



A multi-level, place-based approach to rural recovery and revitalisation in Portugal

SUMMARY

The Pinhal Interior Integrated Territorial Investment (ITI) was created in 2021 to implement a shared territorial strategy for a low-density rural region in central Portugal, affected by forest fires in 2017-2018. An ITI is a mechanism that allows different funding streams to support one territorial action plan for a defined functional area.

The ITI brings together 24 municipalities across five intermunicipal communities and combines ERDF and ESF+ funding with complementary instruments to deliver coordinated action on social innovation, economic development, tourism and environmental and forest management.



Themes: Governance, spatial planning, climate, nature and environment, Rural revitalisation

Country: Portugal

Organisations:

> Pinhal Interior Territorial Development Agency, non-governmental / civil society organisation

Start & end date: 12/2021 - ongoing

Budget: EUR 45 million

Funding sources:

- > European Regional Development Fund (ERDF)
- > European Social Fund Plus (ESF+)
- > European Agricultural Fund for Rural Development (EAFRD), including LEADER/CLLD
- > Recovery and Resilience Facility (RRF)
- > Horizon Europe

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CONTEXT

Pinhal Interior is a rural region without major urban centres, facing demographic decline, a fragile economy and high exposure to forest fires and other environmental risks. After devastating wildfires in 2017-2018, local actors developed a shared territorial strategy to move beyond emergency response and focus on prevention, adaptation and long-term development.

Delivering this type of integrated response across many small municipalities is complex and requires coordination capacity, so the ITI places strong emphasis on multi-level governance and combining funding sources around shared priorities.



OBJECTIVES

- > Implement a shared territorial strategy through an ITI that allows coordination of projects across intermunicipal communities;
- > Combine multiple EU and national funding sources so interventions reinforce each other and cover gaps beyond a single fund;
- > Strengthen local capacity for multi-level governance and delivery in a low-density territory;
- > Reduce long-term vulnerability to forest and environmental risks through integrated land and forest management;
- > Support rural revitalisation through initiatives on social innovation, economic development and territorial attractiveness.



ACTIVITIES, KEY ACTORS, AND TIMELINE

After the 2017-2018 forest fires, local actors in Pinhal Interior developed a territorial strategy through a participatory process involving a wide range of stakeholders, with the aim of **addressing recovery needs and longer-term structural challenges**, such as demographic decline, economic fragility, limited services and environmental risks.

In 2021, the ITI was set up as the mechanism to implement part of this strategy through a territorial action plan ('Pinhal Interior 2030'), **translating strategic priorities into a portfolio of projects and programmes**.

The action plan is **organised around several thematic areas**, including demographic revitalisation and social innovation; economic development and competitiveness; tourism and territorial marketing; and environmental management, forestry and spatial planning. Not all priorities (e.g. housing) can be covered by the ITI alone, so the **approach relies on combining funding streams**.

Operational **coordination** is led by the Pinhal Interior Territorial Development Agency, set up as a non-profit association under private law. Day-to-day **implementation** is overseen by an executive commission bringing together the five intermunicipal communities, while a general board composed of participating municipalities provides **strategic guidance**. **Monitoring** is ensured through regional and national governance structures.

Local Action Groups implementing LEADER are not formally part of the ITI governance structure, but they participated in the strategy development and **coordinate with ITI structures** during implementation. In some cases, initiatives (including Smart Villages-related actions) are supported through both the ITI and LEADER, with each instrument financing different components.



RESULTS

- > **A coordinated functional territory is in place:** the ITI provides a shared framework for 24 municipalities across five intermunicipal communities, covering approximately 5 500 km², enabling broader coordination;
- > **Multi-fund implementation is operational:** the ITI mobilises ERDF and ESF+ funds and is designed to align them with complementary programmes, including EAFRD/LEADER/CLLD, the Recovery and Resilience Plan and Horizon Europe, so different parts of the territorial strategy can be financed through the most suitable instruments;
- > **An investment portfolio has been defined:** as of early 2026, the territorial action plan included 20 projects representing around EUR 200 million in planned investment, and the regional level had applied for over EUR 20 million in funding for other projects;
- > **Cross-domain delivery is embedded:** the action plan is structured around four axes (resilience, cohesion, competitiveness and attractiveness) and includes integrated initiatives such as proximity service models and networks of thematic villages supporting territorial revitalisation.



SUCCESS FACTORS/LESSONS LEARNT

- > A **functional-territory approach** helps municipalities address shared problems together rather than through isolated projects.
- > A **dedicated coordinating body** supports smaller municipalities that have limited staff and technical capacity for complex multi-fund delivery.
- > **Clear multi-level roles** (municipal board, executive commission, coordinator, programme monitoring) help keep strategy and delivery aligned.
- > **Planning for complementarities** is essential, because not every priority can be financed under the ITI alone.



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