

CASE STUDIES REPORT //

**Territorial impacts of COVID-19
and policy answers in European
regions and cities**

Elvas county (Portugal)

Case study report // July 2022

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Inspire Policy Making with Territorial Evidence

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The final version of the report will be published as soon as approved.

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Introduction

This case study report examines the policy response to Covid-19 within the Elvas County or Municipality, which is a Portuguese border municipality and city. The report explores which 'proactive' policies have been introduced in response to the pandemic and assesses whether the crisis presented a 'window of opportunity' for regional and local authorities to promote specific spatial planning and territorial targeted policy agendas. The case report is structured around the following core sections:

1. **Regional Characteristics:** Outlines the key socio-economic and governance characteristics of the region.
2. **Impact of Covid-19:** Highlights the socio-economic impacts of the pandemic on the region.
3. **Covid Policy Response:** provides an overview of the regional policy response in relation to three core policy thematic areas - the just transition (social policies), green transition (climate policies) and smart transition (innovation policies).
4. **Covid Policy Impacts:** assesses the main socio-economic, governance and financial impacts of the policy measures introduced.
5. **Future Policy Directions:** examines the medium- and long-term direction of policy in the region and analyses whether the policies identified can be upscaled to other EU regions.
6. **Policy Recommendations:** provides policymakers and practitioners with policy, governance, territorial and financial recommendations.

Research Methods

The present case study has been conducted following a two-step approach. In a first step, extensive desk research has been conducted with the aim of 1) documenting the main characteristics of the area, 2) assessing the impact of the pandemic on local society and economy according to various national and local statistical sources, and 3) documenting the policy responses as reflected in policy documents and online media outlets. In a second step, 7 semi-structured online and phone interviews have been conducted with representatives of the most important local and regional institutions, non-governmental organizations and private sector. The purpose of the interviews has been to further document the impact of the pandemic, the policy responses, the impact of the policy responses, as well as the future of local, regional and cross-border policies.

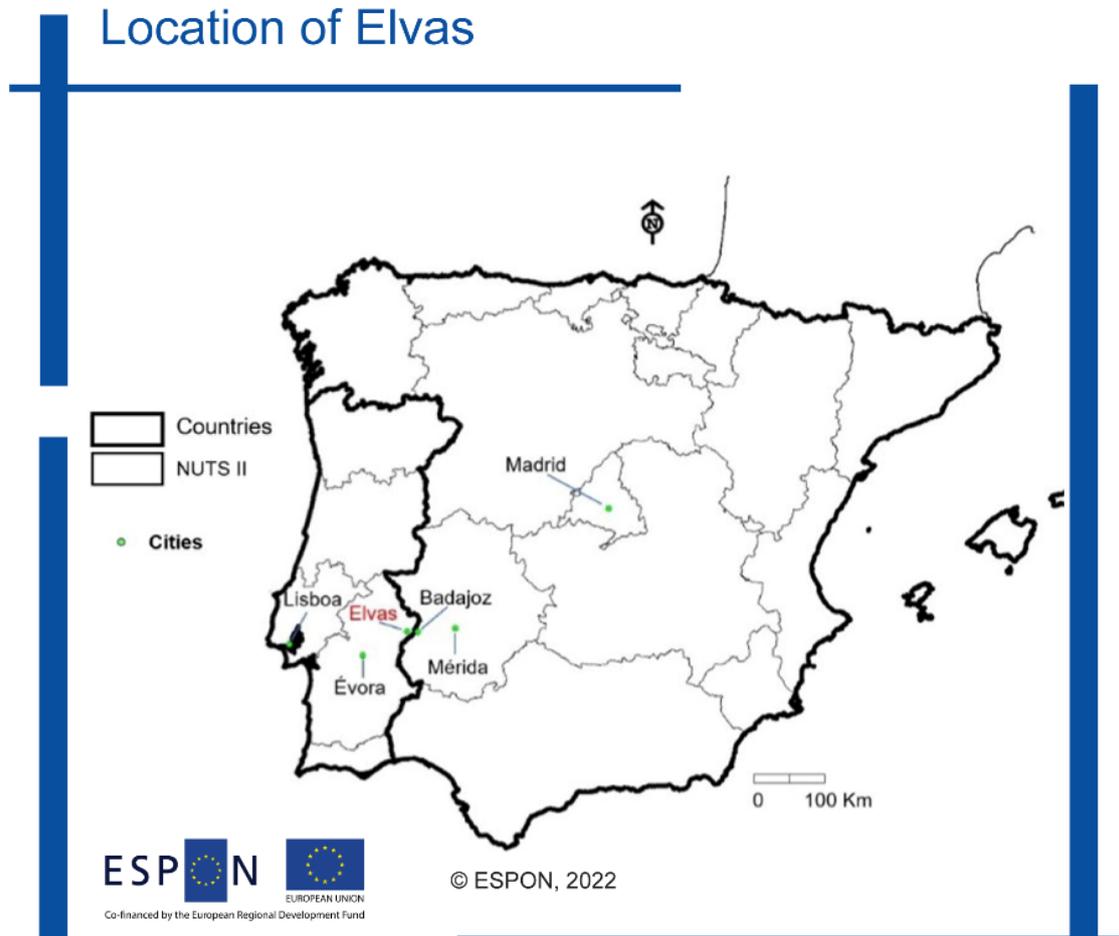
Table 1 lists the stakeholders that have been interviewed as part of the current research. The list includes the most relevant public authorities from the regional (NUTS2) and local (LAU2) level. The list also includes one of the most active local associations (holy house of mercy – In English) as a key civil society stakeholder in the area of social protection. On the other hand, the Elvas Business Association represents the business sector of the county, thus complementing the public administration and civil society views.

Table 1 List of interviews conducted

	Sector	Stakeholder	Date
1	Public Administration	Elvas Municipality	Jan 2022
2	Public Administration	CCDR Alentejo	Jan 2022
3	Public Administration	Eurocity EuroBEC	Jan 2022
4	Public Administration	Intermunicipal Community of High Alentejo (CIMAA)	Jan 2022
5	Public Administration	Euroregion Alentejo – Algarve Extremadura	Jan 2022
6	Private Sector	Elvas Business Association	Jan 2022
7	Civil Society	Santa Casa da Misericórdia de Elvas	Jan 2022

1 Characteristics of the case study area

Map 1 Location of the case-study in the Iberian Peninsula: The Portuguese border city of Elvas



Regional level: NUTS mixed levels (LAU & NUTS3-2) | Data version: 2021

Source: Territorial impacts of COVID-19

Origin of data: ESPON data 2022

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Map 2 Geographical location of the case study area in Portugal



1.1 Economic characteristics

The business fabric of the Elvas municipality is characterized by a predominance of micro-enterprises and Small Medium Enterprises (SMEs). These are essentially companies constituted in individual name with a family character, and mainly directed to the local and regional markets. The economic activities that prevail in Elvas municipality are mostly concentrated in the tertiary sector, with particular focus on tourism activities, wholesale and retail trade, public administration and other collective and social services, followed with lesser expression by the secondary sector and lastly by the primary sector.

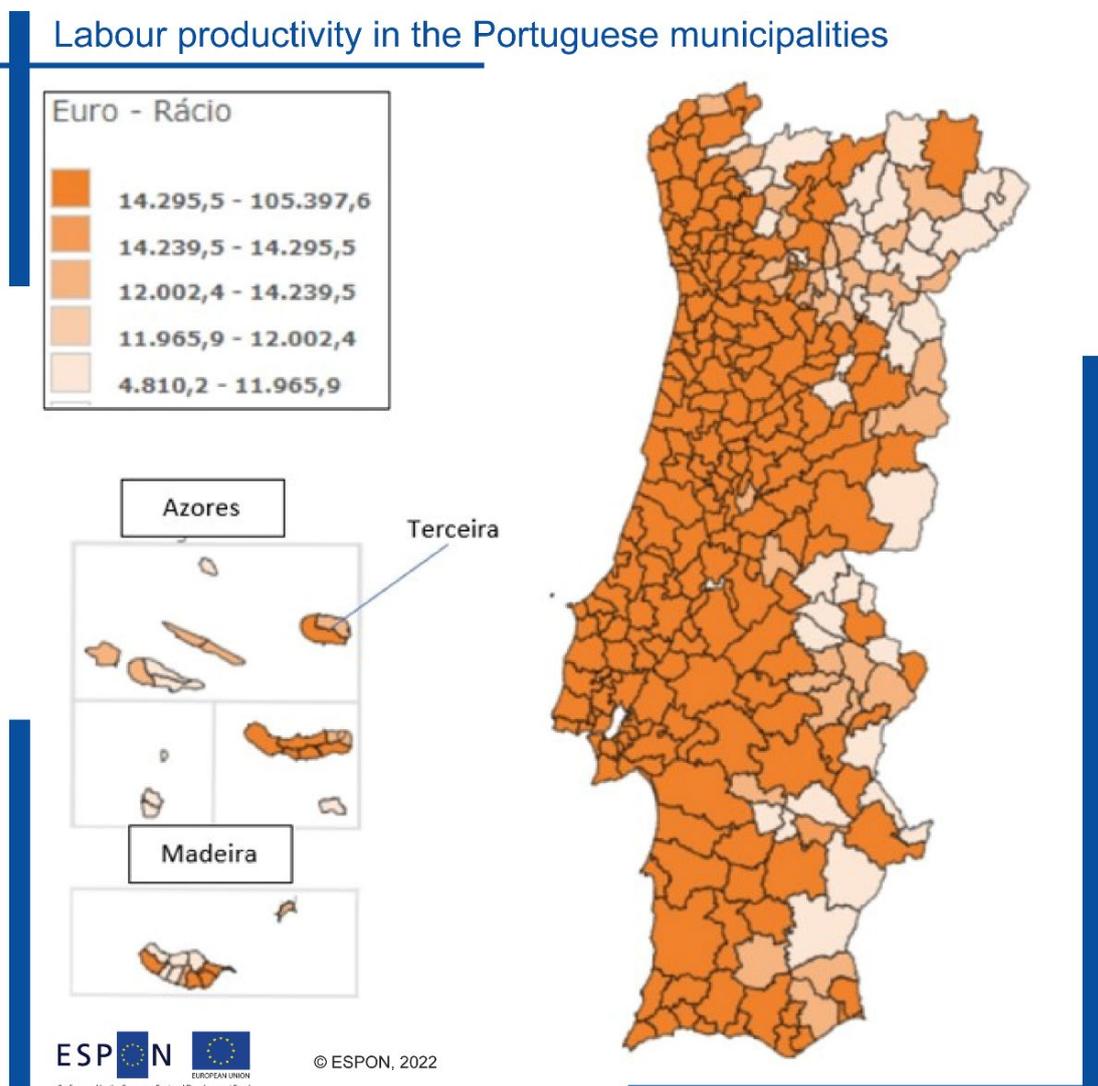
Prior to the COVID-19 pandemic (2019), the region (Alto Alentejo - NUT III) GDP per capita was 16,195,6 €. This represented 0.8% of the national GDP and a national disparity index (Portugal=100) of 77.2, placing it as the Alentejo NUT3 regions with lower GDP per capita. Within an EU context (UE28=100) it represented 59.2 (disparity index), placing this region in the group of less development regions of the EU.

Elvas does not have Research Innovation Centres. It only has one tertiary school facility: the 'Elvas Agrarian High School' (Escola Superior Agrária de Elvas) which belongs to the Polytechnic Institute of Portalegre (Instituto Politécnico de Portalegre). This context, which is coupled by a lack of highly innovative economic activities, sustains a reality marked by a reduced role of innovation for the economic growth and development of the region. The latest data on expenditure on research and development, before the pandemic, in the Alto Alentejo NUT III, is from 2017. This data presents a worrisome panorama since this expenditure only represents 2.4% of the national expenditure on research and development (6,317,700 €). There are no detailed

indicators showing how many people were employed in high-technology sectors in the Elvas region or even on the larger NUT3 (Alto Alentejo).

The main economic challenges in pre-pandemic times were the reduced economic growth of the region accompanied by the closure and relocation of companies, reduced investment dynamics and reduced private consumption. Crucially, another main concern about the economic and commercial aspect is the revitalization of the Historic Center of Elvas city, which has been losing population and economic activities, and is getting physically degraded over the past decades. In addition to supporting the revitalization of the commercial activity, development items such as the improvement of accessibility and the quality of life need to be considered in the city development strategy. Regarding accessibility, it is important to intervene in signage, logistics, car parking or the public transport network. To improve the urban environment, intervention must support the restoration and cleaning of facades, in urban arrangements and in the improvement of green spaces. To improve the quality of life in the Historic Center, it is necessary to create mixed functional spaces that involve commerce, housing or leisure, which make the shopping environment in the city center more appropriate to an open-air shopping center.

Map 3 Apparent labour productivity of non-financial corporations in the Portuguese Municipalities (2019)



Regional level: NUTS mixed levels (LAU & NUTS3-2) | Data version: 2021
 Source: Territorial impacts of COVID-19
 Origin of data: Pordata (Adapted)
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1.2 Social characteristics

The quite recent demographic data from the 2021 census, shows that Elvas lost 10.1% on inhabitants in the past decade (23,089 inhabitants in 2011 vs 20,753 in 2021). This depopulation trends are higher than the trend occurred in the previous decade (2001-2011) which registered a population decline of only 1.21%, in clear contrast with the 7.02% registered in the Alentejo region (NUT 2). More problematic is the gradual aging of the demographic structure, reflecting the progressive imbalance in the age pyramid. Here, there is a visible decrease in the representation of younger age groups and an increase in the representation of the elderly, in this case, even surpassing the values of the Alto Alentejo (NUT 3) region.

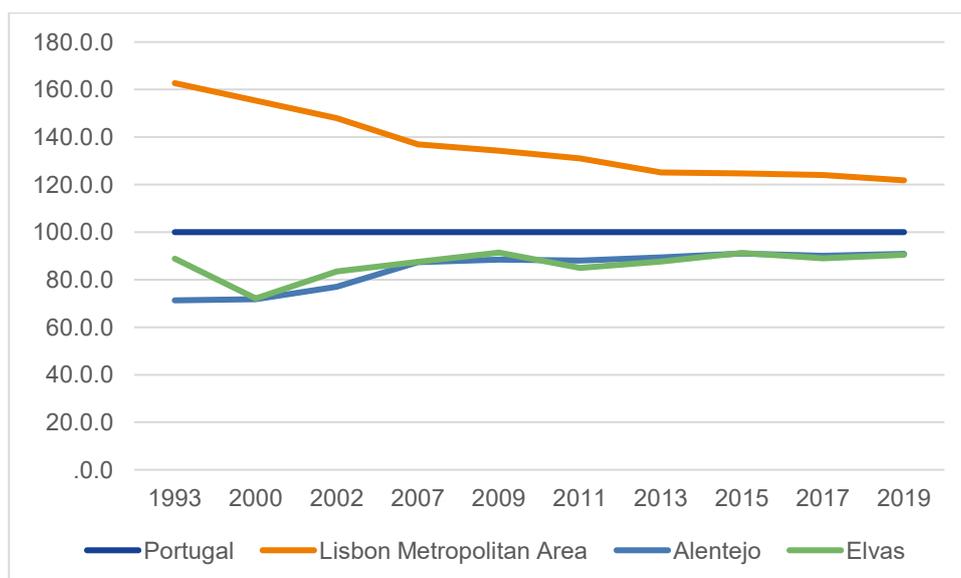
The presented demographic challenges are directly related to the main pre-pandemic social challenges of Elvas. In essence, these challenges result from the presence of a large percentage of unstructured families, with few resources and highly dependent on state support. For instance, in 2012, 382 families benefited from occasional subsidies, of which 38 were in the context of drug addiction, 31 received economic support granted with amounts of technical assistance and 313 received occasional support. The share of people at risk of poverty in Alentejo (NUT 2) in 2017 was 21.1% (Portugal 21.6%). Instead, the at-risk-of-poverty rate after social transfers was 16,9% (Portugal 17.3%).

In Elvas, there are still some deficiencies in terms of health/hygiene care and a deficit of personal and social skills, as well as over-indebtedness and precarious professional activities. This reality persists in parallel with the high number of social emergency situations because of the economic crisis experienced in Portugal in past years. Furthermore, there are several families with one or more members of the household in a situation of unemployment, making it essential to channel means of economic and social support for disadvantaged communities in urban and rural areas. Furthermore, economic and social transformations have been felt in recent decades which have led to the continuous abandonment and consequent deterioration and degradation of consolidated urban centers in the various locations of the municipality. Add to that, Elvas has insufficiencies in the supply of public transport systems, lack of networks and equipment to support soft modes and insufficient capacity for intermodality between these and other types of public transport. All these factors create barriers to sustainable mobility, which is why it is important to encourage investment in this policy domain.

In terms of education, by 2017/18, Elvas had a Pre-primary crude educational attainment rate of 122,9% (Portugal 93.8%), and a crude educational attainment rate in primary and lower secondary education of 129,8% and 119,5% in the upper secondary education. The enrolment rate in tertiary education (students aged between 18 and 22 years old) is 17.4% in comparison with a national average of 36.4%. The 2011 census also showed that 12.1% Elvas inhabitants did not attend any type of education, this number being more significant among women. Moreover, 16% of the population reached the 3rd Cycle of Basic Education and about 18.2% completed secondary education. By then, only 11.2% of the resident population obtained tertiary qualifications, with the majority also being women, following the national trend. Dropping out of school and school absenteeism is a reality in verified reality in Elvas. It occurs essentially in families with socio-economic problems and in Roma families. Failure often exists in families with associated social problems. Consequently, literacy, despite having been on the decline, is still a problem with some relevance in the municipality. It is worth mentioning the existence of a pole of the Polytechnic Institute of Portalegre, with degrees in agriculture and equine culture, with great employability, which has been fighting school dropouts at secondary level.

The sharp decreases in the level of the working population have created strong pressure on entrepreneurial dynamism and consequent job creation in the region. The latest employment rate numbers in Elvas are from 2011 with a 42.6% (48.5 in Portugal) against the 47.3% in 2001. Instead, the unemployment rate in Elvas in 2011 was 18.4%, against 13.8% in Portugal. By 2019, in the Alentejo region (NUT 2), the employment rate was 51.8% (Portugal – 55.3%), whilst the unemployment rate was 6.9% (Portugal 6.5%).

The core of the Elvas city is, by its characteristics, a distinct space from a cultural, historical, social, economic and political and spatial planning point of view. When it comes to inequality/segregation/poverty, over the last few decades, this part of the city has experienced an impoverishment in terms of economic, social and demographic aspects. This impoverishment of the city center can be explained by: (i) suburbanization processes; (ii) the changes resulting from the processes of economic globalization; (iii) the emergence of new and more diversified forms of commerce on the periphery of cities and in competitive centers such as the neighbour Spanish border city of Badajoz.

Figure 1 Purchasing power per capita change in Elvas (1993-2019) – Portugal = 100

Source: Pordata (Adapted).

1.3 Governance characteristics

The Portuguese administrative structure is non-federal. It is fundamentally based on the 1976 Constitution which is founded on a decentralised state, organised under the principles of subsidiarity, the autonomy of local government, and a democratic decentralisation of the public service. In practice, however, Portugal is known to have a highly centralised administrative system. In essence, only the national and local (municipality) administrative levels are elected on national and local plebiscites every four years. The local administrative tier consists of the municipalities (Municípios or Concelhos), of which there are 308 in total. Elvas is one of them located in the Alto Alentejo NUT 3 and Alentejo NUT 2. Each municipality has a municipal assembly (Assembleia Municipal), made up of the presidents of the boards of the constituent parishes and an equal number plus one of directly elected members; a municipal chamber (Câmara Municipal), which is the executive of the municipality; and a municipal council (Conselho Municipal), an advisory body through which the views of social, cultural, professional, and economic organisations within the municipality are transmitted to the municipal chamber. The main competences of the municipalities are to promote development, provide basic sanitation, public services and civil protection, and protect the environment and the quality of life within the municipality.

Portugal does not have elected regional administrative bodies on the continent. As such, it is up to the five Regional Commissions for Regional Development (Comissões Regionais de Desenvolvimento Regional - CCDR) to shape, manage, monitor, and implement the regional spatial policy programmes (PROTs). Moreover, they are required to negotiate the structure of the PROT with the national government. Additionally, an advisory committee (Comissão Consultiva) has the competence to supervise the elaboration of the PROT, which is ultimately approved by the Council of Ministers, together with a designated member of the government. At the Intermunicipal level, it is up to the intermunicipal commissions (Comunidades Intermunicipais - CIMs) and the metropolitan areas (AMs) to elaborate the intermunicipal and metropolitan areas spatial policy programmes, together with the respective advisory committee (Comissão Consultiva). In practical terms, the bulk of the elaboration of these programmes is done by the respective municipalities in the respective intermunicipal commission and metropolitan area, while the approval process is deliberated by the municipal assemblies (Assembleias Municipais). Elvas, being located in the Alto Alentejo NUT 3 is included in the CIM Alto Alentejo (CIMAA).

In this territorial governance context, the Elvas municipality is affected by pertaining to a highly centralised administrative system without a strong (politically and financially) regional administrative tier, like Spain. On the other side, by having an elected mayor, the municipality administrative roles and responsibilities are vast and crucial to the local/regional development processes.

In short, within the Portuguese territory, Elvas municipality has strong contacts and networks with: (i) the other Alto Alentejo municipalities via the Alto Alentejo CIM; (ii) the regional administration – Alentejo CCDR;

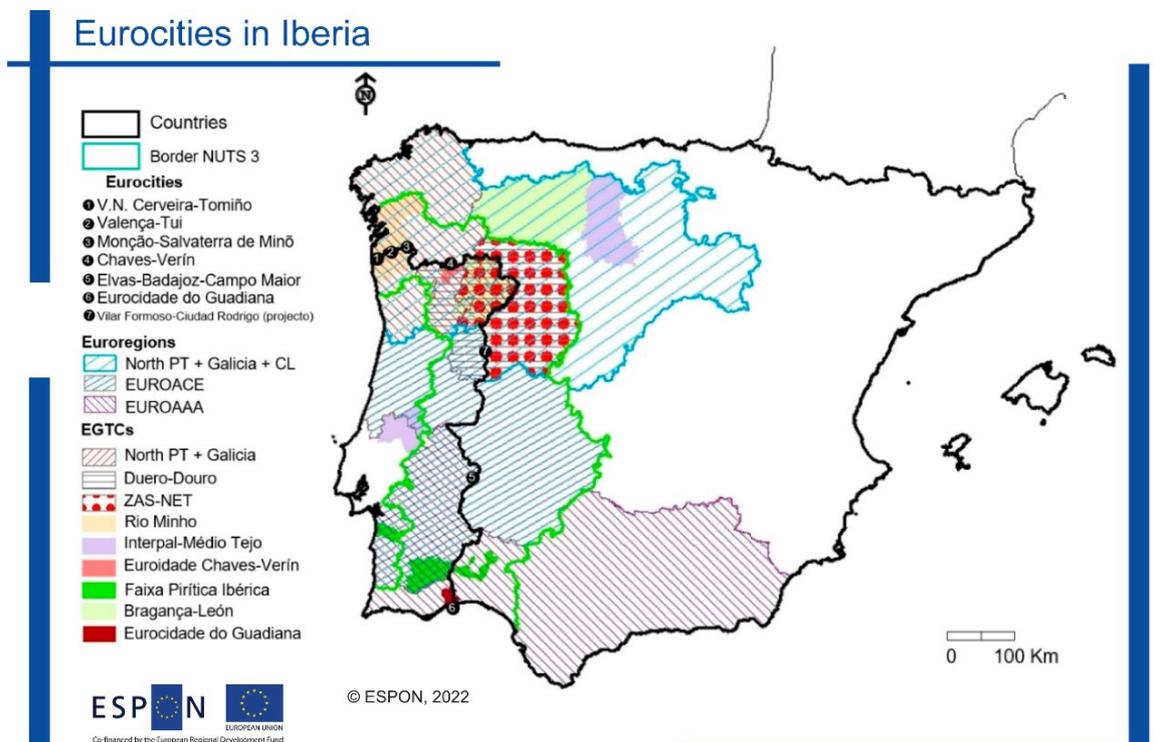
and the (iii) central government. But being located just across the borderline separating Portugal and Spain, the Elvas municipality has a very strong policy relationship with the 150,000 inhabitant Spanish border city of Badajoz. This cross-border networking process is done via direct daily contacts or via the Elvas-Badajoz-Campo Maior Eurocity (EUROBEC) This is a cross-border cooperation project, formalized through a protocol signed on 3 May 2018, aiming at creating a cross-border cooperation body, devoid of legal personality, in the form of a working group to monitor, promote, coordinate, support and/or carry out cross-border cooperation activities. Alongside, the Elvas municipality is an active member of the Iberian Euroregions 'AAA' (Alentejo, Algarve, Andalucía) and 'EUROACE' (Alentejo, Centro and Extremadura). In this conformity, inter-regional and cross-border cooperation processes are very highly regarded by the Elvas municipality. Hence, involved regional and cross-border cooperation stakeholders cooperate both formally via existing regional and cross-border governance structures, and also informally when needed. In addition, inter-local collaborations and networks are established between the Elvas municipality and local agents (e.g. parish councils, social centers, recreational centers, social centers, etc.).

2 Impacts of COVID-19 on the region

Elvas is a small fortress border city with around 20,753 inhabitants (municipality - 2021 Census). The municipality is located within the Portuguese Portalegre District, the Alto Alentejo NUT 3 and the Alentejo NUT 2. It is located just across the national border with the Extremadura region of Spain and is surrounded by six municipalities: Campo Maior, Arronches, Monforte, Borba, Vila Viçosa and Alandroal. With a total area of 631,768 km², it comprises 7 parishes: Freguesia de Caia, S. Pedro e Alcáçova; Assunção, Ajuda, Salvador e Santo Ildefonso; It is within the rural perimeter of the União de Freguesias de Barbacena e Vila Fernando; the União de Freguesias de Terrugem and Vila Boim; Santa Eulália, S. Brás e S. Lourenço; S. Vicente e Ventosa. On June 30, 2012, Elvas was classified by UNESCO as a World Heritage Site: the Border City of Elvas and its Fortifications. As the UNESCO classification attests, the Historic Center of Elvas, and the 17th century walls that surround it, are particularly valuable, authentic and unique in terms of their heritage. Due to its unity, integration in the landscape and historical value, the Historical Centre must be rehabilitated and revitalized.

Located in the *Raia Ibérica* (denomination for the Portuguese-Spanish border area, which is mainly an interior, socioeconomic lagging and depopulated territory with increasing aging problems), the Elvas – Badajoz cross-border axis is the third most dynamic along Raia Ibérica, after the Minho-Galicia and Algarve-Andalucía cross-border axis, in terms of the intensity of cross-border flows (commuters, vehicles, etc.). More importantly, however, is the geographical uniqueness of this cross-border axis: the close proximity between two border cities (around 10km distance - which has been gradually reduced, as the two cities are expanded) and the presence of the largest Iberian city located in close proximity to the national border: the Spanish border city of Badajoz with 150,000 inhabitants. This very specific territorial framework within the EU territory justifies the relevance of this case-study for this report.

Map 4 Eurocities in Iberia Peninsula



2.1 Economic impacts

There was a double negative economic impact from the COVID-19 pandemic in the Elvas municipality. On the one hand, there were direct negative impacts in the economic activities operating within the municipality, which all Portuguese regions experienced, as a direct result of the national mandates to lockdown the population, for health security reasons, as occurred all around the world. These measures ended up producing short and mid-term economic impacts of COVID-19 in the region which are immediately visible by the closing of many services related to accommodation and restauration related activities, largely associated with the tourism sector. On the other hand, these negative short and mid-term economic impacts were aggravated because of the covidfencing process (closing of national borders because of the COVID-19 pandemic), since Elvas' economy is largely dependent on cross-border flows from the large border Spanish city of Badajoz, located on the other side of the border.

Indeed, the Elvas tourism sector, which is crucial for the regional economy, is largely dependent on tourism flows coming from Spain, in particular in the accommodation and restauration related economic activities. As expected, these activities are dimensioned to cope with expected cross-border flows from Badajoz and surrounding areas in Spain. Hence, the covidfencing, which was at its peak in the first pandemic wave (the national borders were basically closed for some months with few exceptions), was particularly impactful (negatively) for the Elvas economic activity, especially during the first wave of the pandemic. It goes without saying that, during this wave, many cross-border workers which cross the border on a weekly base were prohibited to cross the border in both directions (PT-ES). This issue was eventually solved in the following pandemic waves, following local pressures and the realization that these workers are crucial to the border region' economic activity.

In all, and as expected, the tertiary economic sector was the one more negatively affected by the pandemic in Elvas. The implemented policy measures to cope with this novel panorama, however, eventually helped the commerce related activities to be maintained and thus contributed to mitigate these negative impacts. Moreover, fiscal measures which cut the need to pay almost all fees and taxes by all business activities during the pandemic, also contributed significantly to reduce these potential negative economic impacts. Hence, the emerging economic trends following COVID-19 are mostly seen in the restauration of the former' economic pillars' of the region: the tourism related economic activities, such as accommodation services and restaurants, as well as the general commerce. By the second wave, the former cross-border flows were almost restored, and crossing the border was no longer a major issue for all that need to visit the country on the other side of the border. Hence, the Spanish tourists are, once again, visiting and enjoying the historical city of Elvas. But no major shifts in the economic activities are visible insofar.

There are not yet concrete GDP numbers on the economic impacts of the pandemic in the Elvas municipality. From a municipality budget perspective, the city has spent an extra 2M€ to implement proactive policy measures aiming at mitigating the potential negative impacts of the pandemic. As a result, there was not a significant impact on the unemployment rate in the region. This was also due to the national policy measures supporting business activities during the pandemic and to protect employment. By now (early 2022), the economic activities have resumed their normality and have retained the pre-pandemic number of employees. One needs to understand, however, that Elvas is a small city which makes it easier to manage such crisis, especially in these pandemic scenarios.

2.2 Social impacts

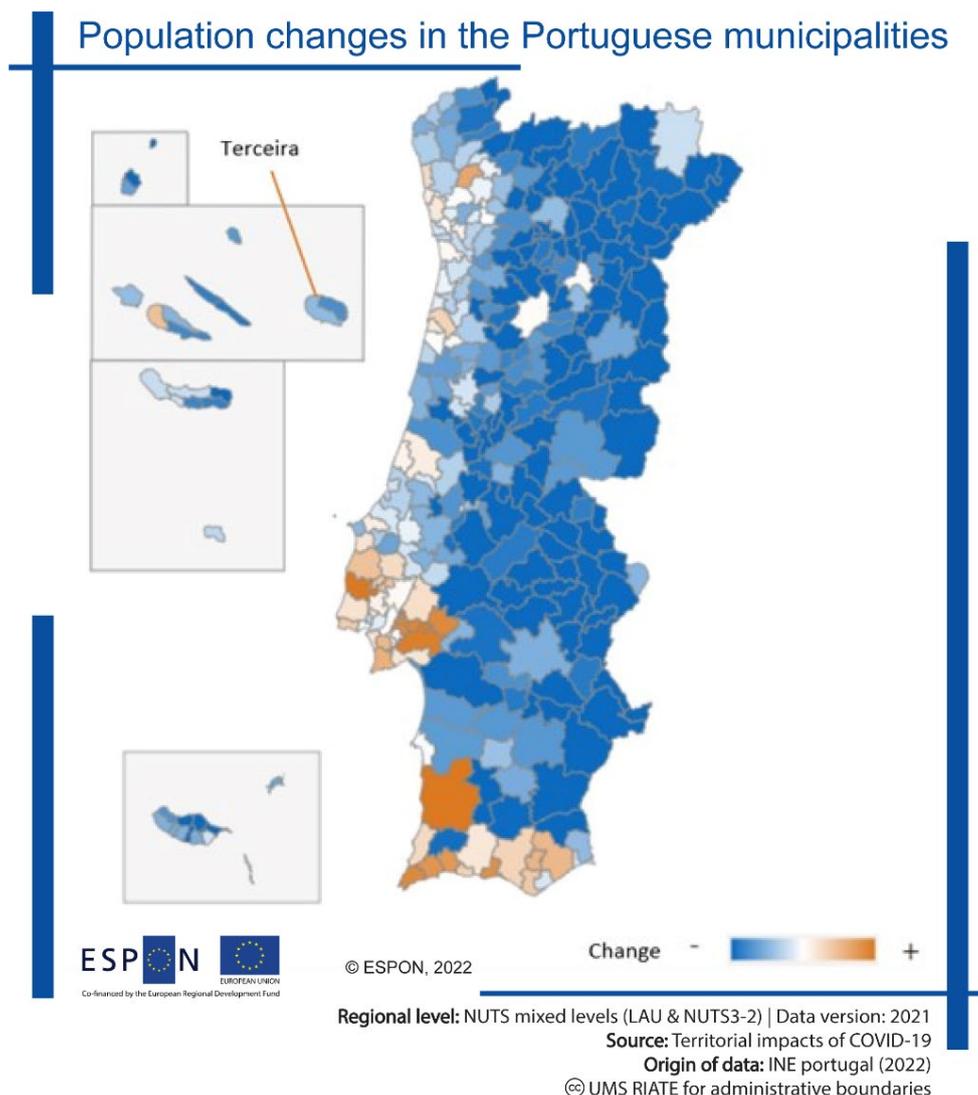
From a demographic standpoint, the pandemic effects on the municipality of Elvas are not yet visible. As previously mentioned, the municipality saw a significant (> 10%) reduction of its population inhabitants during the past decade (2011-2021). These depopulation trends are common in all the Portuguese interior areas (continental territory). Hence, in the case of Elvas, it is hard to link these depopulation trends with the COVID-19 pandemic. Official numbers show that around 800 inhabitants were infected with COVID-19 (until 8 September 2021), with around 21 deaths (Alentejo Region: 37, 762 cases and 1,010 deaths). It is also worth noting that the spreading of the pandemic took a few weeks to reach most depopulated areas in Portugal and that, in most parts of these regions, the population densities are very low, which makes the controlling of such pandemics easier to deal with.

There are also no noticeable impacts from the pandemic in the region' social development trends, including areas of social poverty levels and social inequalities. This was due to the immediate implementation of social protection related measures by the municipality, which will be detailed in next sections, but which were mainly focused in the just transition policy dimension: (i) support to elderly people; (ii) support to the young;

(iii) support to education; and (iv) support to housing conditions. It is worth noting here that the children nourishment was largely supported by the municipality policy measures (delivery of nourishment kits to the families in need) because when schools are closed, many students did not have the access to the necessary daily meals, which were provided by the schools. Indeed, the social support provided by the Elvas municipality lasted at least until 31 December 2021. Some of the ongoing (35) social support measures are to be extended after that deadline if needed. So, different emerging social trends, as a result of the COVID-19 pandemic, are not expected in the region. What is expected is that the previous depopulation and aging trends continue to prevail in the following decades, not as a result of the current COVID-19 pandemic, but as a result of a wider territorial development context which has favoured 'territorial exclusion trends', vis-à-vis intended 'territorial cohesion trends', in small places all across Europe, over past decades.

One area where the negative social impacts is clearly visible is on the lack of ongoing availability of public transports within the city of Elvas. Curiously, since the first pandemic lockdown no public transport has been running within the city of Elvas. Moreover, by late 2021, no cross-border public transport was available to cross the Elvas-Badajoz cross-border axis. There have been recent attempts to reignite cross-border negotiations to resuming the implementation of cross-border transports between Elvas and Badajoz, but no decision is yet made on this policy domain. There are, however, some ongoing discussions to resuming cross-border bus carriers which used to cross this border passage, at least twice a day. They were, however, not economically profitable, since the distance between Elvas and Badajoz is quite reduced, and the daily schedules were also very limited. There is a certain self-indulgence by the border dwellers that prefer to use private vehicles to cross the border when they need to make purchases, tourism activities or take care of personal issues.

Map 5 Population changes between 2011 and 2021 in the Portuguese Municipalities



3 Policy Response to COVID-19

3.1 Policy Context

In general terms, in the Elvas municipality, the pandemic did not yet present a wide window of opportunity for policymakers and practitioners to advance specific regional and local policy goals and strategies for a more just, green and smart policy transition. The same goes for the cross-border collaboration process between Elvas and Badajoz. In effect, there are no ongoing discussions to change mainstream local and cross-border development strategies, from a generic policy strategic development standpoint. However, the pandemic brought about increasing concerns to the need to digitalize the access to public services via online internet platforms, as required by the mandatory national lockdowns. Indeed, the access to municipal public services is now more effective than ever in Elvas. Other than that, the pandemic did not alter existing development policies/strategies in the region and the cross-border region. Likewise, the pandemic did not alter local and cross-border policies/strategies under construction. For instance, there were ideas to implement a cross-border public electric bus daily career in pre-pandemic times. This project idea is to be maintained in post-COVID-19 times.

On the other hand, regarding cross-border education strategies, despite many ongoing signed cross-border school protocols between both border cities (Elvas and Badajoz) for stimulating students' cross-border mobility, until the COVID-19 pandemic ends, no one dares to move students across the border. Similarly, in pre-pandemic times, many cross-border cultural events took place monthly. By now, these events are greatly reduced. As time goes by, however, the normality tends to be resumed. Regarding cross-border health issues, it is expected that a new policy strategy can be designed soon, which enables a more policy effective intervention, and which anticipates future covidfencing scenarios. These potential new strategic guidelines are very much targeted and have a cross-border character.

3.2 Proactive Policy Overview

The tables below present some of the best examples of proactive policies in Elvas in relation to the just, green and smart transitions. Crucially, most of the Elvas municipality proactive policy support was placed in improving socioeconomic related needs to its inhabitants, since the pandemic greatly disrupted the normal panorama of many crucial economic activities in an ageing municipality. As such, financial aid was provided both directly (money transfers and food baskets) and indirectly (tax reduction or cuts) to the local business and inhabitants. Alongside, the elderly and the young were supported respectively via policy measures supporting health and education. Poverty, inequalities and social exclusion was mostly addressed by the implementation of 35 measures to support families and businesses in the municipality. These proactive policy measures were designed to help families and business to face the difficulties created by COVID-19 pandemic, in an investment of around 1.5 million euros. These measures were implemented right from the first pandemic wave and were maintained until 31-12-2021. Some of them continued to be supported after that deadline.

As seen during the pandemic, poverty, inequalities and social exclusion have been addressed via the implementation of 35 concrete proactive policy measures, introduced in the first wave of the pandemic, to address social support to families and economic activities. The main challenges to implement these policy measures were mainly related to funding. Suddenly there was less money coming from taxation and more money was needed to support social measures. It is estimated that the COVID-19 pandemic costed around 2M€ to the Elvas municipality. The main advantages of the COVID-19 pandemic to the region were the sudden and intense attraction from the large Portuguese urban metropolitan regions to the less populated, and thus safer, depopulated country side. In this context, Elvas received a few hundred of new temporary residents from these places, which brought additional purchasing power to the local economy (rural tourism mainly) mostly during the summer. Indeed, during last summer, a urban-rural wave of people had unprecedented numbers because of the pandemic. The main enablers and challenges in implementing these policies were the urgent need to provide social assistance to an already large contingent of poor and elderly population. Hence, a crisis management cabinet was installed in the municipality with daily meetings joining the presidency of the municipality, the civil society representant and the health delegate representant. From time to time, cross-border contacts with Badajoz were held, with direct concerns with the consequences related with the closing of the border.

Table 2 Just transition policies

Focus area(s)	Policy description	Target group(s)/ Beneficiaries	Responsible level of governance / Financing	Stakeholders involved in policy implementation	Timing of policy	Duration
Business support	Alongside the national government approved measures to support job retention during the COVID-19 pandemic times, the Elvas municipality provided additional support to several economic activities, like the commerce by, for instance, the elimination, or drastic reduction, of municipality fees and taxes.	Businesses	Municipal level		Pandemic	Unclear
Food, medical and housing support Income support	Delivery of meals by the municipality to socioeconomic deprived families. Eliminate the payment of the water for the poorest families. Home support services. Payment of medicines. Increasing the amount of monthly income. Payment of pensions. Rent payment retention.	Vulnerable groups	Municipal level	Santa Casa da Mesericórdia	Pandemic	Unclear
Education and training	A protocol with the Employment Institute (Instituto de Emprego e Formação Profissional) was established to train around 50 employees capable to supporting nursing homes and the Red Cross during the pandemic. Elvas municipality contributed with 10% and the rest (90%) was provided by the Employment Institute.	Key workers	Municipal level		Pandemic	Unclear
Business support	Tax reduction/elimination for all economic activities. The new companies do not pay any fees or taxes. Existing companies saw a reduction or elimination of municipal fees and taxes.	Businesses	Municipal level		Pandemic	Unclear

In a context of socioeconomic deprivation, measures to support green transition were not a priority for the Elvas municipality. One exception was the financial support provided to renovate the municipality' green spaces, which suddenly became crowded with the elderly population, tired of systematic lockdowns. No policy measures targeted, for instance, the renovation of public transports operated via sustainable and green fuel sources.

Table 3 Green transition policies

Focus area(s)	Policy description	Target group(s)/ Beneficiaries	Responsible level of governance / Financing	Timing of policy	Duration
Green spaces	Some of the municipality public green spaces were renovated. This resulted from increasing number of citizens interested in using such	General population	Municipal level	Pandemic	Short term

public spaces during the pandemic.					
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Elvas is a small border city with an economy dependent on tourism, mostly from visitors from the other side of the border. There is no major innovation centre there. This context affected the number of implemented smart transition policies in this municipality. In the end, the need to remain locked at home led to a financial policy support to increasing digital access to both public entities and private citizens.

Table 4 Smart transition policies

Focus area(s)	Policy description	Target group(s)/ Beneficiaries	Responsible level of governance / Financing	Stakeholders involved in policy implementation	Timing of policy	Duration
Digital access and competencies Multi-locality working	The city acquired and distributed 300 routers for all municipality residents which had a personal computer in their homes. The goal was to provide conditions for all to work directly from home during the lockdown. Free school transport and meals and grands support.	General population	Municipal level		Pandemic	Unclear

4 Policy impacts

4.1 Policy measures

The implemented policy measures significantly mitigated the potential negative economic impacts of the pandemic in the economic activity, via concrete support to job retention, payment of certain key services (e.g. water), and the reduction and elimination of fees and taxes. Crucially, the payment of the water bill to all companies (around 1200 in total) until 50€ was also seen to have had a positive impact especially to small and family business activities.

From a social standpoint, the main policy impacts can be seen in the maintenance of the employment numbers and the number of students in the tertiary level, respectively as results of financial aid to job retention schemes, and the increased number of scholarship grants given to university students by the municipality (used to be 150 and now are 250 – 150€ per month). Indeed, the main goal on maintaining the employment levels in the region was achieved. Moreover, the level of income of the families with students which were able to apply to university courses was increased by the municipality. In the end, the proactive policies had a very important and positive impact on facilitating the education processes in the region. The same goes for the prevention of increasing levels of poverty, inequality and unemployment via the direct financial support to the elderly and the poor (nourishment, medicines, access to services).

Curiously, the Elvas municipality expected that the financial support provided to pay the water bill (until 50€) was going to be used by far more beneficiaries than the ones that applied for this benefit. The reason being that some inhabitants do not saw this support as particularly important for them. So, they did not even bother to deliver the water payment receipt. In contrast, one of the measures with higher positive social impacts was the already mentioned support given to the university students via the augmenting of the number of scholarship grants, which were 'quickly sold out'. Moreover, the meals support given to basic and secondary students, which were no longer physically present in their school' facilities, can be seen as a very successful measure from a poverty mitigation standpoint.

Another unwritten, yet quite successful policy social measure, was the hiring of two city hall employees which had the tasks of receiving phone calls to solve all kinds of problems encountered by the municipality inhabitants, and especially the elderly ones living alone. Alongside, the municipality used its own employees to deliver needed medicines to the elderly population and assisted them in other important daily live tasks such as collecting money from ATMs and delivering food, usually with the presence of the assisted person, since the pandemic started. Add to that, the municipality paid a percentage of the cost of the medicines to the elderly inhabitants. These and other social supportive measures were tremendously important to maintain the basic quality of life of the older and poor dwellers of the Elvas municipality.

No significant environmental measurable impacts resulted from the proactive policy measures implemented by the Elvas municipality to combat the pandemic. The only area which was relatively benefited was the funding provided to improve the Elvas municipality' green public spaces (more benches, plants, fountains, grass, etc.). This was due to the fact that more persons were suddenly keener in frequenting these green spaces during the pandemic, as they tried to free themselves from harsh policy lockdowns.

From a cross-border cooperation standpoint, after the first wave, the Eurocity contributed with a relatively successful measure to facilitating the reunion of medical doctors from both sides of the border to decide on the most effective measures to combat the pandemic main impacts. Moreover, the Spanish universities, located on the Spanish (Extremadura University) side of the border, established online courses which positively contributed to maintain the students in their university work.

So far, one can conclude that the 35 implemented proactive policy measures have been relatively successful in their expected impacts. Some with higher positive impacts than others, especially the ones intended to support direct social cohesion related issues: mitigate poverty, unemployment, etc.

4.2 Governance impacts

The impact of COVID-19 on governance structures/responsibilities of the Elvas municipality was somewhat reduced. Crucially, the already mentioned 35 policy proactive measures implemented to mitigate the impacts of the pandemic were decided and implemented by the municipality without a major consultation process to local and regional stakeholders, and to the citizens. There was only pinpoint collaboration processes with a

few local entrepreneurs and responsible for public services (education, health and security) in the negotiations held to design supporting policies to alleviate the potential pandemic effects in the municipality.

In all, when it comes to the governance structures and responsibilities the Elvas municipality continued to exert its local development competences and responsibilities during the pandemic times. The relation with the intermunicipal (Alto Alentejo - CIMAA) and regional (CCDR Alentejo) administrative structures was maintained and even reinforced during the pandemic. The same happened with the relation with the national government. However, the cross-border collaboration process was largely affected in the initial stages of the pandemic, and namely because of the functioning of existing cross-border structures (Eurocity and Euroregions), which basically was momentarily halted. Furthermore, the constant and direct collaboration with the neighbour Spanish border city of Badajoz was undermined in particular during the first pandemic wave, when it comes to trying to find a common ground to solve cross-border development related policy issues such as access to health and education services and public transports by border dwellers and cross-border commuters.

One example in which the degree of impact of COVID-19 on the cross-border collaboration process between stakeholders was negatively affected was verified in the implementation of an ongoing EU Interreg-A project, which depended largely on personal contacts from both sides of the border. Hence the actions related with this project were immediately halted. Likewise, the Eurocity stop to work from a formal standpoint, especially during the first wave of the COVID-10 pandemic. In the following months it resumed its more normal functioning. This new reality, which greatly affected cross-border collaboration processes during the first pandemic wave, had a direct negative impact on several cross-border cooperation domains. These included education, tourism and transport related cross-border protocols. Hence, the short and mid-term impact of COVID-19 on stakeholder collaboration was mainly negative on the cross-border cooperation process between Elvas and Badajoz.

One of the main negative impacts of the COVID-19 pandemic for the region was the closing of the national border. All of a sudden, the local authorities from both sides of the border realised they did not have any effective policy governance mechanism to deal with this huge problem effectively. This can be illustrated vividly with concrete examples like the need to share health facilities such as the Hospitals located on both sides of the border, despite existing cross-border protocols to allow border dwellers to use them unconditionally. During the first wave of the pandemic, the Badajoz hospital was full, and their patients were not allowed to be moved into the Elvas health facilities. The same was true for the Elvas' patients. After the first wave, these barriers to the common use of cross-border health facilities were finally removed. Indeed, health issues were the ones that worried more the Elvas municipality during the pandemic times and showed the fragility of existing multi-level and cross-border territorial governance structures in responding to the pandemic. Worse still, during the first pandemic wave, cross-border workers from both sides were not allowed to cross the national border. Even parents were not allowed to see their children if they lived with the other parent on the other side of the border. All this was a completely new situation which was not possible to be immediately solved by existing governance structures, even by the ones with a cross-border character (Eurocity + Euroregions).

Both Elvas and Badajoz, realising how problematic the situation had become for their local economy and dwellers, resulting from the covidfencing process, joined forces to contact the respective national governments to reopen this part of the national border as soon as possible. The goal was to allow an immediate (re)circulation of cross-border flows and people (cross-border workers). This political pressure from both Elvas and Badajoz had some immediate positive results in changing initial national guidelines, obligating quarantine measures (14 days), which were predicted to enter into force in the second pandemic wave (this measure only lasted 2 days on the Spanish side). Hence, from a cross-border governance standpoint, the pandemic was clearly a solid indicator that existing cross-border structures are fragile and do not really function in pandemic times which force the closing of national borders as was the case of the local Eurocity and the two regional Euroregions.

Regional multi-level territorial governance structures, like the regional administration level (CCDR Alentejo), as well as the intermunicipal level (CIMAA), gave continuous support to the Elvas municipality during the pandemic. This support resulted from the implementation of common projects related to financial support to acquire medical equipment (masks, tests). Moreover, the Red Cross collaborated with the Elvas municipality in several medical domains (rapid covid-19 tests, provision of medical staff, etc.). The local Fireman was also involved in providing assistance to the municipality actions to combat the pandemic. As a consequence, the municipality financed them with extra-funds.

Turns out that, the national level of governance had an indirect influence in responding to the pandemic via the financial support provided to companies (payment of a share of the workers' wages). This was a crucial help for Elvas since the municipality has a few companies with dozens of employees. This scenario allowed the municipality to divert the economic assistance to other policy areas. In all, multi-level territorial governance structures provided critical provision of infrastructure and services in responding to the pandemic, mainly at the regional and intermunicipal level.

The national governance level supported the municipality via financial aid. The degree of cooperation between Elvas and the national and regional actors was high. Indeed, it is hard to come across with a similar example in which all national, regional and local entities have genuinely joined forces, in Portugal, to effectively combat the pandemic. Within the national borders, however, the policies connected to the pandemic crisis affected positively the cooperation between the municipality and the local education actors, and more broadly with the national government. On the rest, the pandemic did not significantly affect the degree of collaboration between other types of regional and local stakeholders.

At the cross-border level, the degree of institutional cooperation was relatively low or average. The main reason for this is the lack of the Portuguese local/regional policy competence to make formal legal agreements with the regional administrative level in Spain. In fact, on a formal level, only the national administrative level in Portugal can sign legal agreements with the Spanish regions, due to the absence of a legally and administrative elected regional level in Portugal, in the continent. Hence, on the initial wave of the pandemic, the cross-border cooperation process was somewhat halted to its minimum ever levels in several decades. Indeed, the implemented policies had not much to do directly with the need to solve cross-border cooperation related processes. So, here, implemented policy measures did not impacted the stakeholder cooperation. At least directly. On a positive note, the Eurocity decided to speed-up the delivery of the Eurocity Card which allowed discounts (5 to 10%) to using public services (swimming pools, museums, etc.) by Elvas and Badajoz' dwellers.

In essence, the Elvas municipality was the key stakeholder in formulating and implementing the proactive policies identified. Here, there was a relative advantage from a decentralised governance approach which provided 'political powers' to the municipalities to act as key vehicles to provide socioeconomic support to citizens and activities. At the cross-border level, the proactive collaboration related to mitigate the pandemic impacts, in particular, on the cross-border flows, was only established after the first pandemic wave. However, as stated, the lack of a regionalised administrative level in Portugal was a huge disadvantage when it comes to the need to formalise new legal cross-border agreements with the Spanish region of Extremadura to facilitate cross-border flows, which were largely affected by the pandemic. The fact is that the decisions to close and open the national borders was placed at the national administrative levels in both Iberian countries. Conversely, the advantage of the Portuguese centralised governance structure came from the facilitated process in making decisions to combat the pandemic which simplified their incorporation in a uniform manner to the regional and local governance levels. The disadvantages came from the fact that some of these decisions required a place-based approach that can only be met by providing power to the local authorities, in order to increase the speed and effectiveness of their implementation.

Besides local, regional and national authorities, some local actors and stakeholders provided important inputs to the design and implementation of the proactive policies. Here, the local schools were very much engaged in collaborating on educational related measures with the municipality. The same happened with nursing homes in health issues. The level of participation of commerce and industrial related stakeholders in the design and implementation of policy measures was very low. Regarding the collaborative cross-sectoral governance processes levels, one can conclude that they were not relevant in responding to the pandemic. On the other side, existing cross-border structures such as the Eurocity and the Euroregions had an important role to respond to the pandemic mainly after the first wave. In effect, the long-term solidified institutional cross-border cooperation between Elvas and Badajoz facilitated the common policy responses to the pandemic from a cross-border perspective. These responses were not ideal, but the cross-border contacts were common throughout the pandemic era.

Critically, there are not yet strong manifested impacts from the implementation of the 35 proactive measures on the governance structures. No new governance structures were created, and no substantial changes were made on existing ones. Moreover, these policies were mainly centred on the municipality borders, and did not directly affected other municipalities in close proximity.

4.3 Financial impacts

No new or innovative public/private financing method was introduced by the Elvas municipality to cope with the pandemic, except from the exceptional measures implemented to reduce and cut the payment of fees and taxes. When regards to the impacts on public/private funding mechanisms, there were a few changes on the allocation of funding in certain financial mechanisms which favoured the support to the local administrative level during the pandemic. Here, for instance, for certain funding mechanisms (national), the presented receipts were now 100% reimbursed. In all, the municipality used around 2M€ from its own budget to finance policy measures to mitigate the pandemic impacts. Hence, for a border and depopulated municipality, this was a huge financial effort, in a context of fees and tax cuts. Even so, the municipality had support from the national government to cope with this extra financial burden.

The financial measures actions and instruments were introduced to deal with the crisis with a main focus to supporting the social dimension of development. The main policy instruments were, for instance, the attribution of more social subsidies and the direct support to meals, medicines and education. Then again, economic related measures were introduced via the reduction and cancelation of fees and taxes to the economic activities and inhabitants. The proactive policies introduced were only financed through public funding mechanisms. Some of this public funding came from national sources, intermunicipal sources (CIMAA) and local municipality budget. Regarding the EU funding, indirectly, some funds from the EU Interreg-A programme were redirected to culture activities. As regards the financial provisions, the Elvas municipality was prepared to deal with pandemic since its budget was balanced when the pandemic started.

5 Future policy directions

5.1 Future policy direction:

Some of the already identified adopted policies which can be upscaled and replicated in other EU regions, as long as these regions have the necessary budget to implement them, and as long as the needs of these regions are similar to the needs of the Elvas municipality, which has the territorial specificity of being a border city, located in a depopulated and socioeconomically deprived territory.

Just transition Policies

Focus on improving digitalisation processes

Several just transition related policies can be identified as examples to be maintained in the future. For instance: (i) the policy measures which provided support to the university students via the increasing of scholarship grants; (ii) the support given to pay the water bill (families and companies), the medicines, the nourishment of social deprived families, and; (iii) the offering of internet routers to facilitate the online work under lockdown conditions. These are to be regarded as eloquent examples of adopted proactive policies which can be upscaled and replicated in other EU regions in the just transition policy domain.

Social policies for the young and the old

It is expected that the future direction of policies in the Elvas municipality are positively impacted by the ongoing pandemic experience. For instance, the municipality will increase even more the support to university students via increasing number of scholarship grants. As previously stated, the increasing number of scholarship grants given to university student will remain in place in the future. Moreover, the support given to elderly people in collecting the medical prescriptions in their homes is to be maintained. Add to that, the established access to the municipality services via online is also to be maintained in post-pandemic times.

Cross-Border Governance and Cooperation

Moving towards cross-border planning

From a cross-border cooperation standpoint, the governance and stakeholder collaboration are also expected to be improved in the future, since the pandemic revealed how fragile this cooperation process can become all of a sudden, when the national borders are closed after national government mandates for implementing covidfencing. In this regard, there is a need to forge new cross-border protocols in the health and water management policy domains. Furthermore, it is expected that a reinforced cross-border governance process is established via the Eurocity in order to deal more effectively with all the issues related with the needs of cross-border workers, that were largely affected by the pandemic in covidfencing times. Additionally, the cross-border transports planning strategy is expected to shift by the formalization of a project still in pipeline to implement a sustainable green (electric) cross-border bus.

Keeping border open for cross-border workers

Regarding the territorial cooperation frameworks, tools and resources for cross-border regions are to be strengthened for similar crises situations. Therefore, it is expected that the Eurocity becomes more effective in implementing cross-border measures aiming at improving the quality of life of cross-border workers. It is also expected that the local-regional-intermunicipal cooperation framework is reinforced so that it can produce a faster and more effective response to a future pandemic situation.

5.2 Regional recommendations

Policy Recommendations

- **Maintain the financial support to support to students** via increasing number of grants, transport and meals, even after the pandemic is over. European cross-border regions commonly face socio-economic development and demographic challenges within a national context. As such, it is crucial that socioeconomic deprived families are financially supported by the local, regional and national administrations in a crisis context to maintain desirable levels of human dignity and acceptable standards of living. Here, the old and the young are always the more vulnerable ones. Hence, proactive policy measures should consider the support to their needs, in particular, in nourishment, health and education policy domains.
- **Strengthen the support to the digitalisation of public services** and the possibility to online working by delivering internet routers and potentially the acquisition of laptops by the inhabitants. One positive outcome from the COVID-19 pandemic was the realisation of all the advantages of the use of online platforms to work and to access public services. In this context, local authorities in the case-study acknowledged the need for increasing policy support towards the digitalisation of public services in the cross-border area to facilitate the public access to these services. Moreover, in view of the low average income of the case-study families, local authorities would need to strengthen the support to provide adequate informatic equipment to socioeconomic deprived families, so they can use digital services.
- **Enhance the support to socioeconomically deprived families and companies** via the update of the income value, rent payment extension or exemption, support for food and the payment of the water invoice: In most cases, companies operating in cross-border areas are relatively small in number of employees and revenue (family operating companies in restauration and accommodation with artisanal manufacturing). In this context, local authorities need to be prepared to financially support such business in a crisis context. The same goes for socioeconomically deprived families by, for instance, exempt them to pay taxes or water and electricity invoices.

5.3 Governance Recommendation

- **Reinforce the strategy and the budget of the Elvas - Campo Maior - Badajoz Eurocity**, so that this cross-border entity can solidify cross-border collaboration processes and can act as a key actor to mitigate the impacts of future pandemics. For the most part, processes of EU cross-border cooperation are limited on pin-point agreements, and cross-border project collaboration between authorities from both sides of the border. But as the COVID-19 pandemic demonstrated, there is a need to implement a more effective, strategic and long-lasting cross-border cooperation process between both sides of the border which can mitigate the negative effects of a covidfencing process. Here, the implementation of a cross-border planning strategy within the already existing Eurocity could lead to a more effective and sounder cross-border collaboration process in all policy domains.
- **Provide more policy decision capacity and appropriate administrative competences to the regional level in Portugal** to facilitate the cross-border cooperation between Spain and Portugal since the Spanish regional level needs to contact the Portuguese national level to agree on legal and administrative measures that can facilitate cross-border cooperation processes. Since Portugal does not have administrative regions in the mainland, local and regional authorities need a national permission to established legal collaboration protocols with the Spanish regions. This limits cross-border cooperation potentials in all policy domains.

- **Enhance the dialogue between the regional and local levels** during pandemic times, especially in financial aid arenas. Local authorities have a crucial role in implementing concrete pro-active measures to mitigate negative impacts of crisis situations, as they deal directly with families and companies and know in detail their immediate needs and challenges (place-based context). However, the effective implementation of policy responses to crisis situations requires an enhanced dialogue between local and regional authorities for accessing necessary financial and material support to families and businesses. In this case-study, it was clear that this regional-local collaboration would need to be improved in future pandemic scenarios.

5.4 Territorial Recommendations

- **Create a dedicated and more effective open cross-border corridor** even in pandemic times in policy areas such as health and for cross-border workers. Local and regional authorities on both sides of the border, together with existing cross-border cooperation entities (Euroregions + Eurocity), should negotiate the possibility to maintain an open cross border corridor open at all times for cross-border workers, even in pandemic times, as they are crucial to the border region economy.
- **Implement a cross-border plan between Elvas and Badajoz via the Eurocity and the Euroregions** (Alentejo-Centro-Extremadura + Alentejo-Algarve-Andalucía), to solidify institutional networking and improve the articulation with existing territorial development plans from both sides of the border. Both the mentioned existing cross-border cooperation entities and the local and regional authorities from both sides of the border would gain from implementing a more effective cross-border longer term strategic plan to mitigate existing cross-border barriers and to boost territorial development in the cross-border area. Ultimately, the intention is to gradually promote effective territorial integration processes towards increasing cross-border physical accessibility and reduced levels of legal and administrative barriers faced by cross-border workers and visitors, which can facilitate the lives of cross-border dwellers.
- **Enhance cross-border cooperation processes in areas such as health, education, culture, civil society, transports, public infrastructure**, etc., by involving the Eurocity, in order to mitigate the potential negative impacts of future pandemics. Local and regional authorities from both sides of the border should increase and enhance cross-border cooperation processes which can facilitate the lives of all that need to cross the border for working, shopping, tourism or access to public services. In the latter case, the access to health and education without legal and administrative obstacles would improve the effectiveness of such public services for all border dwellers.
- **Reinforce cross-border public transports' daily frequency**, in order to make them attractive to the cross-border workers as well as border dwellers and tourists. Recent ESPON studies on existing cross-border public transports in the EU have demonstrated that most EU cross-border passages fail to deliver sufficient possibilities for cross-border workers and tourists to cross the border, unless they have a private vehicle. This scenario significantly limits the maximum potential of cross-border flows and collaboration activities. This is the case in the studied cross-border area, where there is a limited number of cross-border public transports during the day. As such, local and regional authorities should work, together with existing Euroregions and the Eurocity, to find a policy solution aiming at reinforcing cross-border public transports' daily frequency in the cross-border area.

5.5 Financial Recommendations

- **Develop a ready-to-use substantial national financial package** which can be used at the municipal level to support socioeconomic deprived families and economic activities in pandemic times. The time to act in crisis such as the COVID-19 pandemic is crucial. The lessons learned by the local authorities located in border areas is that there should be a ready-to-use substantial national financial package to be available by local authorities to act more swiftly in supporting local families and business.
- **Develop a cross-border financial package which can deal with local potential socioeconomic and environmental impacts**, and also with potential cross-border related processes, such as the negative impacts associated with the closing of the national borders for cross-border workers. Although EU cross-border entities are well widespread along EU border areas, their financial and policies capabilities, for the most part, are limited. This is the case of a myriad of Iberian (PT-ES) cross-border entities which are largely supported by local and regional authorities' budgets. Hence, the development of a cross-border financial package which can deal with local potential socioeconomic and environmental impacts from a crisis situation could help to mitigate these potential impacts in a more effective manner.



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