



2017 Global Infrastructure Forum

Delivering Inclusive and Sustainable Infrastructure
April 22, 2017. Washington D.C.



Urban renewal and regeneration of Lisbon



Lisbon is the capital of Portugal and currently has a population of around 513,000, within a metropolitan area with a population of 2.8 million. The city lost about 240,000 inhabitants over the last 3 decades, mostly due to lack of affordable housing adapted to families' modern living standards, and was also suffering from insufficient or outdated urban infrastructure in some areas, and from increasing flooding in other areas.

Against the background of a significant reduction of public investment in Portugal between 2009 and 2014 (estimated at about 50% nationally) Lisbon's Mayor Fernando Medina saw an opportunity to reinvent his city as a whole for the twenty-first century, and not try to solve individual problems piecemeal. His aim was, quite simply and ambitiously, to "change the way people live in the city."

Comprehensive multisector framework loan

The city decided to undertake a counter-cyclical investment programme in the coming years, (2016-2020). Such investment effort has been made possible by recent progress in the City's financial position, which has benefited from a sharp increase in tourism and associated urban regeneration investment, which in turn has increased municipal budget revenue. This enabled the EIB to finance a comprehensive urban renewal and re-

generation strategy for The Municipality of Lisbon with a 30-year EUR 250 million loan (for the overall EUR 523 million), covering several aspects:

- Rehabilitation of urban roads/streets
- Reconstruction and enhancement of public squares
- Innovative urban mobility solutions such as urban lift and escalators in pedestrian city circuits, a funicular railway, bike sharing, eCar and an ICT smart mobility platform.

- Diversified urban regeneration interventions: including requalification of public buildings and public spaces, and new underground and surface parking spaces (predominantly residential and Park and Ride).
- Smart City innovations such as license plate recognition systems, car access control systems in historical neighbourhoods, parking meters with license plate registration integrated with EMEL control centre, etc.
- Parks and green areas
- Reorganisation and modernisation of fire stations, including construction of new ones
- Infrastructure accessibility targeting elderly population, young families with children and disabled people.
- Cultural facilities including museums, libraries and other City archives (e.g. photography)
- School renovation programme
- Upgrade of existing drainage networks, including the construction of a 5.5 metre internal diameter tunnel, 5 km long. Social housing, for both migrants and vulnerable local residents

Having a comprehensive strategy that covers all potential sectors and schemes in a city in one operation – instead of financing separately a wastewater operation, and a school, for example – enables the financing to consider the city as a living network of interdependencies.

Various infrastructure investments should additionally support entrepreneurship, innovation, and the digital economy, to deliver long-term competitiveness, and, furthermore, create immediate employment opportunities. In particular, the loan signed today will contribute to transforming an old military factory into one of the biggest entrepreneurship and start-ups' hub in Europe.

Some other expected outputs include 11 new fire stations, 18 new car parks, 250 km of upgrading of streets/urban roads, 412 new social housing units built and rehabilitation of another 960, and renovation of 30 squares and 26 parks.

Climate and natural disasters resilience

Resilience to climate change lies at the heart of the urban renewal and regeneration schemes. Certain neigh-

bourhoods of Lisbon, including parts of the historic city centre, have become increasingly prone to flooding. In 2014, two major floods within weeks highlighted the need for the city to adapt to the effects of climate change. The EIB-backed project will upgrade the sewerage system, including the construction of two new drainage tunnels. The design criteria consider both more intense rainfall and a rise in sea level, contributing to make the city more resilient against increasing occurrence of potential future floods.

Under the urban renewal and regeneration strategy, EIB funds will finance the renovation of existing social housing stock and the construction of new accommodation units, all of which will benefit from energy efficiency measures to mitigate the impact of extreme temperatures. The project also includes pedestrian areas and bicycle paths as well as Smart City components, which contribute to sustainable mobility and climate mitigation.

Lisbon is also improving its resilience against earthquakes, given its location in a seismic area. This aspect will be particularly relevant for the new units of social housing, which will comply with the latest design codes. Furthermore, the new facilities associated with the reorganisation of the fire brigade/emergency services will eliminate the current vulnerability arising from structural weaknesses recently identified in the main building housing these services.

In conclusion, the investment programme will contribute to addressing some of the most important challenges faced by the City of Lisbon, including recurrent floods and the resilience to extreme weather events, upgrade of accessibility within the city, urban regeneration and the supply and modernisation of the stock of social housing.

The framework loan structure allows for flexibility for the promoter as, in case of potential implementation eventualities, schemes can be replaced with others. The overarching goal will still remain: helping provide Lisbon with all the attributes of a dynamic 21st century capital where people once again choose to live, as well as work (and visit).