

WHAT ROLE CAN EU RECOVERY FUNDS PLAY IN BOOSTING NEW APPROACHES TO URBAN REGENERATION? The case of Spain and Portugal



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The pandemic has made urban regeneration more urgent than before due to the impact of the crisis in the widening of socio-spatial inequalities and the degradation of certain urban areas. Post-pandemic recovery efforts should address these challenges with integrated and multisectorial strategies developed in dialogue with communities and territorial stakeholders. The EU and national governments should listen to cities to better include this perspective in recovery plans.

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Covid-19 has certainly had a harsh impact in many fields, such as public health, employment, housing or inequalities, to name only a few. But it has also brought about some positive change that cannot be ignored. A shift in urban policy-making seems to be taking place in several regions of the world, where we find some city governments advocating for ideas that were unimaginable before.

Take, for instance, the “15-minute city” proposed by the mayor of Paris, which is intimately related with long-standing claims of feminism advocating for proximity. Or the “green recovery” that the Mayors of Milan and Los Angeles are trying to push forward in the framework of the global city network C40, which has to do with old environmental demands. Post-pandemic urban regeneration policies are subject to new possibilities we cannot afford to miss.

At the European level, countries are in a position to foster this type of innovations thanks to the funding they will receive from the European Union, who has adopted a **post-Covid recovery fund** which will transfer 672.5 billion euros to member states to step up public investments and reforms after the crisis. This fund will enable EU countries to grasp the opportunities that have emerged - but need to consolidate - to build back better cities and metropolitan areas with sustainable, social and green strategies.

The EU will indeed provide the financial framework. But nation states will have to develop their own recovery plans. In this process, it is key that territorial governments remain vigilant and advocate for the inclusion of urban policies able to regenerate cities and their deprived neighborhoods. The pandemic has made these strategies more urgent than before due to the impact of the crisis in the widening of socio-spatial inequalities and the degradation of certain urban areas. Post-pandemic recovery efforts should address these challenges with integrated strategies.

In the European context, cities count with a long trajectory of comprehensive urban development policies that should be seriously considered when conceiving national recovery plans. Since the late 90, these strategies have been boosted by the EU, who has provided funding (e.g. **URBACT programs**), political principles and strategies (**Charter of Leipzig**), as well as knowledge (**Acquis Urbain**).

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In the so-called Southern Europe Large Urban Zone (LUZ), Spain and Portugal - despite their differences - have followed a path that has several similarities worth highlighting. Both countries have had to face the consequences of mass tourism in some cities, real estate capital directed towards urban development investments, the devastation of coastal areas and the urban sprawl of metropolitan areas. In both cases, the most innovative urban regeneration policies have combined interventions on the built environment of deprived neighborhoods, as well as social programs aimed at enhancing the community fabric and the revalorization of the identity of certain urban areas.

In Spain, it is noteworthy mentioning the urban interventions that have taken place since 2004 in the region of Catalonia thanks to the so-called “Law of Neighborhoods” (Llei de Barris). Urban policies developed under the impulse and financial funding of this law had the added value to acknowledge the social, socio-economic and even cultural causes and effects related with urban degradation. This new approach to traditional urban upgrading policies encouraged Catalan cities to develop comprehensive strategies following two main principles: 1) the need to go beyond sectorial interventions, while fostering integrated projects that included urban rehabilitation, local development initiatives, socio-economic and socio-cultural programs, as well as environmental measures; 2) using a multi-stakeholder approach for the design and implementation of these policies, thus engaging communities and all relevant stakeholders. Most Catalan cities have implemented urban regeneration projects under the auspices of this law since 2004. The city of Barcelona even institutionalized this integrated approach ten years ago by investing municipal funds to urban regeneration projects through the so-called “Neighborhoods Plans” (**Plans de Barris**).

In Portugal, one of the major efforts undertaken in this field took place with the Initiative Critical Neighborhoods (Bairros Críticos), a national program which sought to build multi-stakeholder alliances (between different spheres of governments, but also civil society agents) to address the needs of deprived and highly multiethnic urban areas. The program was implemented in three stigmatized neighborhoods, widely known for concentrating disadvantaged groups and lack of opportunities, namely Cova da Moura (Amadora municipality) and Vale da Amoreira (Setúbal municipality) in Lisbon metropolitan region, as well as Lagarteiro in Porto metropolitan region. The interventions entailed enhancing urban infrastructures, basic services and developing socio-cultural programs. The initiative paved the way for future urban regeneration policies in Portugal with an integrated and comprehensive approach.

These experiences would much enrich the urban dimension of recovery plans in a moment when European countries are drafting their national roadmaps, which have to be ready by April 2021. In Spain, the post-Covid **recovery, transformation and resilience plan has been recently adopted** to guide the expenditure of EU funds from 2021 to 2023. The **plan** focuses on social and territorial cohesion as one of the main priority policy strategies, and includes an urban agenda that revolves around housing rehabilitation and urban regeneration programs aimed at enhancing green and blue infrastructures, among others. In Portugal, the **recovery and resilience plan** foresees three lines of loans, affordable housing being the one that will receive almost 64% of total funds.

In situations of crisis, addressing the material needs of the population becomes critical. This is why it is crucial to target recovery efforts on housing and infrastructure policies. However, we should not lose sight of other policies that play a key role in rebuilding the urban fabric, such as urban ecology, economic development, social and cultural policies, as argued before. Sound urban recovery policies will need to consider this integrated and multisectoral approach, as well as engage in processes of policy co-production with communities and other territorial stakeholders.

Spain and Portugal seem to have lost the opportunity to include this approach in their national recovery plans. This could have been prevented by developing these plans in dialogue with local governments, who would have brought to the table their knowledge and expertise on recovering territories hit by crises. However, inter-institutional collaboration continues to challenge policy-making processes, at national and international level. The same pattern is actually to be found at EU level, where the development of the recovery fund lacked the participation of cities.

Against this backdrop, it remains to be seen to what extent other EU national governments will listen to cities in the preparation of their national recovery funds. And whether Spain and Portugal will include local authorities at least in the implementation phase of their plans. European cities will fight it, **as a recent letter sent by a number of mayors has shown**. They are building alliances to raise their voice, both at international and national level. In the following months, we will see if they successfully manage to have a seat at the table.