



MINISTÉRIO DO AMBIENTE, DO ORDENAMENTO DO
TERRITÓRIO E DO DESENVOLVIMENTO REGIONAL



Portugal and Cohesion Policy 2007-2013

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Summary

- 20 years of Cohesion Policy in Portugal – a brief assessment;
- 2007-2013 programming - new and quite complex framework;
- Portuguese NSRF - strategic and operational guidelines;
- Financial boxes of Operational Programmes

20 years of Cohesion
Policy in Portugal
– a brief assessment

After 50 billion € from Cohesion Policy...

Structural EU Funding 1989 - 2013

	CSF I 1989-93 Mio Ecus pr.89	CSF II 1994-99 Mio Euros pr.94	CSF III 2000-06 Mio Euros pr.99	NSRF 2007-13 Mio Euros pr.04
	European Structural Funds			
ERDF	3 757	8 724	13 309	16 384
ESF	2 028	3 149	4 706	
EAGGF-Guidance	1 173	1 894	3 894	3 491
FIFG	0	213	226	218
TOTAL SF	6 958	13 980	22 835	20 093
Cohesion Fund	0	2 990	3 060	2 715
TOTAL SF + CF	6 958	16 970	25 895	22 808
	%			
FEDER	64.9%	58.7%	63.2%	85.8%
FSE	35.1%	21.2%	22.3%	
TOTAL SF	100.0%	79.9%	85.5%	85.8%
Cohesion Fund	0.0%	20.1%	14.5%	14.2%
TOTAL SF + CF	100.0%	100.0%	100.0%	100.0%

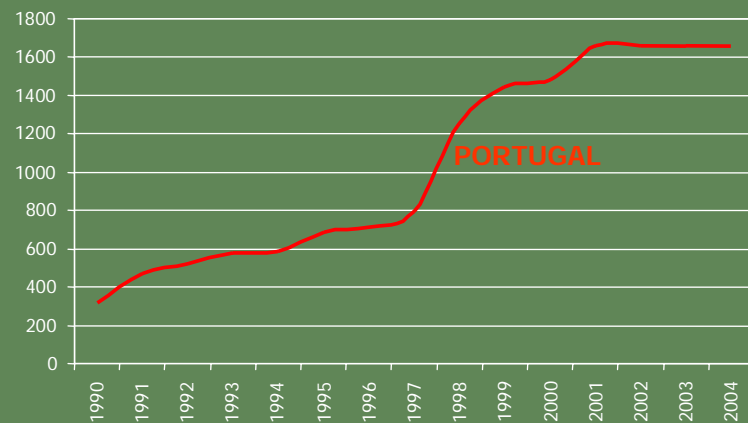
...significant macroeconomic impacts

CSF I, II and III Macroeconomic Impact 1989 - 2013

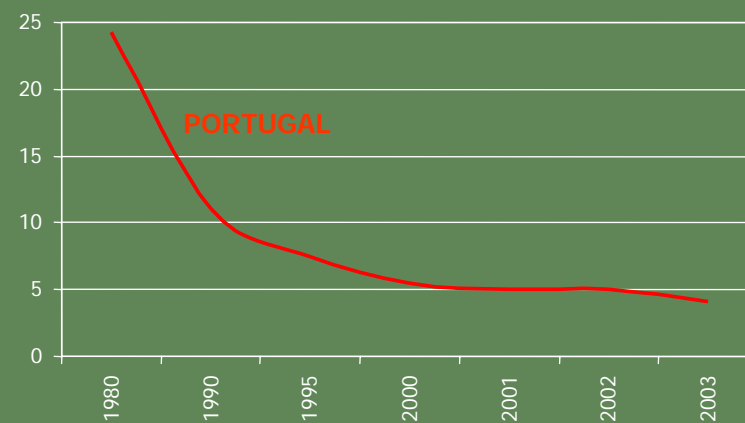
	1989-92	1993-96	1997-07	2008-20
Average Percentage Differences with and without CSF				
GDP (95 prices)	1.7%	1.5%	3.4%	2.7%
GDP pc PPS	1.4%	1.5%	3.3%	2.5%
Gross Value Added – Tradable Sector (95 prices)	1.7%	1.0%	4.5%	4.6%
Gross Value Added – Non Tradable Sector (95 prices)	2.6%	3.6%	4.0%	1.1%
Private Consumption (95 prices)	0.9%	1.1%	2.4%	1.7%
Gross Fixed Capital Formation – Infrastructures (95 prices)	114.2%	107.7%	56.7%	5.6%
Gross Fixed Capital Formation – Private Investment (95 prices)	6.6%	8.5%	3.0%	-5.1%
Total Employment	0.8%	0.3%	-0.8%	1.9%
Labour Productivity (95 prices)	0.9%	1.2%	4.4%	4.8%
Infrastructural Capital Stock (95 prices)	6.1%	27.0%	44.6%	27.4%
Private Capital Stock (95 prices)	1.6%	4.8%	4.1%	-1.7%
Human Capital Stock	0.6%	1.7%	2.8%	2.6%

...remarkable achievements

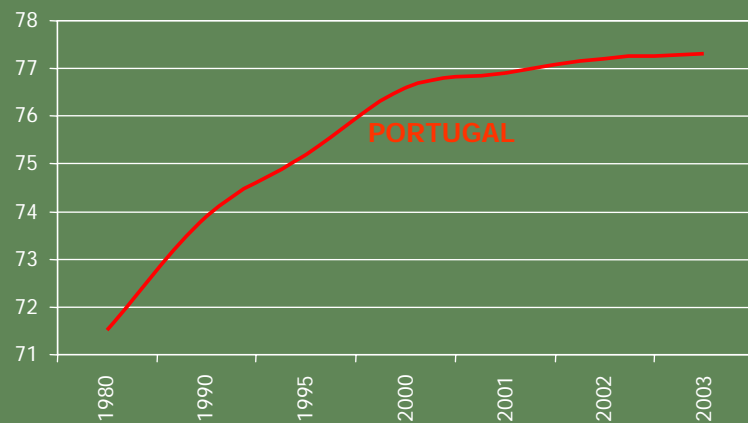
LENGH OF MOTORWAY NETWORK



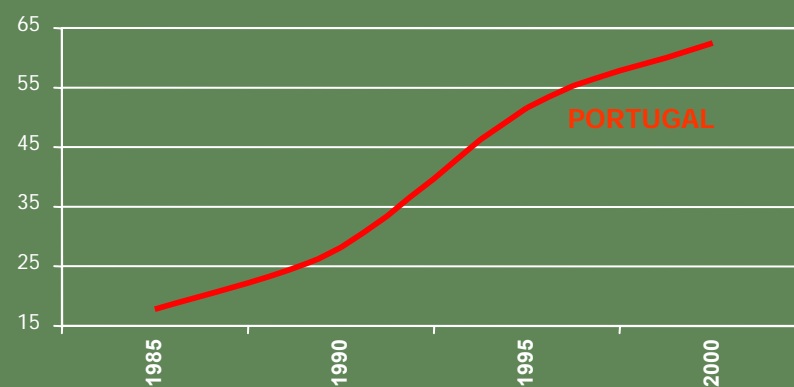
INFANT MORTALITY



LIFE EXPECTANCY AT BIRTH



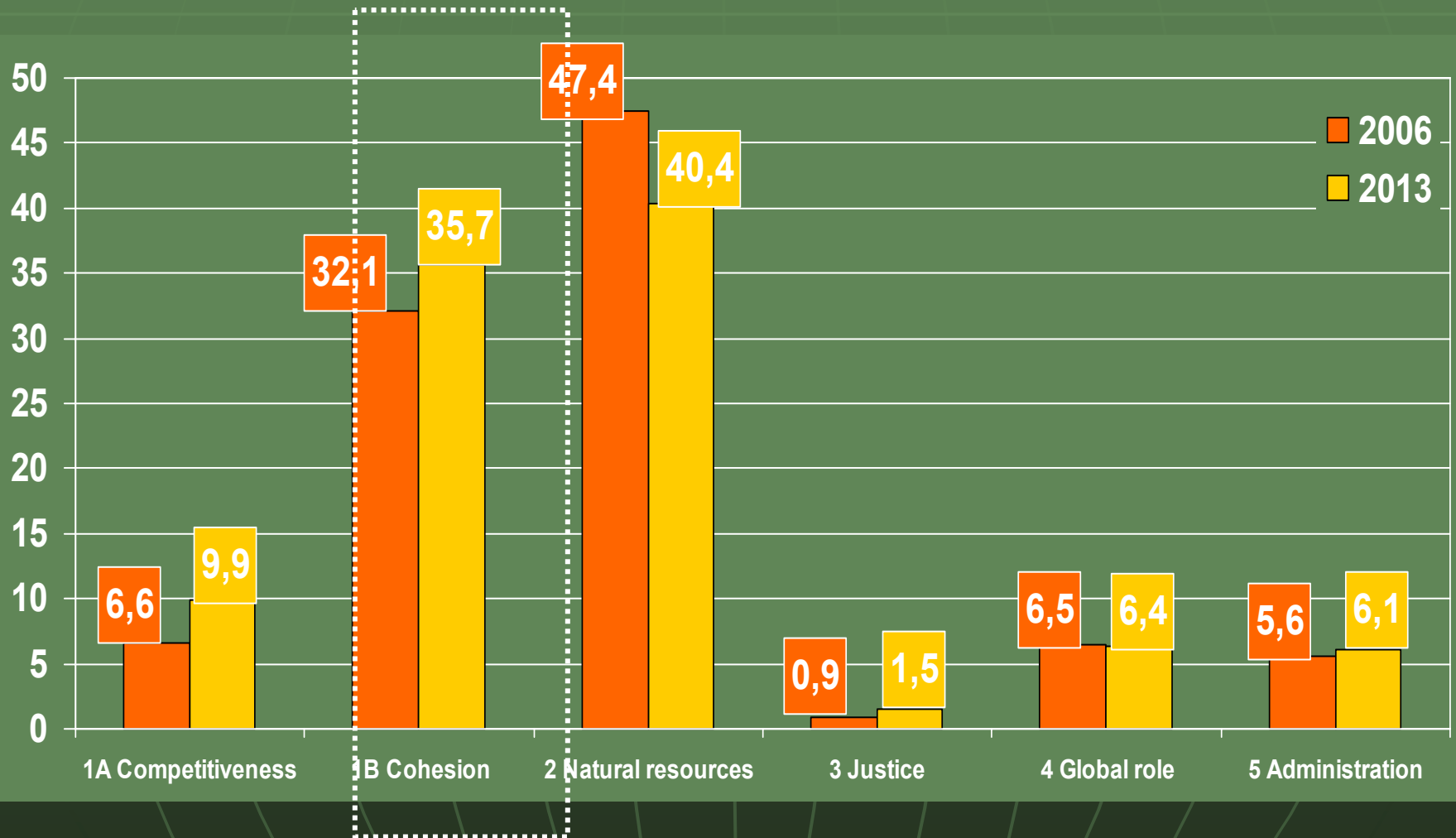
SECONDARY ENROLMENT



2007-2013 programming -
new and quite complex
framework

New EU Budget Structure: Cohesion Policy gains

2006 vs. 2013 in %



International environment

■ Demographic trends

- Ageing
- Migration

■ Enlargement impact

- EU Population: from 380 to 454 million (EU 25) or 485 million (EU 27)
- EU Population in convergence regions: from 84 million to 123 million
- Faster growth in new MS (4% per year against 2.5% in EU 15)
- EU average GDP per head drops: -12.5% EU 25; - 18% EU 27

■ Globalization

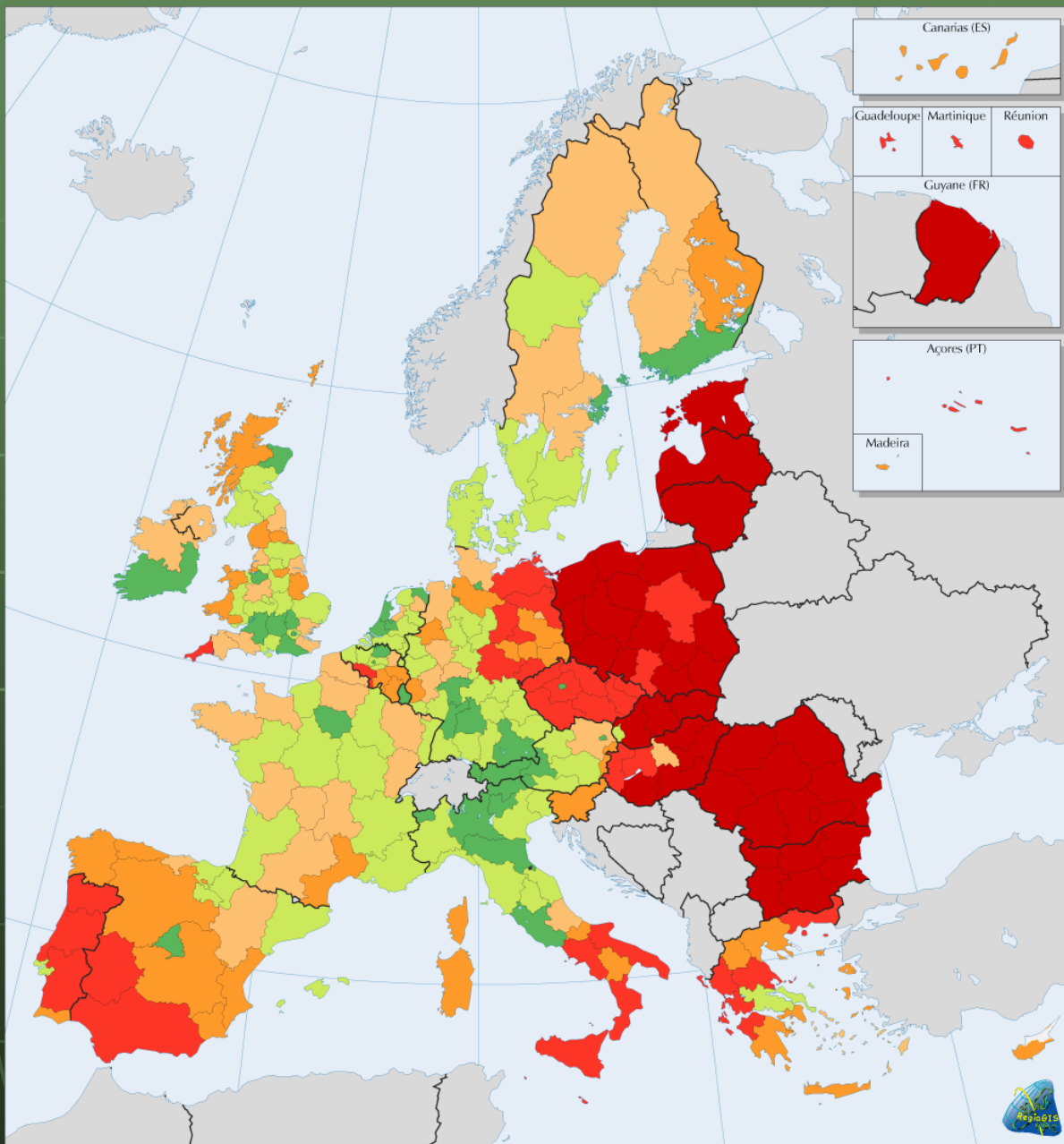
- Trade liberalisation
- Capital mobility
- Social and environmental dumping

Regional Disparities in EU27

GDP per head in % in PPP (2002)

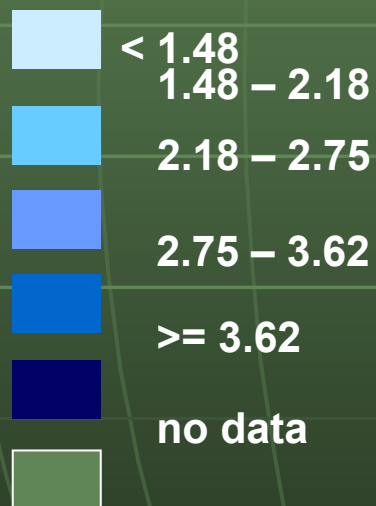


Index, EUR-27 = 100



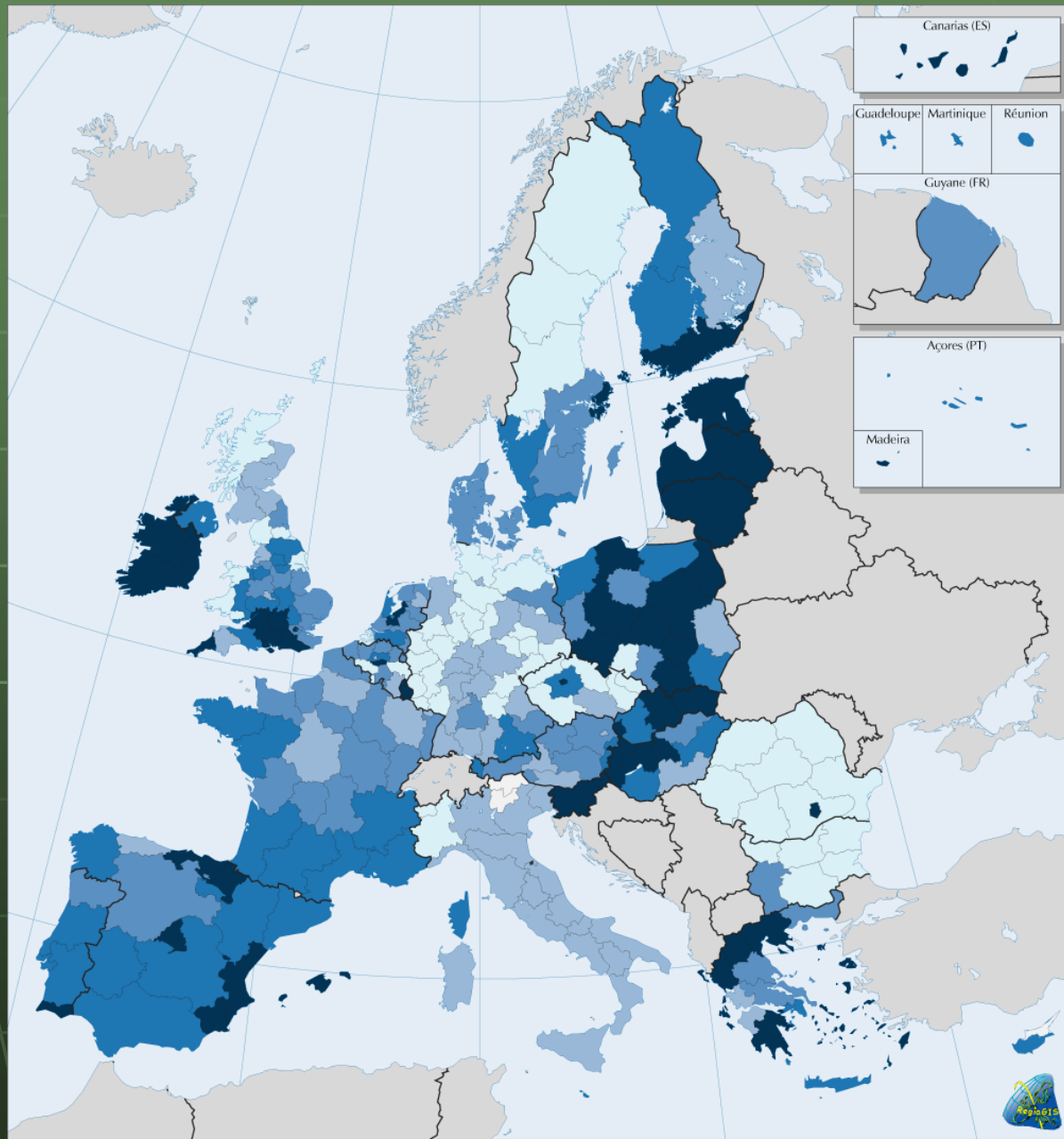
Regional GDP Growth 1995-2002

Average growth rate in %



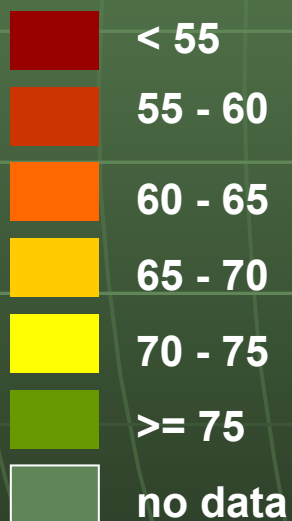
HU = 1995-2001

EUR-27 = 2.25

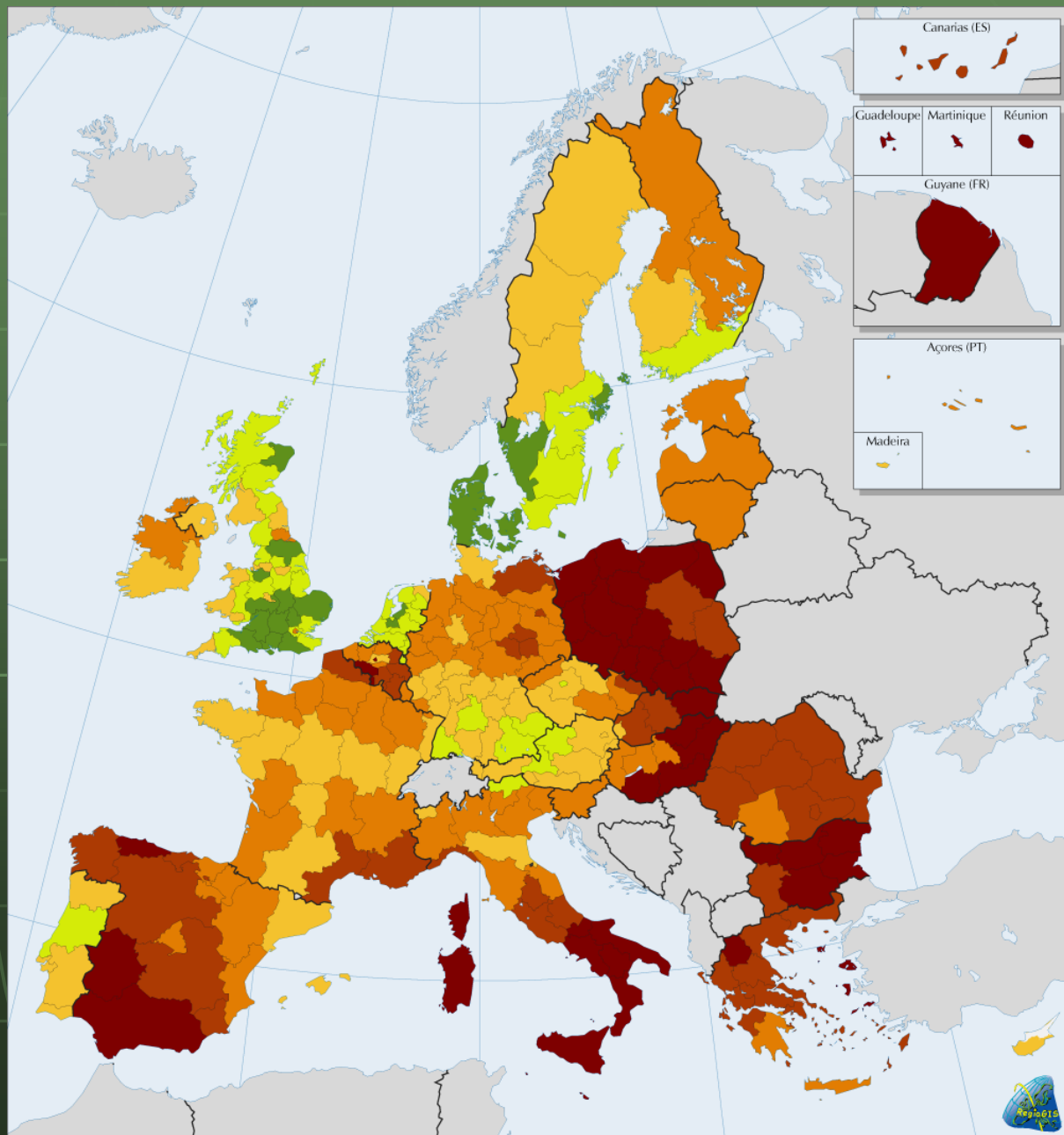


Regional Employment Rates 2003

Employed persons
between 15 und 65
in %



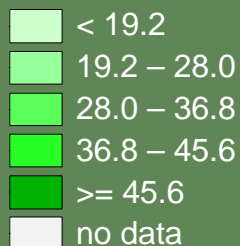
EUR-27 = 62.5



Educational level 2002

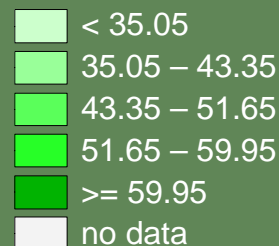
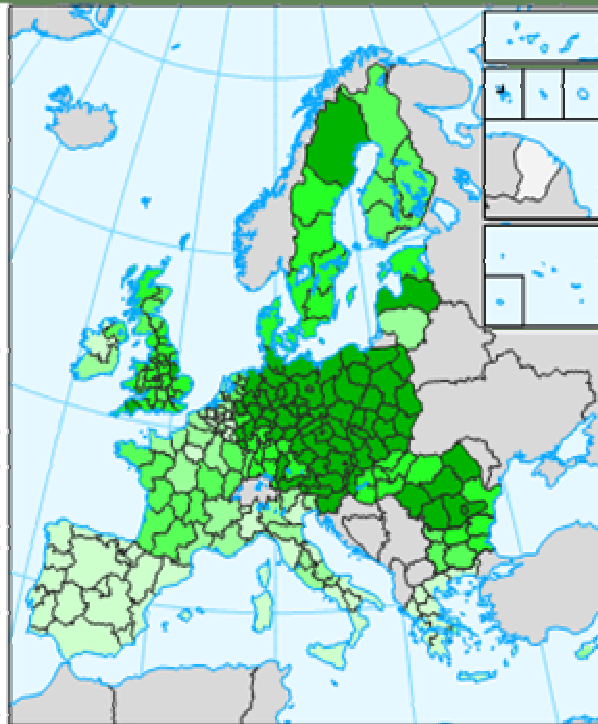
% of total population aged 25-64

LOW



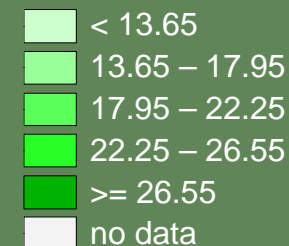
EU-27 = 32.4
Standard deviation
= 17.7

MEDIUM



EU-27 = 47.5
Standard deviation
= 16.59

HIGH

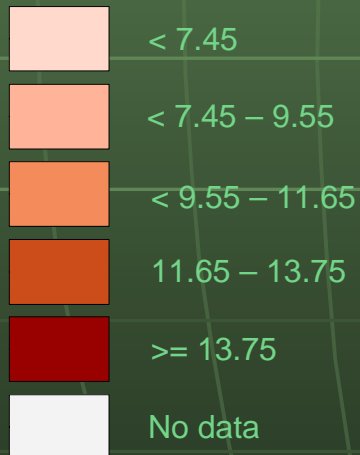


EU-27 = 20.01
Standard deviation
= 8.57

Source:
Eurostat (LFS)

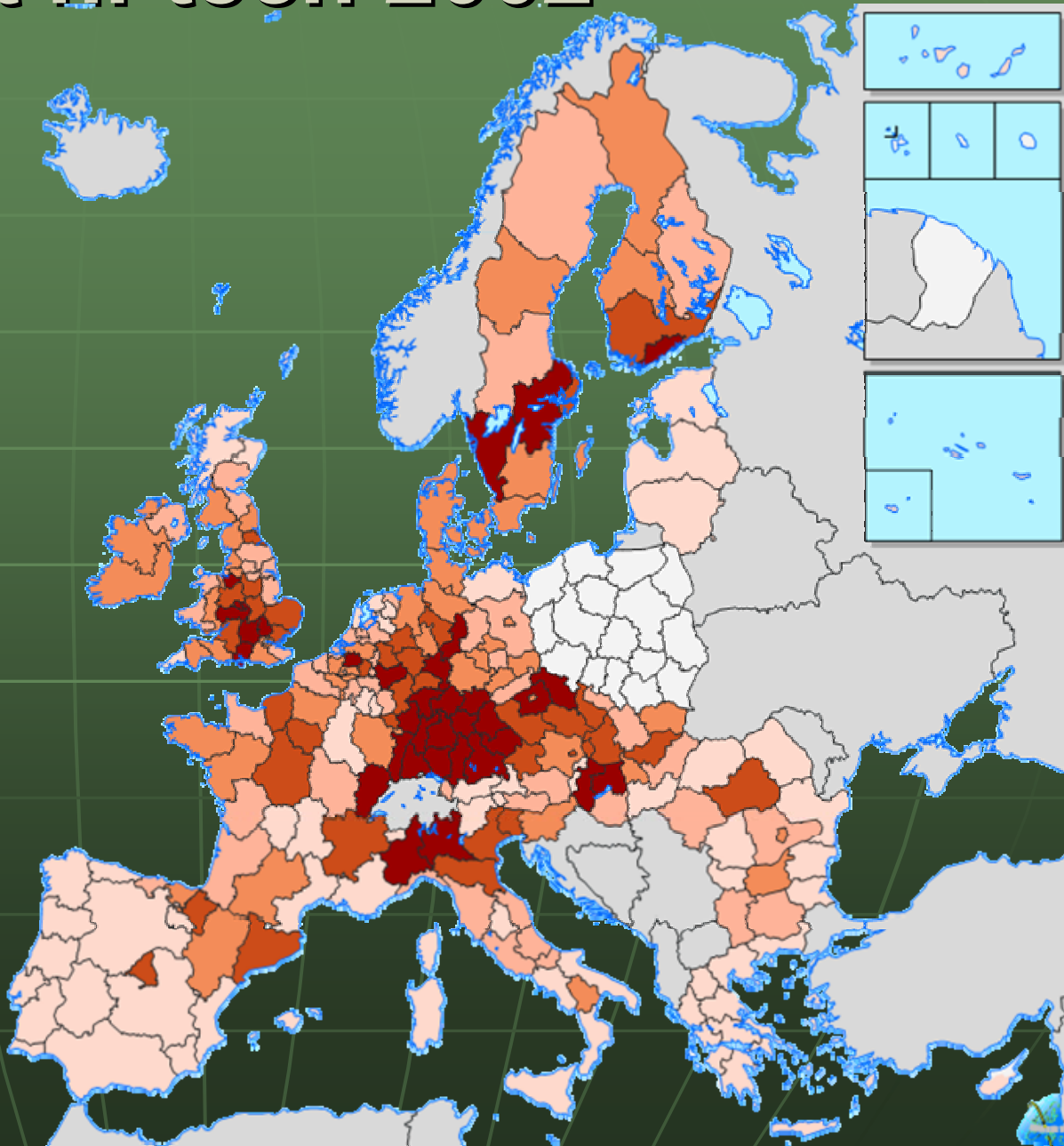
Employment hi-tech 2002

Regional
competitive
factors



Average = 10.6
Standard
deviation = 4.30

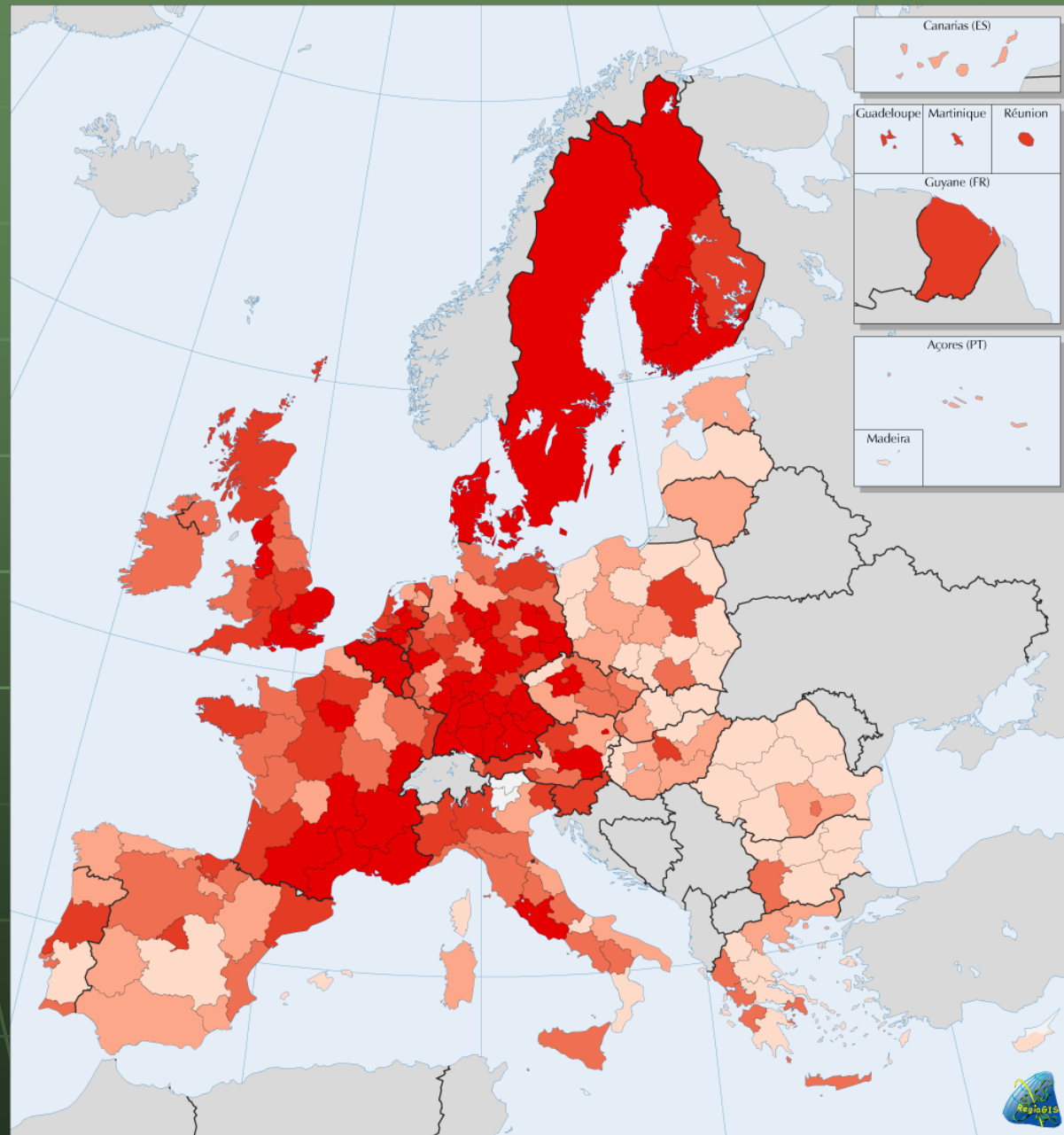
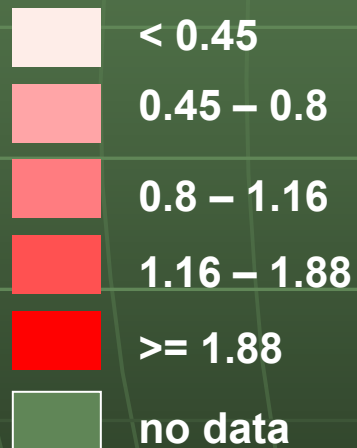
Sources: Eurostat



Regional Expenditure in R&D 2002

in % of GDP

EUR-27 = 1.92







Geographical Eligibility for Structural Funds

Support 2007-2013

Draft April 2005,

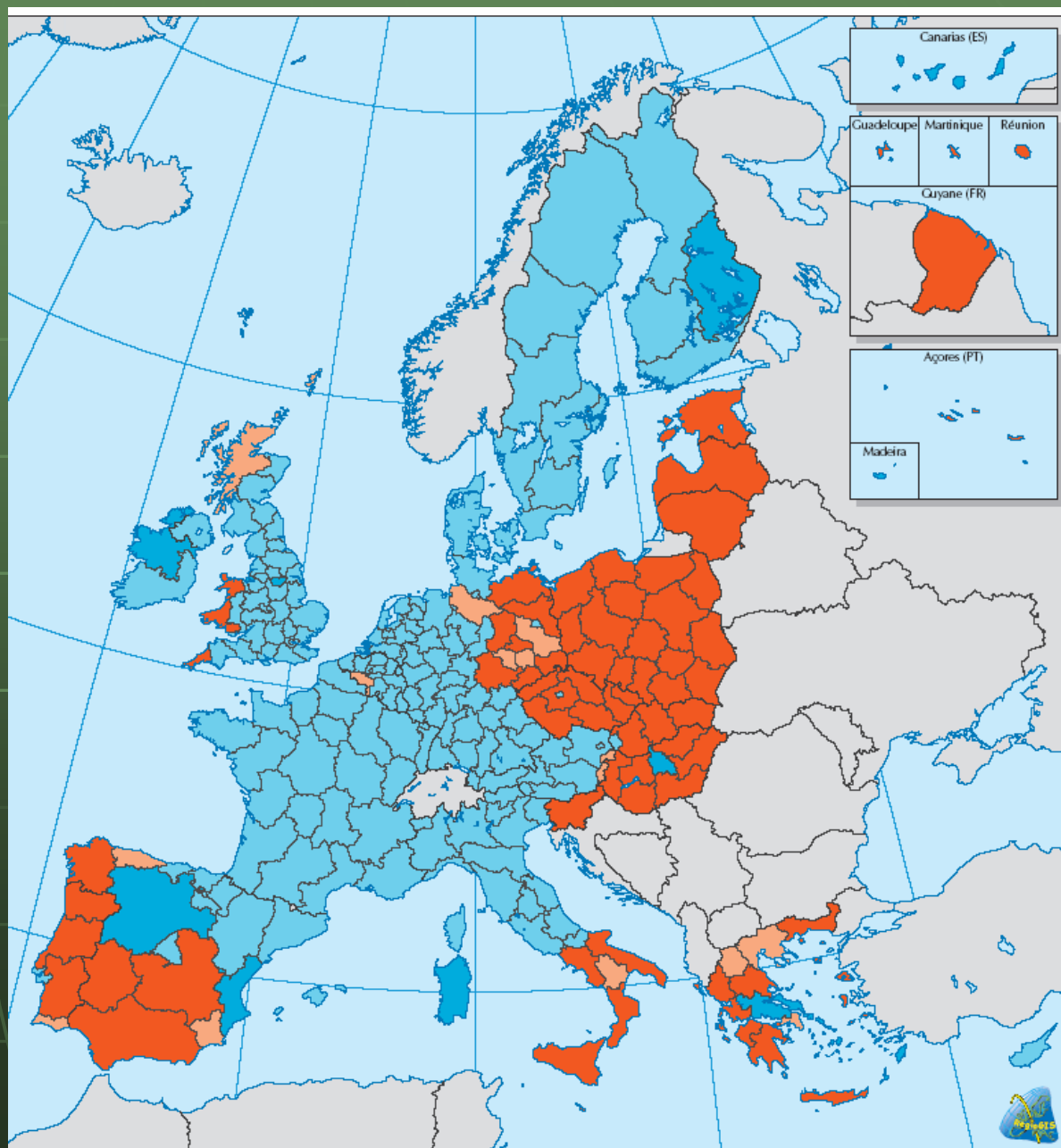
GDP/head

∅ 2000-2001-2002

-  **Convergence objective**
Regions > 75% in EU25)
-  **Convergence objective**
statistically affected regions
-  **Objective 'Regional Competitiveness and Employment'**
Phasing-in regions, "naturally" above 75%
-  **Objective 'Regional Competitiveness and Employment'**

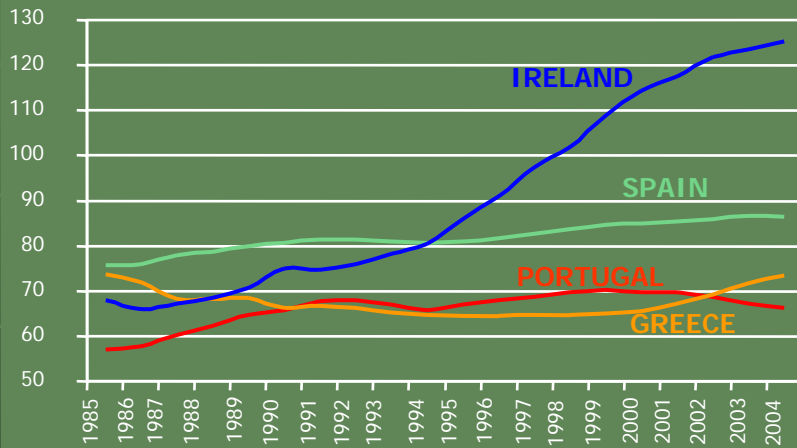
Index EU 25 = 100

Source: Eurostat

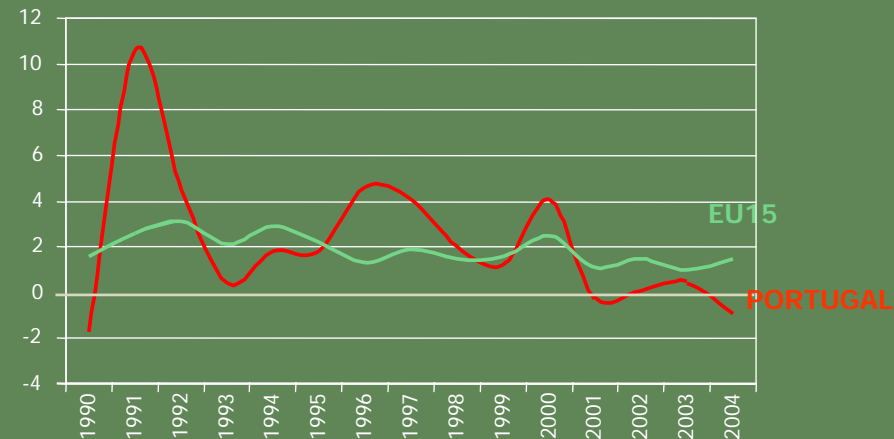


Persistent structural problems in Portuguese economy, society and territory

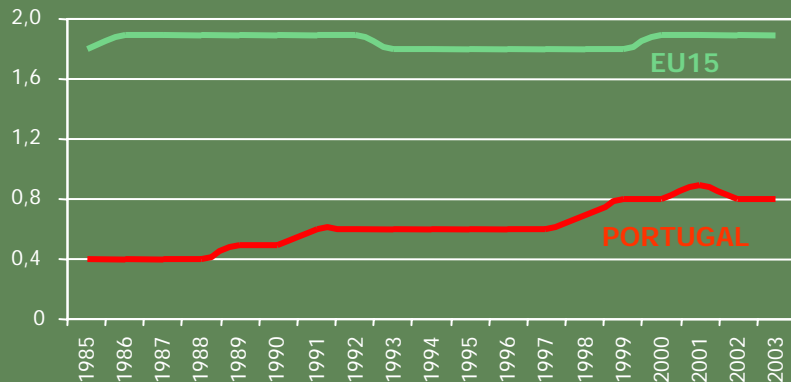
GDP pc PPS – EU15=100



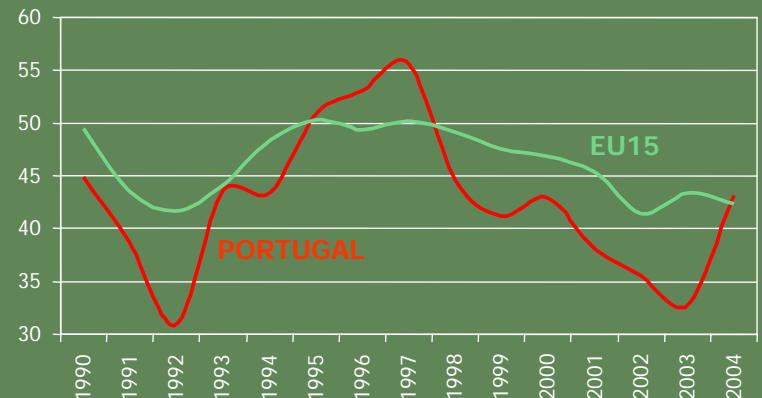
GDP per HOUR WORKED – Annual Increase Rate



R&D INVESTMENT - % GDP

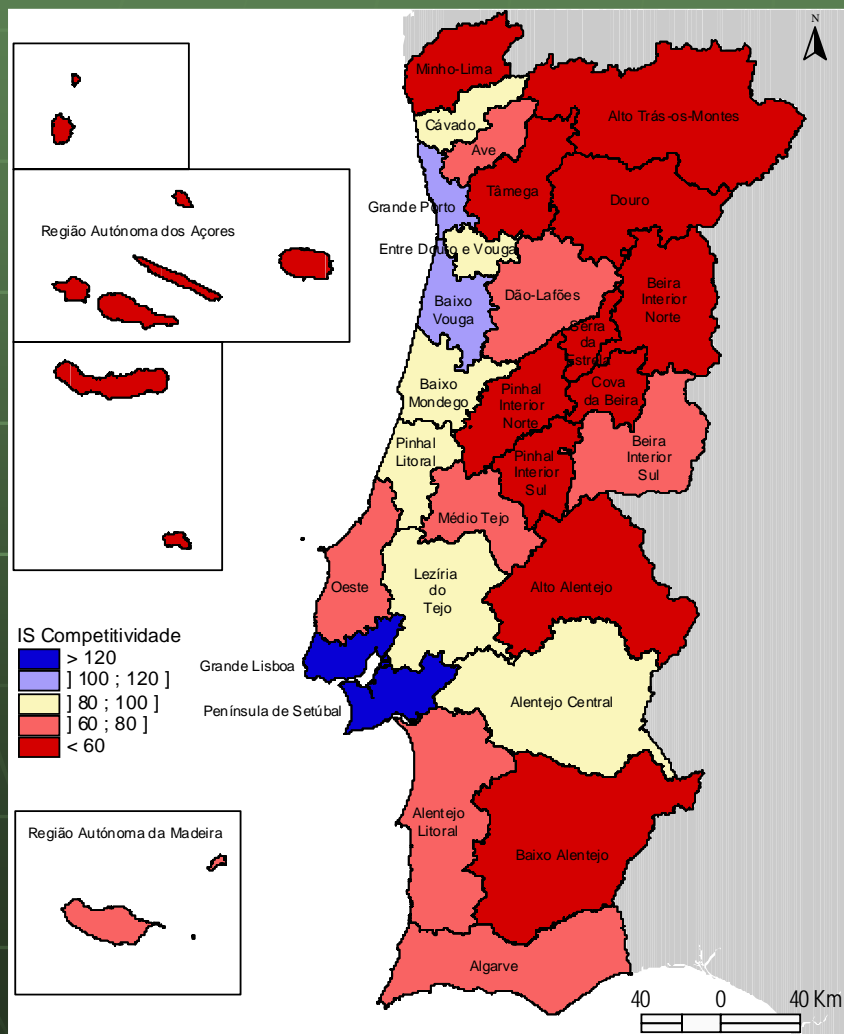


LONG-TERM UNEMPLOYMENT

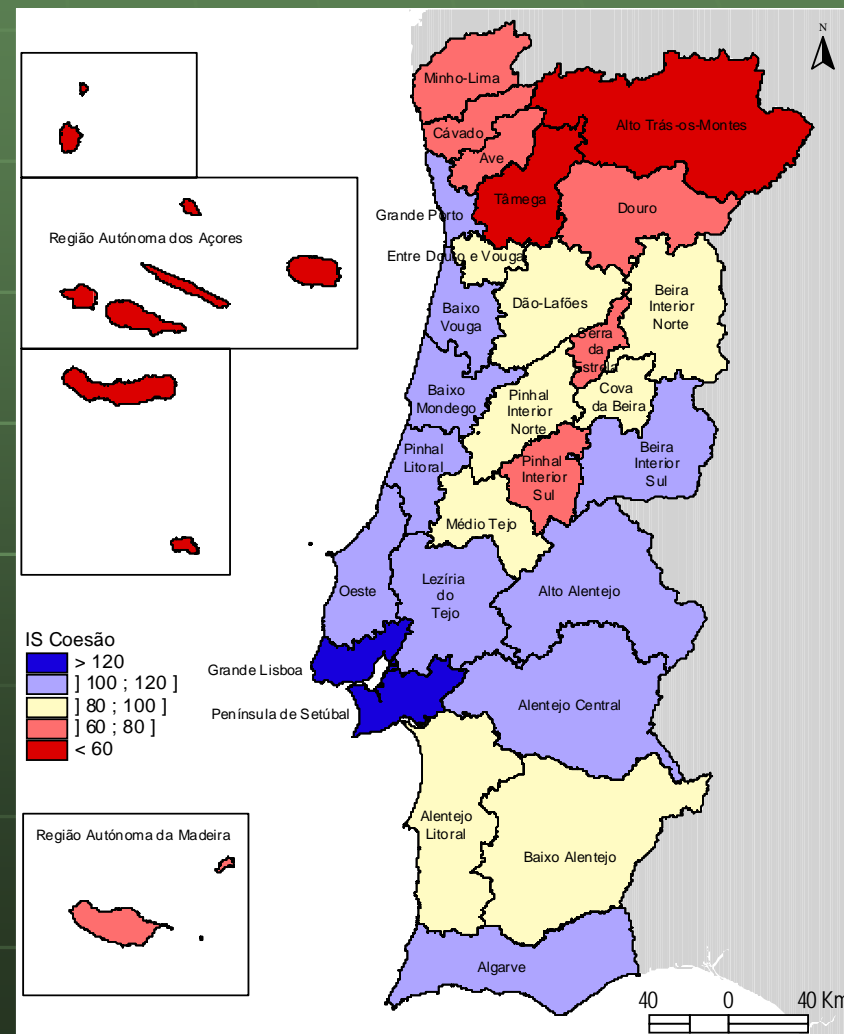


Competitiveness and Cohesion Composite Indicators (2000-2002)

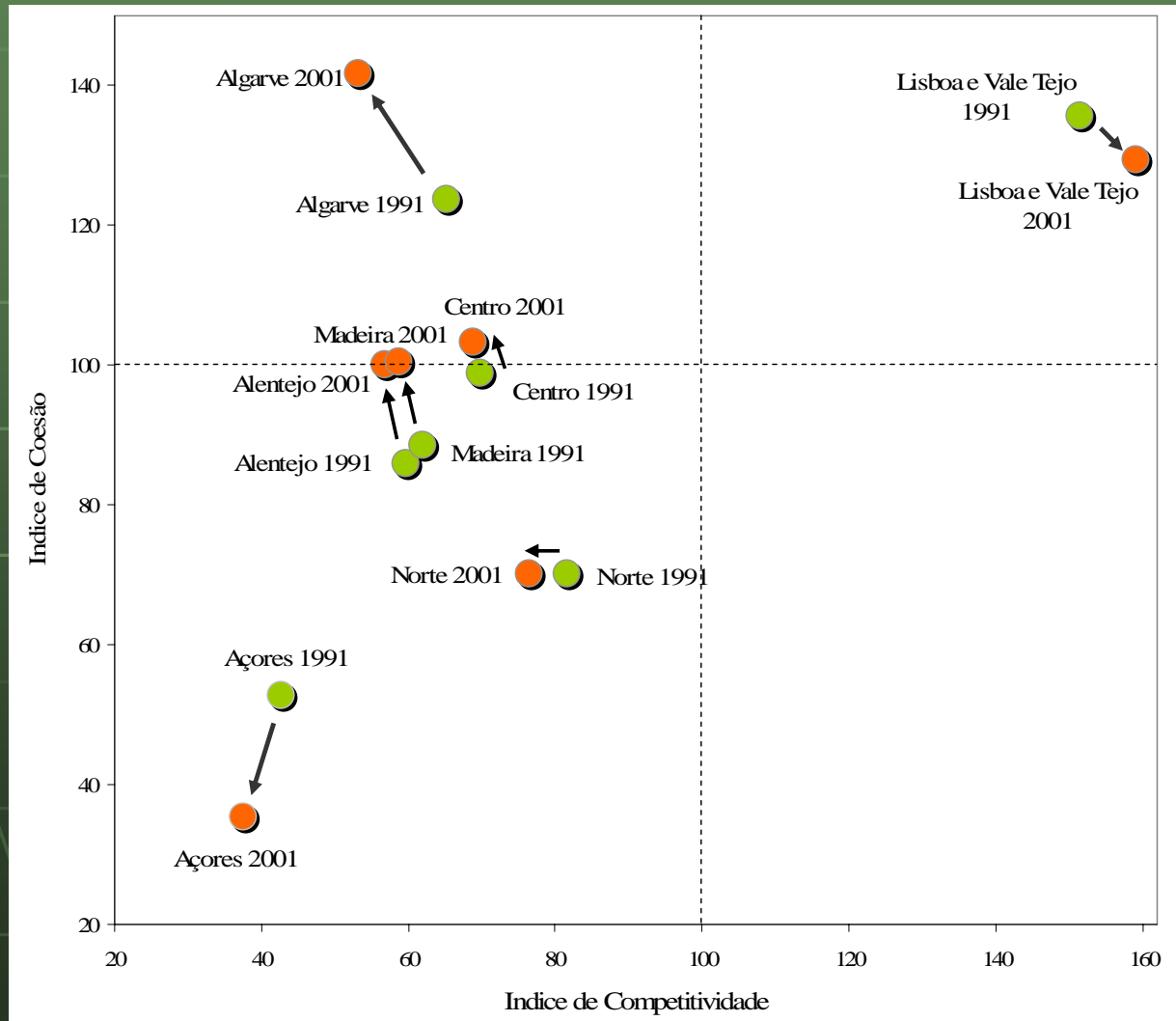
Competitiveness map



Cohesion map



Competitiveness and Cohesion trends (1991-95 → 2000-2002)



Portuguese Regional Policy target

- **Sustained and sustainable development of Portuguese regions:**
 - **Anchored on endogenous and specific resources;**
 - **Central assumptions:**
 - **Sustained growth of region is a critical guarantee for its own medium/long term socio-economic cohesion;**
 - **But . . . it's crucial to ensure a certain limit of cohesion as a necessary condition to promote regional competitiveness.**

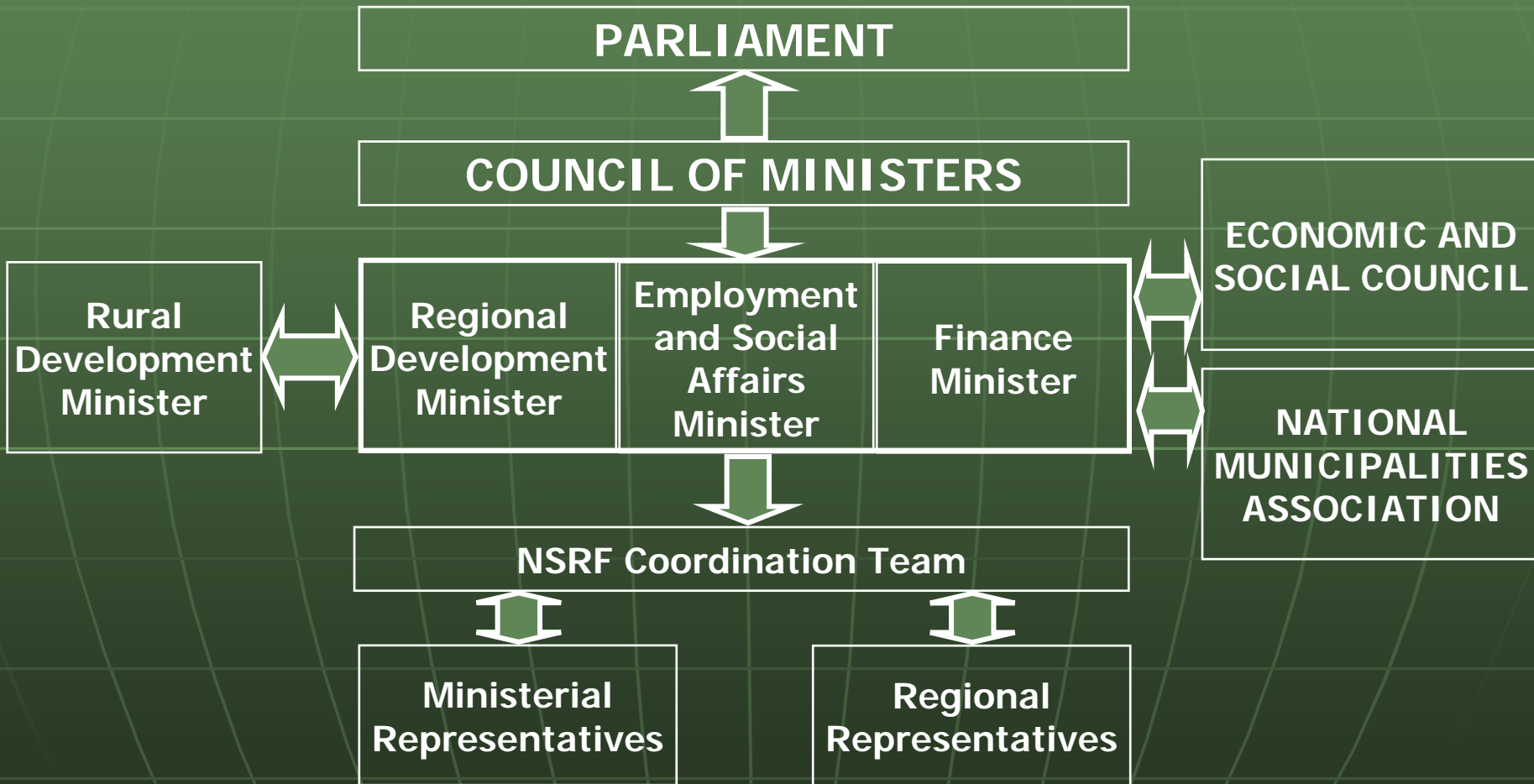
Portuguese NSRF - strategic and operational guidelines;

National Strategic Reference Framework

Key Issues:

- Organisation
- Strategic Orientation
- Operational Programs
- Matrix Approach
- Programming Method
- Interactions
- Governance

1. NSRF - Organisation



2. NSRF – Strategic guidelines

National Strategic Priorities:

- **Competitiveness – sustained and sustainable growth of Portuguese economy:**
 - **Qualification of economic activity** (private investment focus on tradable sectors);
 - **Qualification of human resources** (education and professional training in a social inclusive framework);
 - **Qualification of territory** (attractiveness);
 - **Qualification of administration** (Governance Efficiency)

2. NSRF – Strategic guidelines

Five Structural Principles for NSRF and OP:

- **Operational Concentration**
- **Investment and Development Actions Selectiveness**
- **Economic Viability and Financial Sustainability of Investments**
- **Territorial Cohesion**
- **Strategic Monitoring**

3. NSRF – Operational Programmes

Three Thematic Operational Programmes:

- Competitiveness Factors (ERDF)
- Human Potential (ESF)
- Territorial Enhancement (ERDF + Cohesion Fund)

Regional OP by NUTS II

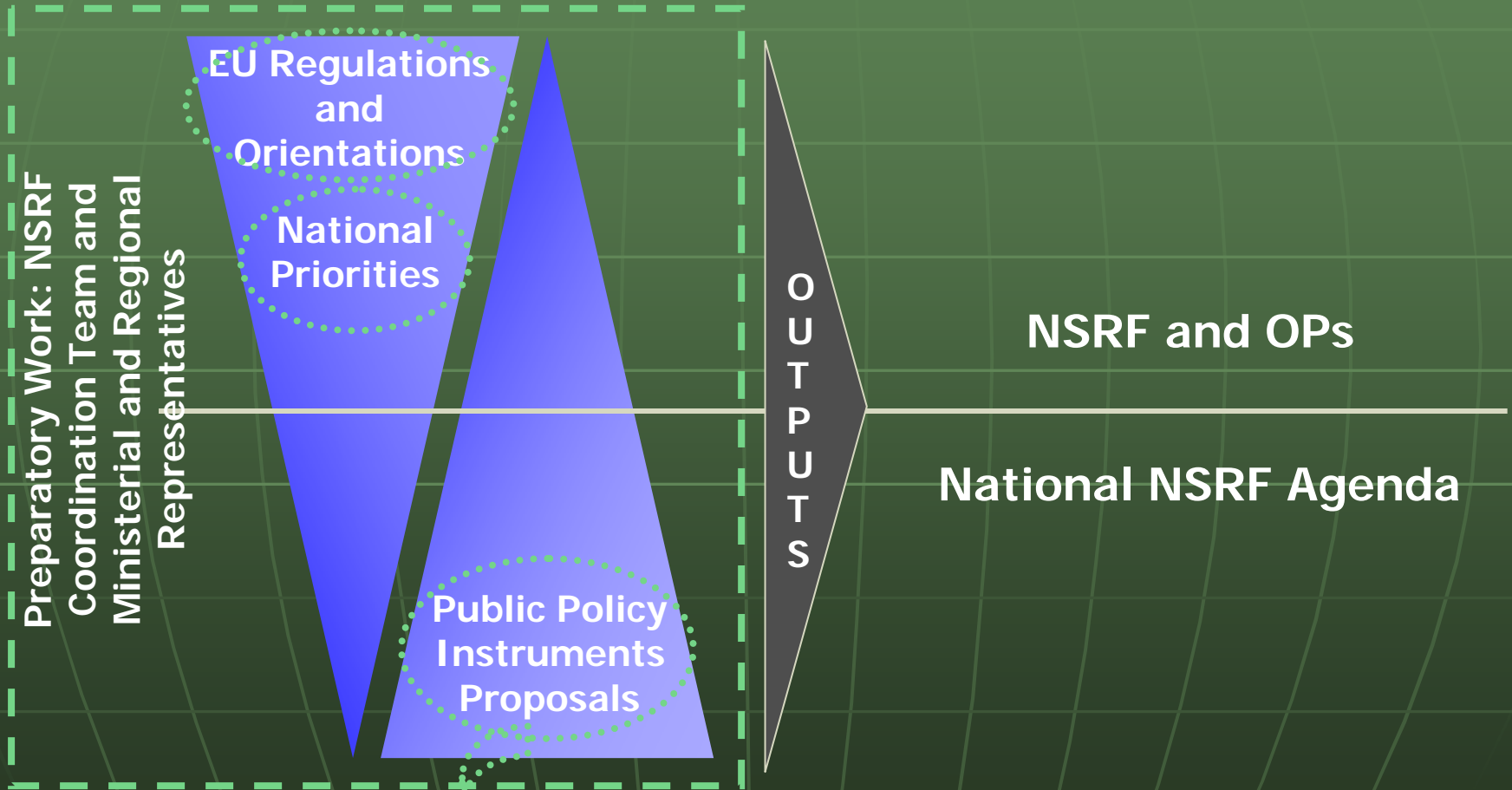
Six Territorial Cooperation OP (Cross-border, Transnational (4), Interregional)

Technical Assistance OP

4. NSRF – Matrix Approach

	Thematic OP			Regional OP	Territorial Cooperation OP	
	Competitiveness Factors	Human Potential	Territorial Enhancement	NUTS II Mainland – Islands	Cross-border Transnational	
Education and Qualification	●	●		●	●	
Sustained Growth	●	●	●	●	●	●
Social Cohesion		●	●	●	●	●
Urban and Territorial Qualification	●	●	●	●	●	●
Governance Efficiency	●	●	●	●	●	●

5. NSRF – Programming method

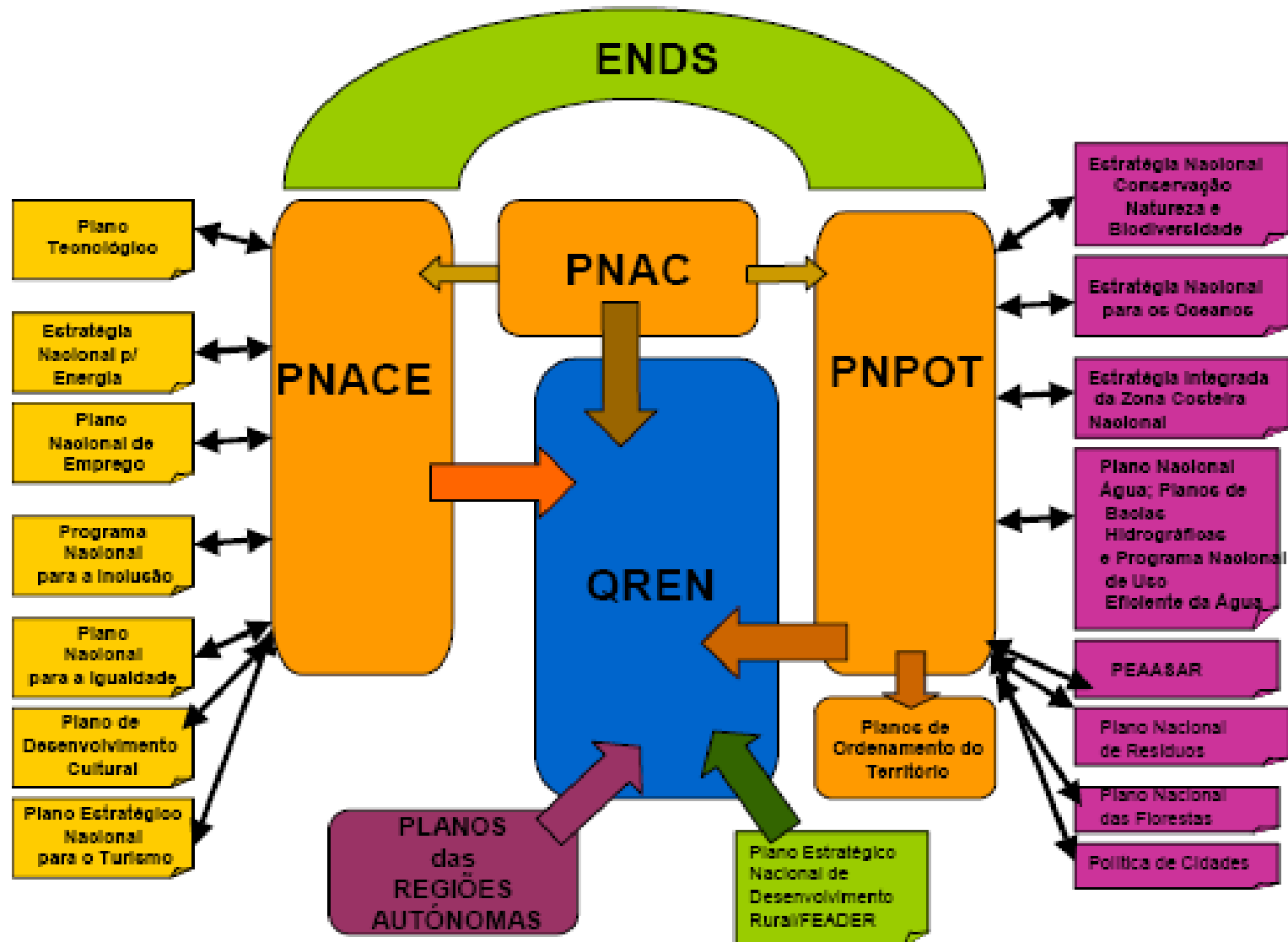


Public intervention, composed by a coherent set of projects EU co-financed, aiming at the production of certain pre-defined results and with positive impact on Strategic National Priorities

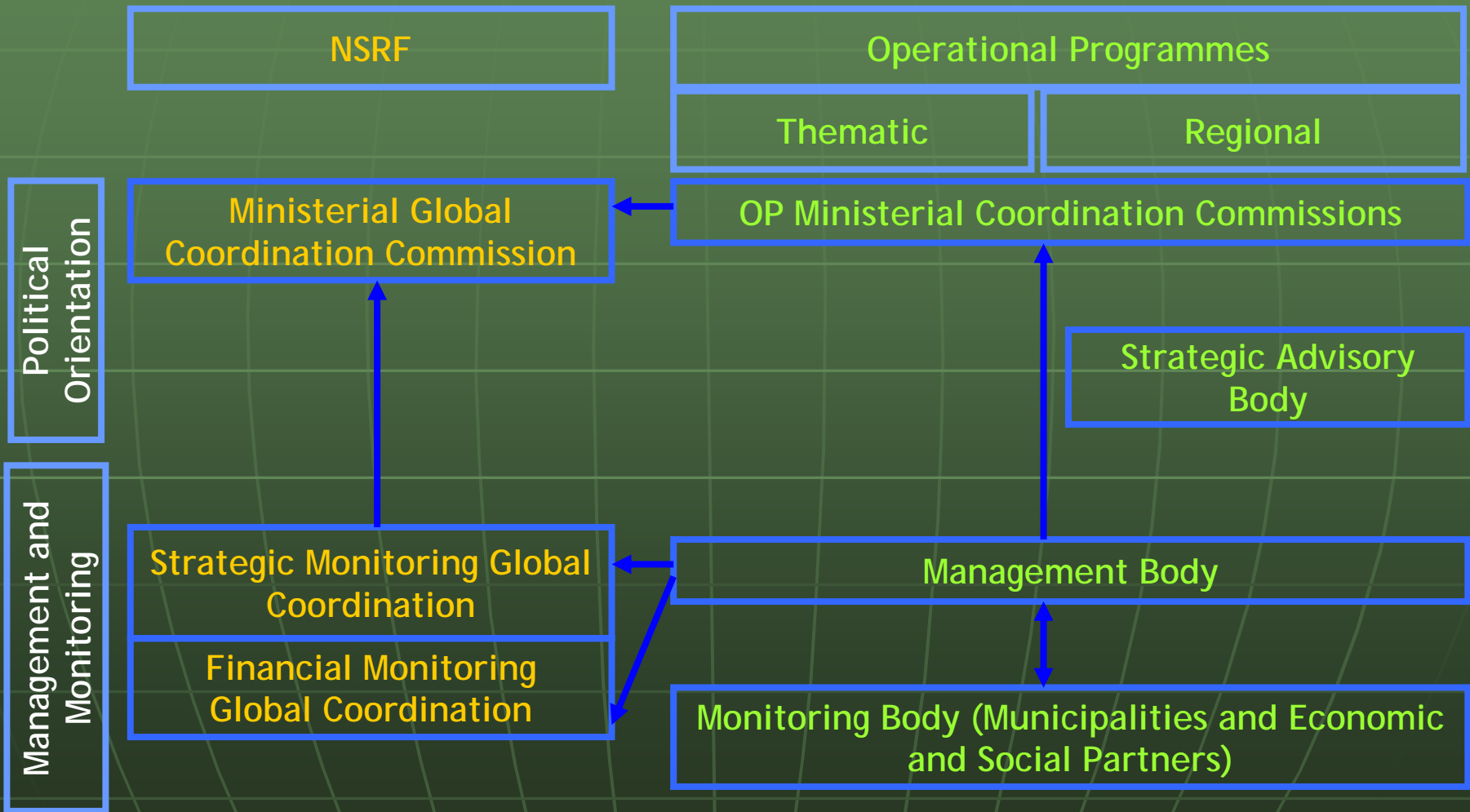
The crucial role of regions

- NSRF and OP should reflect our territorial diversity;
- Regions are different in type of constraints, resource endowment, and, consequently, in development strategies;
- CCDR:
 - Promote public debates to formulate a complete regional strategy for 2013:
 - Propose public policy instruments for all OP;
 - Elaborate OP for their own regions, following an articulation with proposals of sectoral public policy instruments with relevant territorial impact.

6. NSRF – Interactions



7. NSRF – Governance



Financial boxes of Operational Programmes

Main political decisions

- Reinforcement of **human resources qualification**
 - % of ESF on SF: from 26.5% in 2000-06 to 37% in 2007-13;
 - From 4.7 billion € to 6 billion €;
- Reinforcement of **Competitiveness**
 - 5 billion € (2.7 billion € in Competitiveness Factors OP + min 2.3 billion € in Regional OP);
 - % of thematic OP EDF: Competitiveness OP from 54% in 2000-06 to 65% in 2007-13
- Reinforcement of **Regional OP**
 - % of ERDF allocated to Regional OP: from 46% in 2000-06 to 55% in 2007-13
- **Convergence** of per capita aid intensity across mainland convergence regions

Thematic Financial Boxes NSRF vs. CSF III

NSRF (2004 prices) vs. CSF III (current prices)

Domínios	Fundo	QREN	QCA III	Var.
		M €	M €	%

Actividade económica e inovação	FEDER	5 041*	4 063	24%
Qualificação dos Recursos Humanos	FSE	6 030	4 587	31%
Infra-estruturas de utilização colectiva	FEDER+ FC	6 191*	12 127	-49%

* Dotação mínima

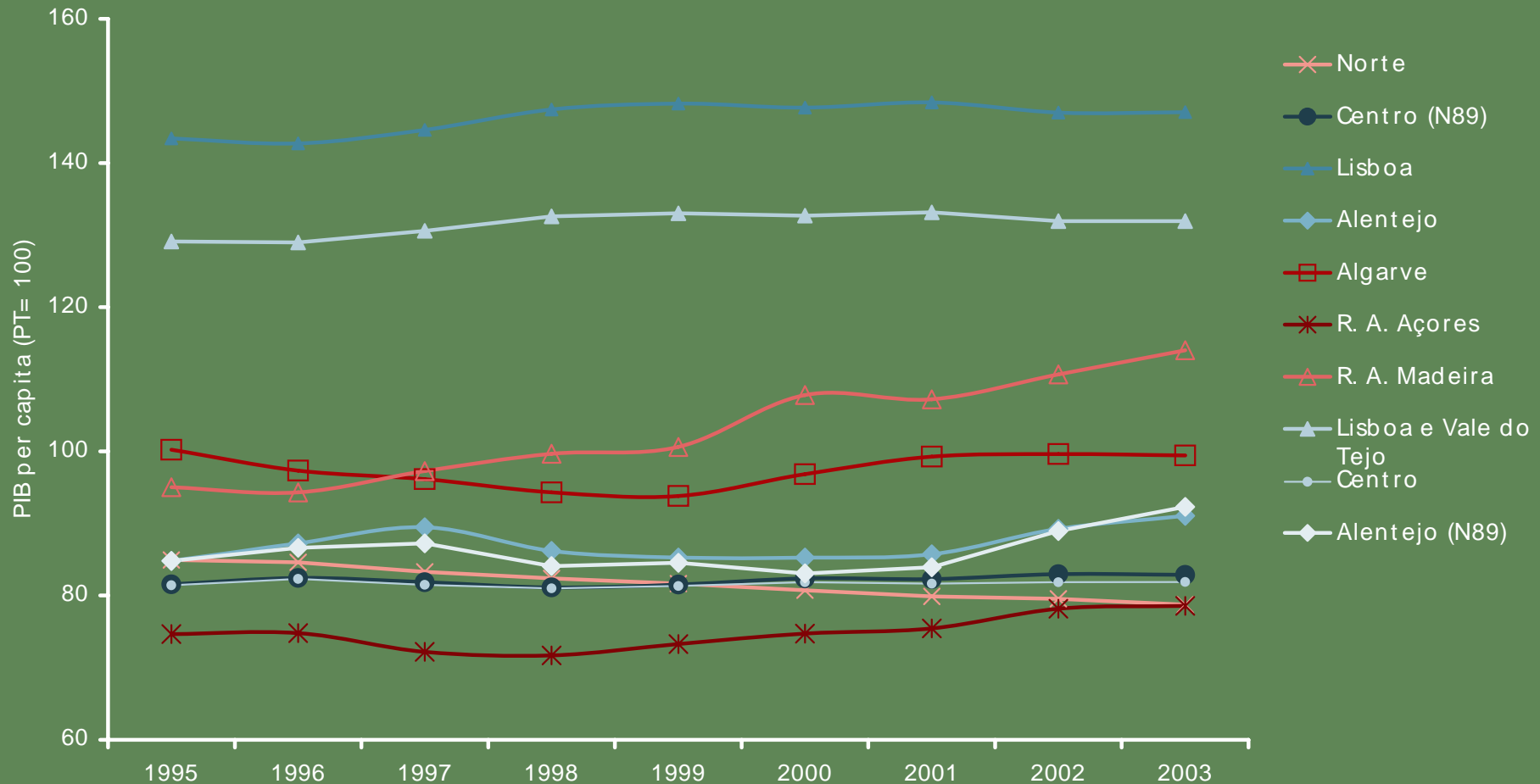
OP Financial Boxes

2004 prices without reserves

Programas Operacionais	Instrumentos Financeiros	DOTAÇÕES Milhões Euros
Total dos PO Temáticos	FEDER+FSE+F. Coesão	12 025
PO Factores de Competitividade	FEDER	2 631
PO Potencial Humano	FSE	5 282
PO Valorização Territorial	FEDER	1 417
	F. Coesão	2 695
	TOTAL	4 111
Total dos PO Regionais do Continente	FEDER	4 947
PO Regional Norte	FEDER	2 329
PO Regional Centro	FEDER	1 461
PO Regional Lisboa	FEDER	258
PO Regional Alentejo	FEDER	746
PO Regional Algarve	FEDER	153
Total dos PO Regionais das Regiões Autónomas	FEDER + FSE	a definir
TOTAL	18 215	

GDP per capita evolution in Portuguese Regions 1995-2003

Portugal=100



Regional OP aid intensity across mainland regions NSRF vs. CSF III

NSRF (2004 prices) vs. CSF III (current prices)

Regiões	QREN	QCA III	Var.
	Euros / Hab / Ano		%

Norte	94	87	8%
Centro	93	112	-17%
Alentejo	145	189	-24%
Algarve	58	151	-62%
Lisboa	15	41	-64%



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