RURAL PACT

Territorial instrument in rural Portugal addresses climate challenges through coordinated investments and place-based solutions

Stronger

Resilient

SUMMARY

The Integrated Territorial Instrument (ITI) for water and landscape ecosystems in the Algarve and Alentejo regions addresses critical environmental challenges. With a budget of EUR 52.8 million, it supports projects that enhance water resource management, promote biodiversity conservation, and develop nature-based solutions.

As a policy instrument, **the ITI enables coordinated investments across sectors and regions to implement integrated, place-based solutions.**

The initiative follows **a multi-level governance model**, engaging local, regional, and national stakeholders. The **participatory approach** ensures that local knowledge and citizen-led initiatives inform decision-making.

CONTEXT

The Algarve and Alentejo regions face **shared environmental challenges**, including prolonged droughts, soil erosion, and increasing wildfire risks. Water scarcity is a persistent concern, limiting agricultural productivity and regional development. Additionally, demographic decline and rural depopulation exacerbate **socio-economic vulnerabilities**.

The Integrated Territorial Instrument (ITI) for water and landscape ecosystems covers 17 municipalities across three NUTS III regions (Baixo Alentejo, Litoral Alentejano, and Algarve), forming a functional area requiring coordinated intervention.

The ITI integrates territorial planning across administrative boundaries, ensuring cohesive responses to environmental threats. The strategy is based on fostering resilient ecosystems and improving climate adaptation through participatory governance.

OBJECTIVES

- Foster cross-regional cooperation for sustainable territorial development;
- Encourage participatory governance and community engagement;
- Strengthen water resource management and enhance ecosystem resilience;
- Promote biodiversity conservation and combat desertification;
- Develop nature-based solutions for climate change adaptation.

Themes: Demography, governance, climate, nature and environment, soil health, land usee

Country: Portugal

Organisations:

- Coordination and Regional Development Commission of Algarve
- Coordination and Regional Development Commission of Alentejo

Start & end date: 08/2024 – 12/2029

Budget: EUR 800 000

Funding sources: European Regional Development Fund (ERDF), 2021-2027 regional programmes: Algarve 2030 and Alentejo 2030

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ACTIVITIES, KEY ACTORS, AND TIMELINE

The instrument was **developed through regional strategies** led by the Coordination and Regional Development Commissions (CCDR) of Algarve and Alentejo, involving local development associations and national government ministries responsible for cohesion, agriculture, and the environment.

A **participatory approach** was key to shaping the instrument, with public hearings gathering input from over 300 stakeholders, including representatives of 120 organisations, research institutions, and civil society. Based on this collaborative process, the ITI defined its core interventions, including ecological restoration of degraded watercourses, reforestation, alternative water re-use, and climate adaptation strategies.

To ensure continued stakeholder engagement beyond the planning phase, the governance model provides **participation instruments throughout the implementation period**, reinforcing the principle of partnership. These mechanisms enable ongoing input from municipalities, environmental organisations, and sectoral stakeholders, ensuring that interventions remain responsive to regional needs and challenges.

Following approval of the regional strategies in 2020, negotiations with the European Commission led to the finalisation of the 2030 Portuguese Partnership Agreement in 2022, incorporating the ITI water and landscape ecosystems initiative. In June 2024, the Action Plan for the ITI was formally approved, followed by the launch of the first funding calls and the establishment of governance structures to oversee implementation.

Key interventions include:

- Ecological restoration of degraded watercourses and wetland habitats;
- Implementation of alternative water re-use strategies to mitigate drought effects;
- Reforestation and sustainable management of forest areas to reduce fire risks;
- Development of climate adaptation measures to support agricultural and rural resilience.

RESULTS

The set-up of a **multi-level governance model**, involving:

- a Coordination Committee led by representatives of the Coordination and Regional Development Commissions of Algarve and Alentejo;
- an Advisory Council composed of representatives of administrative entities with a thematic focus on the ITI;
- intermunicipal communities representing municipalities and local development associations from both regions.

Additionally, an **observatory to monitor the implementation of the ITI and assess its impact** was established under the responsibility of the Coordination Committee.

The initiative **strengthened cross-regional cooperation** between Algarve and Alentejo, fostering knowledge exchange and joint policymaking among local, regional, and national stakeholders. This collaboration has improved the **alignment of territorial planning and resource management strategies**, ensuring a more cohesive approach to environmental challenges.

The project laid the groundwork for **long-term environmental resilience and adaptation strategies** tailored to the regions' specific challenges. By implementing nature-based solutions, enhancing water resource management, and restoring ecosystems, the ITI is setting a precedent for sustainable territorial development and climate adaptation measures in rural Portugal.

SUCCESS FACTORS/LESSONS LEARNT

- The project exemplifies an **innovative, functional, area-based approach**, demonstrating that environmental challenges transcend administrative boundaries. The ITI serves as a **living laboratory for testing and scaling nature-based solutions** for climate resilience.
- The **participatory governance model** promoted transparency, inclusion, and continuous engagement in decision-making. Strong **sectoral coordination and stakeholder involvement** ensured broad buy-in and effective policy integration.
- Lessons learned highlight the importance of integrating, local knowledge, and policy alignment to develop effective, scalable interventions.