, air, noise, and waste domains;
- the qualification of the environment;
- the supply of basic infrastructures;
- the improvement of information availability.

Environmental actions held at a local or infra-regional scale constitute an important vector of the deconcentrated component.

2.3 Regional Initiatives Linked to Regional Sustainable Development

In the CSF II context, regional initiatives were confined to the Regional Operational Programmes (Regional Programmes) that were integrated in the "To reinforce the Regional Economic Base" Axis. Its implementation aimed to resolve, in an integrated fashion, the main bottlenecks that affected regional development, by supplying large infrastructures to support economic activity and the local and regional development actors. In effect, the Regional Programmes are even nowadays based on a vision of the territory that tries to combine regional competitive advantages with the requirements of a balanced process of territorial integration, which is why they endorsed municipal investments (inter and supra-municipal) with structuring effects over regional development. Worthy of note is the fact that the majority of territorial based initiatives generated by the Regional Programmes set off a group of sub-regional based bottom-up actions.

In table 9 one can observe the structure of the Regional Programmes and conclude that it is through them that the regional level finds support for the sustainable development initiatives.

The relative weight of environmental investments in all of the Regional Programmes is very considerable - around 13 to 26% of the expected global investment. If only the environmental measure is taken into account of the set of financial instruments that do not possess a profile specifically orientated towards environmental issues, then the Operational Programmes are the policy instruments that

effectively make the highest financial resources for the improvement of the environmental quality available to the regional/local level.

Table 9

Structure of the Regional Operational Programmes of Community Interest (CSF II)

Sub-programmes and measures	Domains of action
<i>Sub-programme A:</i> Local Investments Infra-structuring Municipal Equipment	Basic sanitation Equipment
<i>Sub-programme B:</i> Regional Structuring Environment	High standards in water supply systems Large interceptors and emissaries Waste water treatment systems Inter-municipal integrated systems Environmental protection
<i>Sub-programme C:</i> Regional and Local Dynamism Technical Assistance and Studies	Hydraulic infrastructures Promotion of studies that contribute towards the region's development

Queirós, 2001

Notwithstanding the difficulties in pinpointing what an exclusively environmental investment is, some conclusions concerning the territorial distribution of the expected investment can be reached.

On the one hand, this means that the environment is a major concern on a local and regional development level, at the same time that it underlines the awareness of a financial incapacity that exists at a strictly municipal level – due to that, external aids for the municipalities are created and structuring investments for environmental infra-structuring are supported.

On the other hand, the regional differentiations of the sums attributed to the environment corroborate the constraints of environmental character of the Northern Region of the country in relation to the national whole. The nature of the productive structure and the type of settlement are certainly the reasons that mostly account for the deficiencies in adequate infrastructure supply. It can also be stated that the participation of private investments is null; the financial effort in the Regional Programmes being entirely left to the public administration. It is also important to mention that these initiatives of a strictly environmental nature are relevant from a local management perspective, since they are bottom-up processes.

2.4 . Structural Funds and Sustainable Development

From the 80's until the end of the millennium: an evaluation

In short, five large periods are shown in table 10, during which the origin and financial means made available for environmental domains change, as well as the main actors.

Table 10

Environmental domains and sources of financing in Portugal

	Priority intervention	Responsible entity	Financial support (*)
Up to 1983	Basic sanitation and water supply infrastructures (home and hydro-agriculture)	Local Authorities	Mainly from the local authority budget Sporadically from the State and in the form of an unrecoverable loan
1984-88	Basic sanitation and hydraulic infrastructures Forest recuperation	Local Authorities	Local authority budget and pre-adhesion aids, via ERDF, at 50% of work cost
1989-93 (CSF I)	Basic sanitation, hydraulic, and depollution of water resources infrastructures Valuation of natural heritage areas Studies and environmental projects	Local Authorities Regional Coord. Commissions- Ministry of Environment Ministry of Environment Local Authorities	The various forms of CSF I measures contemplate indirect investments in the environment, especially through ERDF (i.e. PEDIP and Regional Programmes), 60-75% part-financed Ministry of Environment/Local Authorities Contract Programmes, 10-13% part-financed (especially in the area of the sanitation)
1994-99 (CSF II)	Water supply, diverse hydraulic and basic sanitation infrastructure systems Structural actions for the conservation of nature Environmental control equipment Environmental information system	Local Authorities Regional Coord. Commissions Ministry of Environment Ministry of Environment Local Authorities Joint initiatives: voluntary basis (public and private entities)	The investments in environment are made directly by the Cohesion Fund, Operational Programme for the Environment, the Regional Programmes and the Sectoral Programmes. (i. e. agriculture and industry) and Community Initiatives (LIFE II, URBAN, INTERREG II...) Partially financed investments are extremely variable and start at 80-85% for the Cohesion F., and 75% for ERDF Contract programmes
2000-06 (CSF III)	Resolution of basic sanitation rifts Reduction of the pollutant load in the water Natural heritage valuation: management of <i>Natura 2000</i> , nature tourism, requalification of the coast	New strategic partnerships between the public and private sectors Municipalities/ /Central Administration Services	Similar to CSF III

(*) excluding private investment and central adm.

Since Portugal is a member of the European Union, investments in the environment have increased and multiplied, as well as having become a continuous source of support for infra-structuring projects. Substituting traditional measures, sporadic in time and discontinuous in the national territory, the current funding and the evolution of the type of projects reveals an increasing number of involved entities with a wide distribution of abilities, as well as a multiplicity of investments.

Clearly, the environmental policy in Portugal stands out and consolidates itself during the second half of the 90's, when the effect of the CSF II is felt and the priorities are centred on the need for reaching the European average levels in the domains of water supply, collecting and treatment of waste waters and solid waste, in the conservation of nature and in the environmental adaptation of the productive activity.

Although it cannot be stated that a coherent national policy for a sustainable development strategy was in fact outlined, the truth is that many environmental initiatives were guided in accordance with this principle. In addition, it is only with the Amsterdam Treaty in 1997 that this goal is specified as belonging to the whole of the EU, which is the reason why sustainable development appears distinctly as the national strategy for 2000-06 in Portugal (ENDS). The investment policy, supported by structural funds and national resources, stimulated more the local than the regional approach.

The information contained in table 11 constitutes an estimate of the global sums invested in the environment during the period comprised by the first two CSF. This is not a question of delivering the exact values but a hierarchical view of the programmes, attending to the sums allocated to the environment through "dedicated" programmes or other means.

When compared to the sums of money allocated to other measures of the sectoral programmes, the investments in the environment reveal to be, in relative terms, quite notable. The insertion of an environmental component in the programmes that abide to a sectoral logic has a direct effect on the correction of basic necessities, inversion of regional and sub-regional unbalance, and on the introduction of environmental management and conservation practices, following a logic of coherence and integration with the remaining policies and planning processes. This global vision is easily seen, for example, in the Regional Programmes.

The information contained in table 11 constitutes an estimate of the global sums invested in the environment during the period comprised by the first two CSF.

Table 11
Community and national financial supports for the environment

Programme	Total MECU Cost	Environ. MECU Cost	Environm. Total %
ENERGY	850,7	850,7	100,0
ENVIREG	145,4	145,4	100,0
COHESION FUND	3030,0	3030	100,0
INTERREG - Planning. and Draught	8,5	8,5	100,0
INTERREG - Energy Networks	363,1	363,1	100,0
LIFE	30,2	30,2	100,0
OP. PROGR. FOR THE ENVIRONMENT	346,7	346,6	100,0
VALOREN (energy infrastructures)	152,6	152,6	100,0
INTERREG - Atlantic Space	1,4	0,5	35,7
PROTEDE (energy infrastructures)	339,0	91,9	27,1
LEADER II (agriculture)	152,9	28,4	18,6
REGIONAL OP. PROGRAMMES (CSF II)	2335,1	433,5	18,6
INTERREG II - Transfrontiers	276,0	33,7	12,2
URBAN (metropolitan areas)	70,4	7,2	10,2
INTERREG I - Transfrontiers	241,4	14,9	6,2
PEDIP I (industrial development)	5282,2	217,0	4,1
PEDIP II/POA (industry/environment)	5271,6	185,4	3,5

Queirós, 2001

This is mainly an hierarchical view of the programmes, attending to the sums allocated to the environment through "dedicated" programmes or other means. When compared to the sums of money allocated to other measures of the sectoral programmes, the investments in the environment reveal to be, in relative terms, quite notable.

Including an environmental component in programmes with a sectoral logic has a direct effect on the correction of basic necessities, inversion of regional and sub-regional unbalances, and on the introduction of environmental management and conservation practices. This follows a logic of coherence and integration with the remaining policies and planning processes. This global vision is perceivable, for example, in the Regional Programmes.

Considering the programmes that intervene in the energy sector that are integrally dedicated to the environment, jointly with the type of programmes created exclusively for measures for the conservation of nature, coastal planning, water resource management, etc., it can be stated that the environment has also become an autonomous area of intervention.

In general, the national effort directed at the environment, overlapped with the Community

one. But this still falls short of the national and the Ministry of the Environment ended up having a marginal role in the management and coordination of the financial instruments. Despite this limitation, the public financial initiative centred itself substantially on the resolution of infrastructure problems that, in time, would contribute to the improvement of the quality of natural resources.

Only after the completion of the infra-structuring works, initiated in the CSF I and developed in the CSF II, would it be possible to move on to the phase of concentrating investments in areas such as biodiversity and landscape management, consumer protection, etc.

A larger degree of consistency over the applied measures for the environment is also clear from 1994 onwards, since there is a more detailed and adjusted programming of the investments, and considerable increases of the financial endowments intended for the environment. This relative abundance corresponds to a better organization of the national authorities, to the increase in rigour in the application of environmental norms and also to the impulse granted by the Cohesion Fund.

In short environmental problems, although having gained visibility and complexity in the 90's, when collated with its effective political dimension, are very dependent on central administration and Community funding. However, an increasing persistence of local based structures can be observed.

According to this statement, the CSF III, in its financial programming framework, bestows on the environment approximately 456 million Euros via the Operational Programme for the Environment (table 12) and, just as an example, 1 580 million Euros through the Cohesion Fund. As this table shows, the Operational Programme for the Environment, on top of national financing, benefits from a Community slice through ERDF of about 70% of the total investment..

Since one of the goals for development for the period of 2000-06 consists in the improvement of the living conditions of the Portuguese population, the CSF III foresees the availability of basic sanitation infrastructures and an adequate natural resource and land-use planning management.

The sum for these goals over 2000-06 is of 5 641 million euros. The CSF III (p. II-89) foresees a sum of 1 253 million euros proceeding from the ERDF corresponding to an investment of 1 733 million euros for water supply, basic sanitation and the conservation of nature (Op. Programme for the Environment and Regional Op. Programmes). The Cohesion Fund will contribute with 1 580 million euros, raising the investment

associated with this co-financing to about 3 911 million euros.

Table 12

CSF III: Financial Programming by priority axes (1 000 Euro)

Priority axes and Operational Programme for the Environment	Total Public Cost (1)	Structural Funds (2)	National Public	National Private	(2)/(1) (%)
Axis 1 - To raise the Portuguese level of qualification, to promote employment and social cohesion	7094745	4 266826	2461597	366322	60,14
Axis 2 - To shift the productive profile towards prospective activities	13109560	4131581	1 962 504	7015475	31,51
Axis 3 - To affirm the value of the country's territory and geo-economic position	3824494	1721041	1794415	309038	45,00
Op. Prog. Environment (ERDF)	456017	332656	110884	12477	72,94
Axis 4 - To promote sustainable development of the regions and national cohesion	15274976	8977782	5209224	1087970	58,77
CSF Total	42199703	20535000	12264992	9399711	48,66

CSF 2000-06

The CSF III estimates that the investments for making sectoral activities (health, agriculture and economy) compatible with national and EU policy and environmental legislation be supported by sectoral measures. The necessary amounts for these investments are of 2790 million euros; the CSF foresees 1 750 million euros.

The regional programmes hereafter concentrate 38% of the total investment corresponding to the intervention of the Structural Funds and 47% of the direct contributions from these funds (p. II 94). Table 13 refers only to the programmed distribution of environmental investments (through the Operational Programme for the Environment) for NUTS II regions, within Axis 3. For all regions, the EU will finance over 72% of the total investment..

Table 13

Axis 3: regionalization of the investment through the POA in Axis 3 (1 000 Euro)

Axis 3	Total	North	Centre	LVT	Alentejo	Algarve
Environm. Total investment (1)	456017	135277	129764	68133	64273	58570
Environm. Community financing (2)	332656	98288	94 216	49479	47 333	43340
(1) / (2)	72,94%	72,65%	72,60%	72,62%	73,64%	73,99%

Note: the Op. Programme for the Environment does not cover the Autonomous Regions of the Azores and Madeira

CSF 2000-06

In Axis 4, the Regional Operational Measures define the priorities for each region in accordance to regional diversity. It is precisely in the regionally deconcentrated measures of the central administration that the environmental sector shows up. Table 14 evidences that the weight of regional measures is of about 30%.

Table 14

Axis 3: Sectoral Impact of regional deconcentration, POA (1 000 Euro)

Axis 3	National Interventions	Regional Interventions	TOTAL	%
Environment: total investment (1)	456017	209613	665630	31,5
Environment: Community financing (2)	332656	157210	489866	32,1

CSF 2000-06

The regional programmes (regionally deconcentrated measures of the central administration) support actions that take place in areas that are included in the national list of sites and special protection zones, coastal strip environmental requalification projects, monitoring structures, etc.

3. MULTI-LEVEL GOVERNANCE

3.1 Introduction

Environment policy in Portugal is, in general, conducted by central administration. It is basically structured between the direct action of the Ministry of Environment, and the indirect

action of other Ministries intervening in environmental issues. However, the contribution of local administration for environmental improvements, protection and management, is increasing significantly.

It's true that national legislation provides town halls with responsibilities in several environmental issues but by the end of the eighties, the financial allocation for this purpose was modest. In both levels (central and local), this situation evolved through an enormous effort, namely by the local administration, in the early nineties.

The active involvement in expenses and investments in issues such as environmental management and protection, particularly water supply and waste, explains that in Portugal, municipalities play a leading role in environmental policy. These observations are extremely meaningful, since they reflect a political adjustment. Firstly, because they show an effective involvement as well as a dominant overall action by the town halls in environmental domains. Secondly, the nineties were characterized by an intense municipal interest in waste management. Lastly, biodiversity (which is commonly considered a central administration issue) emerges also on a local scale.

This sequence of events is related to the attitude by the central administration, by assuming that many environmental problems are relevant on a local scale. They also chose to enable financial support through the Cohesion Fund as an incentive for a greater local involvement. In addition to this, also important advances have been achieved concerning their relations with the government. New opportunities of involvement and complementarities, on an institutional basis have been given.

The increase of the dialog and commitment between the several participants in the execution of development actions have been showing positive results mainly due to the growing mobilisation capacity of institutional cooperation: voluntary agreements with target-groups, booming of regional or sub-national networks and local institutions joining together.

The National Strategy for Sustainable Development (ENDS) together with other development plans for the 21st century is a political frame offering a strategic approach on environment. Nevertheless, it's a superficial instrument regarding its implications on social and economical themes.

From the sustainable development point of view, this document represents a strong drive for action at a local level, seeking the application of subsidiarity and participation (local administration, NGO's, and so on) but it's not

clear as to the strengthening of the regions' role. Therefore, it's not surprising that the ENDS doesn't emphasize the regional level as the key to sustainable development success: the structure of the Portuguese political system interacts with the regional level in a limited way. On the contrary, the key territorial elements for the success of the strategy lie on municipal administration and municipal associations. Still, some initiatives connected to regional sustainable development have been adopted fruitfully.

It should be reminded that environmental policy emerged from a top-down strategy. It should also be underlined that, in spite of recent progress, scarcity of active partners has been one of the main obstacles for the development of environmental actions in a continuous way. When joining the EEC, Portuguese lack of organization led to unaccomplished investments in environment – for instance, the national effort to construct municipal waste water treatment plants supported by the first Community Support Framework (CSF), came to be a failure as no one could put them to work.

The promotion of environmental policies, essential to regional development, results, thus, of an impulse by the central government, although the regions are increasingly showing an initiative capacity.

The local actors' dynamic in the promotion of environmental strategies shows a growing tendency for decision-making in environment to occur at local basis. National programmes show a synergy between regional/local development and sustainable development national projects. The responsibility of local agents is, however, still strongly sustained by government initiative. In this context, the distributive perspective is particularly important: compensations are extracted from financial instruments – thus creating win-win potential situations – and at the same time local structures gain intervention capacity. The investors' progressive growth and diversity follows the effort of delegating of the central administration.

3.2 Subsidiarity and the constitutional premises for regional governance in Europe

Similarly to others, Portugal joining the EU had several impacts in regional politics and policies. Nevertheless it should be remembered that those impacts didn't reach what we may consider as having a constitutional status. That situation can be explained by several reasons and conditions, some of which are the following:

- The democratic Constitution of 1976 paid already a great deal of attention to the need

of regional development as a tool towards enhancement of social cohesion and social justice within the Portuguese society.

- The idea of setting political and administrative structures and institutions which could, simultaneously, provide for regional development and obtain social and political legitimacy through citizen's democratic participation, was a seminal concept of the 1976 Constitution, which, however, never obtained enough political and social consensus for being effectively implemented.
- In November 1998, the refusal by large majority, in a national referendum, of a model for regional institutions proposed by the government can't be understood as the defeat of the idea of regionalisation in itself, but rather as the refusal of the danger of multiple replications of a centralistic and bureaucratic political culture at regional level.
- The most obvious and successful regional authorities are, no doubt, the two autonomous regions of Madeira and Azores. These are the only two geographic areas of Portugal where the concept of subsidiarity is deeply rooted in daily praxis. In both cases, the European Union, namely through the Structural Funds, contributed enormously to infrastructure improvement and economic growth of those two regions. In spite of that, the truth is that the constitutional powers, which provide those two regions with its subsidiary capacities were already established by the constitutional Law of 1976.
- Even at a more operational level, it should be acknowledged that some of the political and administrative tools for regional planning were already in action in the late 60's, almost a decade before the democratic revolution of 1974.
- The EU membership gave a new impetus for the setting up of new structures and new programmes in the realm of regional development, although we have to realize that this impetus wasn't chiefly the result of a bottom-up approach but more the consequence of the central administration effort to adapt to the new demands of being an EEC member. The creation in 1986 of the Ministry of Territorial Planning and Administration is a clear example.
- Summing up: The entry of Portugal into the European Union, and particularly the three Community Support Framework (CSF) programmes, in spite of neither causing dramatic changes into the constitutional Law, nor affecting the bureaucratic culture of the State political bodies, did, nevertheless, contribute to: a new growth dynamics among local governments (unfortunately not always

deserving the label of 'sustainable'...); consolidated the effectiveness and legitimacy of the two Atlantic autonomous regions; gave impetus to the organisation of municipalities at a wider urban level, promoted the organisation of civil society actors; and stimulated the creation of NGO advocacy, among several other positive side-effects.

3.3 Regional sustainable development as a challenge for sectoral policy integration

Sectoral policy integration is a major concern of the 6th EAP. With the CSF III, clearly new steps were taken in order to achieve sectoral policy integration. In fact, environmental protection is a horizontal priority for interventions funded by EU Structural Funds. Thus, sectoral policy should observe environmental priorities. Moreover, the CSF III contains a strong regional dimension, which we believe has been the appropriate geographical level for sectoral policy integration. The regional authorities coordinate several sectoral policies, from environmental infrastructures to training and economic development.

The ENDS integrated not only the social and the economic dimensions of development but also the environmental dimension, conciliating recommendations of Lisbon Strategy and Cardiff Process. This has resulted in a stronger cooperation between different governmental departments and the civil society. Furthermore, new indicators monitoring sustainable development have been developed and implemented.

3.4 Local and Regional Agenda 21 as an impulse and model for regional sustainable development

There are clearly two municipalities that have been promoting local sustainable development agendas with a considerable positive impact for the inhabitants – Almada and Oeiras. These two cases are located within the Lisbon's Metropolitan area. These municipalities decided to develop and implement an Agenda 21 – Sustainable Development Plan. This Plan was structured by an independent team with intensive cooperation/input from the municipality, from universities, and with public participation along all the process.

At the same time, these municipalities were the only two Portuguese representatives at the Earth Summit in Johannesburg in 2002, and they also participate in associations involving cities with the objective of promoting sustainable development policies. Most of the emphasis has

been put in selecting the best environmental land-use options, energy policies, and transportation.

One of the examples from Almada is the development of light train lines along the major residential and commercial areas of the municipality and other municipalities, penalizing the use of the car in major avenues, and promoting a more sustainable accessibility. The vision of these two cases have clearly created an increased identity that has been promoted within the Metropolitan Area and that has attracted others to join in a regional approach sharing ideas to be implemented locally.

3.5 Regions, climate change and water: problems of scale in impact vulnerability, adaptation, environmental justice and governance

For regional characteristics related with climate change and water two different examples can be evaluated for Portugal : the Alqueva Reservoir and recent fires.

The Alqueva Reservoir

A decades old project, it has been one of the most controversial projects developed in recent years to promote irrigated agriculture in the clearly underdeveloped and under populated region of Alentejo, and to provide water security to the different types of consumers in the area. The Alqueva reservoir is supposed to irrigate a total of 110 thousand hectares within the next 20 years. It is the largest reservoir in the Iberian Peninsula, in a project that will cost approximately 2500 million Euros, partially funded by the European Union.

The project integrates a hydro electrical plant, a large system to distribute water for irrigation purposes, and a small component concerning drinking water distribution. The dam wall was concluded in 2001, and the reservoir is still in the filling process.

The project has been questioned due to its very large dimension and associated environmental impacts in the Guadiana River and surrounding areas (both by habitats destruction with the water reservoir but also with future water pollution by fertilizers and pesticides); the problem of agriculture financing particularly with restriction imposed by the new Common Agriculture Policy to certain crops; and the justification of the project as a key infrastructure for regional development (taking into account sustainable development practices).

The water resources agreements between Portugal and Spain also played an important role, since the dam will define a water use for the Guadiana River, flowing from Spain. The Alqueva Reservoir construction has played a key role in a large number of planning strategies promoting new rules of land-use, municipalities participation, and development programmes. Three specific plans/programmes were created:

PEDIZA – Programa Específico de Desenvolvimento Integrado da Zona de Alqueva (Specific Programme for the Integrated Development of the Alqueva Area)

PROZEA – Plano Regional de Ordenamento do Território da Zona Envolvente à Albufeira de Alqueva (Regional Land-use Plan for the Surrounding Área of the Alqueva Water Reservoir)

POAAP – Plano de Ordenamento das Albufeiras de Alqueva e Pedrógão (Land-use Plan for the Water Reservoirs of Alqueva and Pedrógão)

However, only the years to come will prove how important is the infrastructure concerning the development of the Alentejo region and particularly if the financing objectives will be fulfilled, assuring the attraction of investment, people, and preserving the environmental values.

Fires

In the summer of 2003, 440 000 hectares of forest and/or cultivated land were destroyed by wildfires. The causes of these fires are still under investigation. It could be from negligence to crime, but they were clearly amplified by extreme weather conditions, in particular high temperatures that occurred during several days.

It is still under discussion the priorities and strategies for the different affected regions, particularly the Western part of Algarve and the Centre of Portugal. The issues of climate change, water availability, and pollution (such as that caused by erosion), and the type of forest and its management were identified as the most important ones. It is now clear that changes will definitely take place concerning the needs of a forest / land-use that will enable fire prevention, regional identity according to the species that support local/regional subsistence, as also a new property regime enabling both natural conservation objectives and wood production for different purposes. However, only within a few months the extension of changes/innovations will be clear.

3.6 The role of business and industry in promoting and realizing regional sustainable development: The Ave Valley case study

The Ave Valley: the logic of scattered industrialisation

The Ave Valley has a total area of 1,280 km² and roughly 500,000 inhabitants. Its population density, 391 inhabitants/km², is higher than the average for the Northern Region as a whole (AMAVE, 2003). Its two littoral municipalities – Póvoa de Varzim and Vila de Conde – are part of the Porto Metropolitan Area, while the remaining municipalities make up the NUT III Ave (Vieira do Minho, Póvoa do Lanhoso, Fafe, Guimarães, Vizela, Santo Tirso, Vila Nova de Famalicão and Trofa).

The Ave Valley is a heterogeneous area, in which several different development issues are at stake (AMAVE, 2003¹): rural development (Póvoa de Lanhoso, Vieira do Minho and part of the Fafe municipality); industrial modernisation (Guimarães, Santo Tirso, Vila Nova de Famalicão and the Western part of Fafe); the increasing proximity to the Porto Metropolitan Area, by way of the two municipalities (Póvoa de Varzim and Vila de Conde) that are located along the axis that runs from South to North linking the PMA and Galicia; and the series of problems that affect the core of the Ave region (e.g., the pollution in the Ave River and the problems of competitiveness of the textile and clothing industries).

Based on an extensive road network and numerous watercourses, the territorial model of the Ave Valley, often labeled as an “urbanised continuum”, is a reflection of the scattered nature of both its population and economy. In fact, along with the significant dependence upon the textile/clothing industry (which in 1997 accounted for 72.5% of the employment in manufacturing in this region, as opposed to 34.1% for the whole of the Portuguese mainland), the scattered and disperse nature of the territory is one of the defining characteristics of this region – one in which most industrial units are scattered throughout the territory and in which most people live “in between cities” (Domingues, 1996).

It is the small and medium-size industrial units (less than 100 workers) that account for the importance of the textile industry in the Ave Valley, even if most of the employment and cash flow are concentrated in the large industrial units (AMAVEa, 1993). Small enterprises that maintain close links with a small number of large industrial units predominate. Indeed, the latter have control over the production process in the Ave Valley by

¹<http://www.amave.pt>

subcontracting the former, which, in turn, are involved in fierce horizontal competition.

While its dependence upon the textile and clothing industry can point towards this being a highly specialised industrial district that relies significantly upon the foreign market, the Ave Valley region can also be described as a labour-intensive, mono-specialised cluster based on extensive growth. Traditionally, fragile, family-run businesses predominated that were too dependent upon decision-making centres located elsewhere. But now, it is emerging a new management model that relies significantly upon engineering and information technologies and which is the result of the restructuring of various medium and large enterprises (PROAVE, 1998; AMAVE, 1999).

According to the Strategic Plan of the Ave Valley (AMAVE, 1993b), there were signs of the textile and clothing industry experiencing a deep crisis in the 1990's, after undergoing major restructuring in the previous decade. Among the reasons for the crisis, are the changes in the international setting, the changes in the distribution channels and the struggle to control those channels. The crisis, a consequence of the changes in the international setting that took place in the 1980's, was not felt equally in the 1990's by the various companies and sub-sectors.

Portugal joining the European Union boosted the textile, shoemaking and clothing industries, which benefited from a favorable setting, both nationally and internationally. However, from 1991 onwards, labour-intensive industries have been increasingly affected by a latent crisis, which has to do with these industries' progressive delocalisation to Asian and Eastern European countries.

Environmental responsibility in the Ave Valley

Since manufacturing is one of the main sources of pollution in the Ave Valley, the pattern of productive specialisation determines that the textile industry accounts for the largest share of that pollution. The lack of rationality on the part of the textile industry in the use of water is due to the abundance of this resource, to the absence of a legal framework to regulate this aspect and to the low-cost policy that translates into high specific consumptions and a decrease in the quality of the water (Sanfins et al, 1999).

The current decrease (in terms of both quality and quantity) in the availability of the water resources – largely a consequence of commitments at the EU level – has underlined the need for companies to have their own water management systems, while confronting the

industry with the need for rational criteria in using this resource.

When Portugal joined the EU, the first official survey was made of all the large, waste-producing industrial units in the country. This survey made it possible to detect some early causes for concern on the part of the central and local government with regard to the effects of industrial pollution. The pollution problem in the Ave Valley gradually became regional, then national², and as such became the object of special attention.

The Commission for the Integrated Management of the Ave Hydrographic Basin (CGIBHA) was created by Decree-Law no. 276 of 1985. It was under the direct authority of the Prime-Minister and its mission was to set the ground for an adequate water management system. It's time frame was of five years. The main task of the CGIBHA consisted in designing an integrated set of public investment projects, which included sewage systems and sewage-treatment facilities (CCRN, 1988).

Once the problems had been identified, it was necessary to create the adequate policy instruments. The Ave Valley Joint Operation for Development (OID Vale do Ave), a planning instrument that would provide a solution for the pollution problem in the Ave Basin, was put forth in 1988. It remained in place for six years and provided an opportunity to improve the situation in the Ave basin. Even though it was not easy to tackle the structural problems that cause the pollution in the hydrographic basin of the Ave, this development initiative certainly made it possible to implement a series of collective projects, instead of the usual isolated interventions.

At the time, the possibility of large investments in this field – both in individual industrial wastewater treatment systems and in pre-treatment systems that allowed for the wastewaters to be then treated in collective wastewater treatment facilities – was already being considered (CCRN, 1988). However, this is such a vast territory that the proliferation of individual water collection systems would not make sense.

The design and characteristics of a global, comprehensive system were then widely discussed within the CGIBHA (with the

² The entire hidric system of the Ave River was on the verge of breakdown: nearly 50% of the population and some 700 industrial units were then located in only three municipalities of the Ave Basin: Guimarães, Santo Tirso and Vila Nova de Famalicão. According to the Ave Valley Municipalities' Association (AMAVE), the impact of the industry was such that the level of pollution in the waste water generated in these municipalities amounted to 1.3 million equivalent-inhabitants (AMAVE, s.d.).

participation of both the CCRN and the INAG) and eventually led to the implementation of the Ave Valley Integrated Depollution System (SIDVA). It is an integrated wastewater collection and treatment system that seeks to tackle the problem of both urban household and industrial wastewater by collecting and treating the water and slurries in three different stages.

The Ave Valley: territorial partnerships for the management of industrial pollution

This SIDVA system was obviously designed thinking, first and foremost, in the textile industry and most businessmen of this sector are aware of the costs it involves³. However, in a market system, it is inevitable to involve all stakeholders.

All the costs that are associated with joining the SIDVA system, as well as all the monthly fees, are born by the user. An incentive is thus created for the industrial units to redesign their production processes in such a way as to be able to reuse at least part of their water (in a closed circuit) and cut down the volume of the effluents that are discharged into the SIDVA system.

In compliance with SIDVA objectives, textile industrial units are invited (by way of voluntary contracts and industry-wide negotiations) to sign Voluntary Environmental Agreements (CAA). Those that do sign these contracts can choose between individual and collective solutions, while those that are located in the area of influence of the SIDVA have yet another option at their disposal: joining the SIDVA system as a specific collective solution (Ruivo e Chaves, 1998).

The industrial units that decide to join in have to bear all the costs involved in putting up a network branch linking the unit with the rest of the system and must pay a direct or indirect activation fee, as well as the variable monthly fee⁴.

In a cost-benefit perspective, it was soon realised that the location of some industrial units in the Ave basin was not compatible with joining the SIDVA system, and an alternative solution had to be devised. Those units were able to sign a CAA for the textile sector, in which two alternatives were proposed: either individual or collective wastewater treatment facilities. Despite the fact that these CAA provided an alternative for all the companies that were unable to join the

main system, the fact is that a number of spontaneous industry associations came up with proposals for joining efforts. .

The idea was to create a partnership aimed at building a series of common interceptors that would connect the SIDVA system already in place with the industrial units that were located the farthest from it.

Even though the aim of this project – whose design dates back to the late 1980's – was to improve the environmental performance of this industry by way of an end-of-the-line strategy, its importance and uniqueness are an indication of the need for compromise solutions in a region in which individual, isolated initiatives have traditionally predominated. In fact, the benefits of an initiative such as this one go well beyond environmental performance:

- it is the first strategic instrument in the field of environmental policy to be designed and implemented in the area defined by a hydrographic basin, instead of the usual administrative limits;
- its comprehensive depollution system encompasses both urban household wastewater and industrial slurries and, as such, divides the investment and exploration costs among all the users;
- it is an innovative solution, insofar as a forum was created for the ongoing discussion of the entire process, despite the conflicting interests at stake.

This type of agreement, which in the Portuguese case started a new model for contracts in this field, involved a number of participants and stakeholders: the users of the system (whether industrial or municipal), the Ave Valley Municipalities' Association (AMAVE), TRATAVE⁵, the company that was granted the concession of the system, and several central government bodies (MPAT, DGDR, CCRN, MA, INAG, DGA, DRAN).

The sources of funding included the local municipalities, INAG, PROAVE, PRONORTE, PEDIP and the Cohesion Fund⁶.

³ As an example, the cost of sewage treatment in a large industrial unit amounts to as much as 3-4% of its cash flow.

⁴ The fact that there is a Maximum Allowed Quantity implies that many companies are forced to put up their own sewage pre-treatment equipment in order to render their effluents compatible with SIDVA requirements.

⁵ *Tratave*, the company to whom the right to explore and manage the SIDVA system was granted by the AMAVE for 25 years.

⁶ In the first phase, the Cohesion Fund guarantees 45% of the funding, while the rest is born by the municipalities, INAG, PROAVE, PRONORTE and PEDIP. In the second phase, the Cohesion Fund funded 85% of the project and the rest was financed by the municipalities (AMAVE, n. d.).

Tackling pollution in the Ave Valley: what lessons can be drawn from this case study?

The commitment to improve the pollution management and control processes reflects a change in the business culture of the region and the existence of both public institutions at the local level and business-to-business technical assistance services.

The implementation of the SIDVA system would not have been possible had it not been for the will of the local entrepreneurs and the commitment and dynamic nature of the Municipalities' Association – AMAVE –, which, from the late 1980's onwards, undertook a series of public initiatives aimed at overcoming the region's problems.

Besides its impact as a structuring project for the Ave Valley region, the SIDVA system also provides an incentive to use cleaner production techniques and to rationalize the production processes. Needless to say, in cases in which such restructuring did occur, the AMAVE was not the only local actor involved in the process: CITEVE (Technology Centre for the Textile and Clothing Industry), IDITE-Minho (Minho Institute for Technological Development and Innovation) and AIMinho (Minho Industrial Association) also played important roles.

Some key ideas can be drawn from the SIDVA case study. First, this initiative has sought to foster the emergence of new intra-industry cohesion and solidarity links, based on new territory-based industrial relationship sub-systems. Second, the structuring role of the SIDVA system in the Ave Valley has been able to hinder the tendency towards dispersion, isolation and disorganisation and has made it possible to implement an effective territorial system, based on environmental cooperation, for treating effluents and addressing the problem of negative environmental externalities. Third, despite its sector-specific nature, SIDVA has fostered the creation of institutional partnerships.

Yet other lessons can be drawn from the SIDVA case study with regard to the new environmental strategies of the industrial enterprises'. Within a legal framework that is conducive to negotiation, learning and win-win situations, it is possible to implement proactive partnership approaches to environmental issues.

The enforcement of environmental regulations with which all industries must comply would not be as effective and successful were it not for the atmosphere of dialogue and the active commitment on the part of the local businessmen.

Indeed, the SIDVA system would probably not exist, first of all, if a number of local systems did

not exist in the first place; second, if the inter-industrial relationships – which support the strategies aimed at productive complementarity and the cooperation between businesses at the local level – were not as strong as they are; and, third, if the relevant actors were not as deeply embedded in the local environment as they are.

Conducive local conditions foster autonomy and entrepreneurship, which in this case are adequately appreciated and nurtured by the relevant collective institutions: industry and regional enterprises' associations, research and development institutions, municipalities, etc... Without these collective institutions, the processes of environmental adaptation would not even have begun. Hence, along with the tacit support of the central government, it is undeniable that the creation of self-regulatory mechanisms largely depends upon the commitment of the local institutional actors.

The multi-level (public-private) partnerships that have emerged in this case and which eventually resulted in the implementation of the SIDVA system and in changes in the environmental strategies of these industrial companies are negotiated solutions aimed at dealing with environmental issues at the local and regional level and which, in the long run, might just be able to ensure environmental protection without hindering economic development.

Geographic proximity and the creation of linkages with the local institutions are two essential ingredients in allowing Portuguese industries to achieve sustainable development by way of an adequate and harmonious relationship with the environment. Under such circumstances, the characteristics of "industrial districts" can prove extremely conducive to the viability of projects aimed at ecological modernisation.

4. EVALUATION OF REGIONAL SUSTAINABLE DEVELOPMENT

In this section the most critical issues on evaluation of regional sustainable development (RSD) in Portugal are summed up. These findings need to be further developed since discussion in this area is in progress. The summary is organised around seven key issues addressing institutional framework, policy delivery and monitoring instruments.

1. The municipal and regional authorities need to have the human skills and material capabilities to cope with sustainable development regional strategies.

2. Correct monitoring implies a good coordination between the different levels of State authority also in terms of information flows.
3. Correct monitoring implies a large societal consensus around a set of sustainable indicators.
4. Some of the social indicators are intimately connected with local and regional structures promoting participatory democracy and more transparency in the administration.
5. We need to remember the importance of the three key objectives of the Aarhus Convention⁷: guarantee citizens access to environmental information, promote public participation in decision-making processes, and allowing access to court. The RSD should give enough room to the task of urgent implementation at regional level of these three core objectives.
6. RSD implies also the capacity of involving science and academic institutions both in the planning and evaluation stages of regional policies. There is an important role for the knowledge dimension in the governance regional structures prone to enhance sustainable development.
7. RSD also implies a reasonable balance between classical “command-and-control” mechanisms of regulation – in which national and regional authorities are the main actors -- and other forms of co-regulation (namely with the private sector), like the cases of voluntary action and self-regulation.

5. CONCLUSIONS

To build the principles of sustainable development at the regional level in Portugal, priorities should be based on approaches supported by the supra-municipal level, ensuring both local public and private initiatives.

The local authority based on the aggregation of municipality’s administrative unit (the municipalities association) is, therefore, an appropriate dimension of territorial identity relevant to RSD.

But, these municipal-based structures cannot achieve SD if the government hadn’t assumed an active role in the coordination of environmental policy – namely the acceleration of the judicial-legal framework, the multiplication of financial instruments and, more recently, the stimulation of market mechanisms. The public intervention on regulating the framework of the environmental policy was strengthened by the reorganization and creation of institutional structures, be it at a governmental or civil society level. And this was partly an impact of joining the EU.

The RSD has been an opportunity for experimental governance mechanisms, where top down programmes and projects are implemented by new local and regional stakeholders. These actions are a common ground for sectoral integration and thus maximize the RSD potential.

The focus on policy developments since the mid-1990s (basically the period referred to the CSF II and the current CSF III) pointed the linkages between large public investments and an improved environment, supporting a path to sustainable development. A national specific Operational Programme for the Environment has existed ever since.. More significant than in the past, the available financial resources helped, surpassing accumulated infrastructures deficiencies.

Thus, environmental policies taken in this period represent both a rapid evolution of environmental consciousness within Portuguese society and, a deep transformation of the institutional framework. These modifications concern not only the structures of the central administration organisms but also all of the mechanisms that articulate the State with society.

Regarding how to pursue sustainable development, national environmental policies objectives are clear: sustainable management of the natural resources and improvement of environmental quality; integration of the environment in territorial development and sectoral policies; protection and valuation of natural heritage; and the development of environmental education and information.

Since the CSF II, environment is an issue present in the majority of national development programmes. As an outcome, the public-private partnerships established between the different levels of the administration (central and/or local administration), between local entities (municipal associations) and the emergent institutional figure of the concessionaire enterprises, clearly display new forms of contractualization that

⁷ The Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters was signed in June 1998 and entered into force on October 2001.

came forth for the resolution of the most urgent environmental problems.

A major conclusion is that the existence of this type of outcomes allow for the identification of the national environmental and social resources, that started to be subject to a more sustainable use (natural parks, ecological reserves, protected landscapes...), and nowadays they encompass a considerable portion of the ecological structure of the national territory. Also, the reference bases for the valuation of the local/regional endogenous potential were encouraged and defined. It is also a fact that the supply levels of water, basic sanitation, collection and treatment of urban waste have increased and improved.

The recent interim evaluation of the CSF III, states that environmental priorities are much more in evidence than in previous European funding in Portugal. Not only the Operational Programme for the Environment continues to be a major intervention for RSD, but also the Cohesion Fund support numerous environmental actions. However, sectoral integration has been a considerable innovation in the CSF III, meaning that environmental protection is to be measured in every single intervention as an horizontal priority. RSD in Portugal is constructed by the implementation of sustainable development goals alongside sectoral policies on regional/local levels.

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