# SUMMARY

The Opinion on the 2020 General State Account (GSA) assesses the State financial activity, as reported by the GSA, which covered, in 2020, the cash budget execution of 479 Central Administration entities (CA) and the consolidated account of 11 social security entities (SS), also presented on an accrual basis.

It includes a qualified opinion and emphasis on the legality, the financial correction of the amounts reported in the GSA, and on the internal control. As in previous years, it is underlined that the Account shows relevant limitations as it still does not include the CA balance sheet and income statement.

Most of the 51 recommendations made are reiterated from previous Opinions, given that there are still structural limitations that affect the completeness and correctness of the Account dependent, to a large extent, on the implementation of the public finances reform and on developments of the information systems and applicable legislation – issues that were also hampered by the need to respond to the economic and social crisis caused by the pandemic.

## PART I – THE BUDGET AND THE GENERAL STATE ACCOUNT

1. The 2020 budget execution was strongly influenced by the COVID-19 pandemic, breaking a cycle of budget deficits reduction. The decrease in effective revenue (€4.250 M) and the increase in effective expenditure (€6.226 M) resulted, essentially, from the policy measures adopted to combat the pandemic and mitigate its effects – whose impact on the CA and SS budget balance is estimated at €4.260 M – and from the significant contraction of economic activity caused by the restriction and confinement measures.

   In this context, the deficit amounted to €11.483 M in the consolidated accounts of CA and SS (€10.476 M more than in 2019); public debt increased by 7.8% (more €18.560 M) totalizing €256.682 M; and contingent liabilities for guarantees provided increased by 20.5% (more €3.508 M), increasing the risks to the sustainability of public finances.

   In global terms, the impact of measures to combat COVID-19 has reached at least 5.7% of GDP: 0.7% with loss or deferral of effective revenue, 1.4% with the increase in effective expenditure, and 3.5% with the additional provided guarantees. (See point 3.1)

### Reforms in progress

2. The main Budgetary Framework Law (BFL) projects deadlines were postponed twice, and a phased execution is currently foreseen, to be concluded in the 2027 State Budget (SB). However, the accomplishment of the new deadlines should be closely monitored, since the degree of the projects' implementation is low and demonstrates an evolution below expectations. Regarding the adoption of new accounting standards for public entities (SNC-AP), progress was made with repercussions on the rendering of accounts for the year 2020, in SNC-AP, by about half of the entities (1.115) that comprise the budget perimeter, in the Court's electronic platform. (See point 1.2)

   The Recovery and Resilience Plan (RRP) foresees the financing of most reform projects, with a total of €123 M, to be completed by 2025. Nevertheless, considering that some of the basic reform projects, namely those relating to the State Accounting Entity and S3CP (the system used to aggregate financial information), are still under reassessment, there is a need to reinforce the credibility of the process with strong leadership and detailed planning. (See points 1 and 1.1)

## Budgetary Process

3. There is poor articulation and coherence between the main documents of the budgetary process, namely the 2019-2023 and 2020 Stability Programmes (SP), the Reports of the 2020 State Budget (SB) and 2020 Supplementary SB, the 2020-2023 Plan Major Options, the 2020-2023 Multiannual Programming Framework Budget, and the 2020 GSA Report. The 2020 SP and the 2020 Supplementary SB Report do not refer any future budgetary consequences of the contingent liabilities resulting from the public support measures imposed by the pandemic. **(See point 2.1)**

## Budgetary amendments

4. The CA deficit foreseen in the initial SB (€5.368 M) reached €17.868 M, adding extra €12.500 M, due to the budgetary amendments authorized by the Parliament and the Government, which shortened the forecast of effective revenue and increased effective expenditure appropriations (€3.632 M and €8.867 M, respectively). In SS, budgetary amendments increased effective revenue by €445 M and effective expenditure by €2.659 M, resulting in a balance decrease of €2.214 M compared to the initial forecast. It is noteworthy that the Supplementary SB accommodated the impact of the pandemic measures: a decrease in the revenue and an increase in effective expenditure (€4.213 M and €4.710 M, respectively), and an appropriation for loans to the airline company TAP was also approved (€1.200 M).

   During the CA budget execution, the following budget management instruments were used: i) provisional appropriations (€506 M) to reinforce under-budgeted appropriations, although, in the overall, incorrectly, as they were used in unforeseen and unpostponable expenditure; ii) centralized appropriations at the Ministry of Finance (€443 M); and iii) expenditure captivations (€373 M at the year-end). Nevertheless, the centralized and provisional appropriations do not comply with the principle of expenditure specification established in the BFL and limit the effect of that principle in the budgetary programmes. **(See point 2.3)**

## Central Administration and Social Security Consolidated account

5. The CA and SS consolidated accounts recorded €77.150 M in revenue (€4.250 M less than in 2019), €88.633 M in expenditure (a further €6.226 M) and a deficit of €11.483 M. Revenue decreased in all its components, mainly due to the reduction in tax revenue of €2.927 M. Expenditure increased due to: i) COVID-19 related measures (€2.787 M); ii) transfers and subsidies (€1.948 M, of which €1.035 M refers to a transfer from the Portuguese Resolution Fund (PRF) to Novo Banco); and iii) pensions and social benefits (€1.599 M). Conversely, interest payments and other charges decreased by €356 M. **(See point 3.1.2)**

   Considering a set of financial assets and liabilities operations that may change the net financial worth – which includes operations relating to TAP (loan of €1.200 M and acquisition of the company shares for €55 M) – the deficit would amount to €12.983 M. **(See point 3.1.2)**

   As for the consolidation procedures, insufficiencies noted in previous years persist: as these do not cover all materially relevant operations, do not ensure the proper consolidation of direct debt interest, and apply different rules for recording differences, depending on whether they are related to intra or inter subsectors consolidation. **(See point 3.2.11.1)**

# Central Administration account

6. The reliability of the CA account information continues to be influenced by deficiencies, namely:
   - non-inclusion of the budgetary execution of five entities, in breach with the unity and universality principles;
   - non-inclusion of assets related information: public debt, treasury, financial assets and real estate assets, which inventory is not yet complete;
   - an outdated economic classifier of the expenditure and revenue; in turn, the classifier applicable to reclassified public entities (RPE) of the simplified regime does not foresee essential economic

classifications, leading to the registration of materially relevant operations in residual items - the incorrect specification of revenues and expenditure undermines the transparency of budgetary execution as well as the adequate consolidation of flows between entities that are part of the GSA;

- non-accounting of a significant number of financial flows received by CA entities (€4.200 M) as extra-budgetary revenue hindering the reconciliation with the movement of funds.

7. CA revenue and expenditure totalled €59.036 M and €72.650 M, respectively, reaching a deficit of €13.614 M (an increase of €9.786 M compared to 2019). Revenue decreased by €3.658 M (5.8%): €2.884 M (6.2%) in tax revenue (€770 M due to COVID-19 measures) and €774 M (4.8%) in non-tax revenue. Expenditure increased by €6.128 M (9.2%), justified in 59.7% (€3.657 M) by the measures taken in response to COVID-19 supported by the CA budget. **(See point 3.1)**

### Revenue

8. In what concerns direct taxes, income tax (€13.562 M) increased €391 M (3.0%) and corporate tax (€5.053 M) decreased €1.264 M (20.0%) due to the decline in economic activity and to the COVID-19 measures that delayed the fulfilment of tax obligations. Revenue from other direct taxes (€538 M) increased by €156 M (40.8%) due to the growth of revenues from the extraordinary contribution on the energy sector (€128 M) and the introduction of the solidarity tax surcharge on the banking sector (€33 M). In indirect taxes, the contraction of both the economic activity and consumption had a transversal impact, in particular with decreases of €1.495 M in VAT and €289 M in vehicle tax. **(See point 3.2.2)**

9. Tax revenue earmarked to various entities amounted to €3.983 M, reaching 9.1% of the global tax revenue, and covering in particular the following entities: SS (36.3%), road infrastructure (15.4%) and local administration (12.6%). Two new earmarked tax revenues were established: the participation of municipalities in VAT revenue (€62 M) and the solidarity tax surcharge on the banking sector earmarked to SS (€33 M). **(See point 3.2.2)**

10. The debt to be coercively recovered by the Tax and Customs Authority increased from previous year (€882 M), reaching €22.028 M (50.3% of the fiscal revenue for the year). For the third consecutive year, there was an increase in irrecoverable debt of €979 M (15.2%), which has more than doubled since 2016 (from €3.213 M to €7.401 M in 2020, 130.4%) becoming a risk factor for the sustainability of public finances. At the end of 2020, only 28.1% of the portfolio corresponded to active debt (recoverable in current status), 38.3% to suspended, and 33.6% was classified as irrecoverable debt. **(See point 3.2.2.4)**

    The revenue arising from the fight against fraud and against tax and customs evasion is not reflected in the GSA and the Government uses inadequate indicators to quantify the results of these actions in the specific report issued on the matter. **(See point 3.2.2.5)**

### Expenditure

11. The expenditure of CA (€72.650 M) increased by €6.128 M compared to 2019 (9.2%), of which, €3.657 M from COVID-19 related measures, which comprise transfers to SS (€2.492 M), expenditure in the health area (€782 M) and support for employment and the recovery of businesses activity (€367 M). Current expenditure (€67.031 M) increased by €4.615 M (7.4%): €3.863 M in current transfers, €742 M in personnel costs and €321 M in subsidies, with a decrease in interest and other charges by €352 M.

    Capital expenditure (€5.619 M) increased €1.512 M, mainly due to capital transfers (€1.220 M, covering, essentially, the payment of €1.035 M made by the PRF to the Novo Banco) and €234 M in investment. **(See point 3.2.3.1)**

    Arrears (€201 M) decreased by €111 M (35.7%) attaining the lowest value in the last three years; 74.9% of the total overdue refers to NHS entities. **(See point 3.2.3.4)**

Financial flows

12. In 2020, the financial flows between Portugal and the EU presented a balance of €2.968 M, an increase of €436 M, due to the 15.9% raise in financial flows from the EU (more €705 M), although reduced by the increase of 14.1% (more €269 M) in flows transferred by Portugal. At the end of 2020, the cumulative execution rate of Portugal 2020 was still low (57.5%), which puts significant pressure on execution until 2023, in a period that coincides with the execution of EU funds to respond to the COVID-19 pandemic. **(See point 3.2.6.1)**

13. Financial flows to the public business sector amounted to €5.608 M, with capital appropriations (€2.038 M), loans (€1.687 M), compensatory indemnities (€282 M) and other transactions (€1.485 M, including €668 M from the settlement of State debts to Parpública, €610 M from the road service contribution to Infraestruturas de Portugal and €184 M from the audio-visual contribution to RTP). The preponderant areas, by sector, are both transport and road and railway infrastructure companies (€3.972 M, of which €1.255 M for TAP) and corporate public hospitals (€587 M). Revenues totalled €506 M (€479 M from Banco de Portugal dividends). **(See point 3.2.6.2)**

14. Financial flows from CA and SS to the autonomous regions amounted to €785 M (€440 M to the Azores and €345 M to Madeira). Revenue from the autonomous regions totalled €90 M (€35 M from the Azores and €55 M from Madeira), mainly referring to loan repayments and interest payments (€65 M). Flows to local authorities totalled €4.679 M and revenue from local administration was €185 M. **(See point 3.2.6.3)**

Public debt

15. Consolidated public debt (€256.682 M) increased by €18.560 M (7.8%) compared to 2019. Interest costs kept the declining trend as a result of lower interest rates, totalling €6.544 M (less €568 M than in 2019). It should be highlighted that the information provided by the GSA 2020 on financial debt is still incomplete in particular given that the reported stock omits the debt from the Autonomous Services and Funds (ASF) (€30.493 M). Although GSA reports the debt service (revenues from debt issuance, amortizations, interest and other charges) the associated flows are not fully consolidated. **(See point 3.2.7)**

Financial and real estate assets

16. The reporting of the State financial assets in the GSA 2020 still does not include the entire financial assets portfolio of the CA entities. In 2020, the consolidated value of these assets was of €47.079 M (€32.253M from the State and €14.826 M from AFS); the non-consolidated value amounted to €111.073 M (up by €2.658 M compared to 2019):

    - The State portfolio (€83.144 M) includes, in particular, equity investments (37%), loans (32%) and shareholdings in international organizations (26%). Infraestruturas de Portugal (€8.016 M), CP – Comboios de Portugal (€3.959 M) and Caixa Geral de Depósitos (CGD) (€3.844 M) account for more than 50% of the shareholdings; three entities account for more than half of the loans: Portuguese Resolution Fund (€6.383 M), Parvalorem (€4.091 M) and Metro do Porto (€3.039 M); 82% of international participations refer to the European Stability Mechanism (€17.553 M).

    - Financial assets held by 170 ASF (€27.929 M) are divided into public debt certificates (38.3%), repayable loans/subsidies (18.3%) and equity investments (15.2%); five entities hold 60% of the assets of the ASF sector, namely: Caixa Geral de Aposentações – CGA (€5.215 M), IAPMEI (€4.746 M), Parvalorem (€3.232 M), Parpública (€1.954 M) and PRF (€1.475 M). **(See point 3.2.8)**

17. The inventory of the State real estate assets and its adequate value assessment remain to be accomplished. Data from the State Real Estate Information System, which serves as the basis for the information reported in the GSA 2020 Report, is neither reliable nor complete and is not efficiently validated. There are risks of compatibility of information coming from different sources regarding the new management and information system for real estate assets, currently under development, that is financed by the RRP.

The information on property assets shows divergences between the GSA 2020 Report and the Account maps and omits more than 75% of the value of sales recorded in the budget execution, as it is limited to operations carried out by the General Directorate of Treasury and Finance, which represent less than one-fifth of CA entities' real estate transactions. Moreover, the implementation of the Principle of due compensation has shown successive postponements and delays in payments. **(See point 3.2.9)**

18. The overall balance of the State's treasury at the end of 2020 was of €19.714 M, 75.5% up (€8.481 M) from the previous year, mainly as a result of the increase in indebtedness authorized by the Supplementary SB, which was not fully used. Recognition and movement of funds in the maps related to the State treasury remains insufficient and inadequate, because limited to the financial flows of integrated services. **(See point 3.2.10.1)**

    At least €371 M of financial resources unduly outside the State treasury were identified, concerning 72 entities, and 138 entities were exempted from complying with the State Treasury unity principle, covering a total of €6.025 M. There is a need to review the legal framework to overcome legislative fragmentation and ensure an adequate consistency between the different systems and the reliability of the reported information. **(See point 3.2.10.2)**

## Social Security Account

19. SS Budget performance in 2020 was influenced by extraordinary and short-term measures to address the pandemic crisis, which represented an increase in effective expenditure of €1.972 M and a loss in revenue contributions of €517 M. These measures were financed by transfers from the State Budget (€2.492 M) and by revenues from social games (€9 M).

20. The analysis carried out on the SS Account (SSA) concludes that the following insufficiencies persist, namely:

    - SS consolidation perimeter is not nominally defined **(See points 3.3.1 and 3.3.4)**
    - The regimes regarding the SS single treasury and the limits of capital investments of the Social Security Financial Management Institute (SSFMI), the funding framework of the capitalization component of the social security system and the Salary Guaranty Fund's assets and financing remain to be approved or amended; **(See point 3.3.4)**
    - The current SS financial information system does not include data on the operations of the Institute for the Management of Social Security Capitalization Funds (IMSSCF) and the Social Security Financial Stabilization Fund (SSFSF), invalidating an effective system consolidation. It also does not allow automatic extraction of all the Social Security Account (SSA) documents (including budget and financial statements). **(See point 3.3.4)**

    The SSA continues to reflect weaknesses whose resolution depends on developments in IT systems and internal control procedures, and that affect in particular: i) third-party debts (given the impossibility of validating the value of taxpayers debt), the balance of social benefits debt (which is overvalued) and bad debts from beneficiaries and overdue interest on contributory debt (which were not subject to registration); ii) fixed assets, due to the existence of errors in the amortizations that affect the net value of the real estate.

### Revenue, expenditure, and budgetary balance

21. The SS revenue (€45.437 M) increased by €3.790 M compared to 2019, being 77.4% via current transfers (€12.902 M), of which €2.942 M were allocated from the State Budget to finance expenditure (€1.944 M) as to offset the loss of revenue contributions (€549 M) due to the COVID-19 exceptional measures that were implemented. The effective revenue (€32.146 M) grew €2.634 M and was financed 56.7% by the beneficiaries, with various types of contributions and fees, totalling €18.230 M, €136 M less than in 2019. Capital gains increased by €821 M (8.9%), reflecting the 9.6% growth in income from financial assets. **(See point 3.3.2.2)**

22. Total expenditure (€39.732 M) increased €1.229 M compared to 2019 and effective expenditure (€30.014 M) increased €3.325 M. It is worth emphasising the social benefits (€28.124 M), with an increase of €3.205 M (12.9%), reflecting the payment of pensions and supplements (€18.415 M), support benefits to families and to companies (€5.380 M), COVID-19 assistance measures (€1.924 M), unemployment and employment support measures (€1.515 M) and social action (€2.140 M). Capital expenditure decreased, mainly due to expenditure on financial assets, down 17.7% (€2.096 M). **(See points 3.3.2.3 and 3.3.4)**

23. At the end of 2020, the accumulated budget surplus amounted to €6.083 M and the balance of effective implementation decreased by 24.5% to €2.132 M, pressured by the reduction in contribution revenues (less 0.7%) and by the growth in expenditure on social benefits (more 12.9%). Contributing to these balances was the welfare system-distribution: €4.352 M in the accumulated balance and €924 M in the effective balance (€489 M in 2019). **(See point 3.3.2.4)**

### Balance and income statement

24. The SS financial position in the balance sheet totalled, in net terms, €34.087 M, a positive variation of €3.155 M (10.2%) compared to 2019.

    Net assets are mostly (83.9%) made up of cash (€28.592 M), more €2.570 M (9.9%) than in 2019. Third-party debt and fixed assets are areas with great risk as regards the reliability of the values shown in the balance sheet, although not very representative (14.8% and 1.1% in net assets, respectively).

    Own funds are mainly made up of assets (€22.145 M), especially the SSFSF (€20.663 M, 93.3%), with an increase of €3.178 M due to the allocation of net income (€1.301 M), transfers from the 2019 welfare system-distribution (€1.358 M) and earmarked tax revenue (€519 M).

    In terms of total liabilities, a special mention should be made to accruals accounts, with deferred income (€1.089 M, 67.2%), made up mainly of funds (€1.064 M) earmarked for the financing of professional training, social projects and other social action programs. **(See point 3.3.3.1)**

25. Financial Income and gains (€38.318 M) increased by 6.0% (€2.173 M) mainly due, on the one hand, to the transfers of the State Budget to finance COVID-19 related measures and to the rise in the State Budget transfers to comply with the Basic Law of SS (€259 M), exchange rates differences incurred (€448 M), gains on futures contracts (€186 M), and, on the other hand, the decrease in the value of corrections to declarations of contributions to the SS (€1.605 M) and potential capital gains (€252 M).

    Total costs and losses (€35.437 M) grew 6.3% (€2.107 M) resulting from the decrease in the value of cancellations of contributions to SS (€2.012 M) and from the increase:

    - in social benefits (€2.813 M, which include €1.600 M relating to COVID- 19 assistance measures);
    - the transfers and subsidies (€549 M, of which 57.6% were intended for COVID-19 support);
    - the unfavourable current (€119 M) and potential (€386 M) exchange rates differences, and;
    - the losses on futures contracts (€207 M). **(See point 3.3.3.2)**

The net result amounted to €2.881 M, an increase of 2.3% (€66 M) compared to 2019, resulting from the increase in operating and extraordinary results, despite the decrease in the financial results due to, among other factors, the decline in income from potential capital gains and the increase in costs with potential exchange rates differences. (See points 3.3.3.1 and 3.3.3.2)

# PART II – PUBLIC FINANCES SUSTAINABILITY

## Budgetary adjustment – Budgetary treaty

26. The general derogation from the Stability and Growth Pact has allowed EU Member States to take exceptional budgetary measures to address the economic and social effects of the pandemic. Financial instruments were also made available in the form of loans, including those associated with the RRP, with an impact on Portuguese public debt. After the lifting of the derogation clause, the public debt adjustment trajectory shall continue from an already unfavourable ranking - one of the highest GDP ratios in the EU in 2020 (135.2%), bringing further uncertainty in the accomplishment of budgetary targets.

    The most recent analysis on Member States' debt sustainability presented by the European Commission indicates that the Portuguese debt ratio between 2020 and 2031 will remain above 100%, with high risks to fiscal sustainability in the medium term. (See point 1)

## Pensions

27. The total value of pensions paid by the SS and Civil Servants Pension Scheme (CGA) reached €28.371 M, 2.9% more than in 2019, mostly (85.3%) retirement and invalidity pensions. More than half of this amount (62.7%) was financed by contributions from active beneficiaries and employers and 35.2% by transfers from the SB.

    In what concerns the pensions paid by the SS, the regressive evolution of revenue contributions, directly indexed to the evolution of the labour market, was influenced by the COVID-19 measures, partially justifying the €346 M increase in the State's effort to pay SS pension expenditure (which offsets the regression trend verified since 2016). In pensions paid by CGA (a system discontinued since 2006), the weight of funding by civil servants' contributions continues to decrease due to the loss of active beneficiaries, which limits it self-financing. (See point 2)

## Social Security Stabilization Fund

28. The SSFSF, which guarantees the financial stabilization of the social security system, was worth €21.761 M at the end of 2020, equivalent to 147.0% of the annual expenditure on pensions of the social security system distribution, sufficient to meet commitments of 17.6 months. The growth rate was 6.9% higher than that recorded for the value of pensions in payment (4.5%) due to capital inflows (€519 M, 37.1%) and portfolio management (€882 M, 62.9%).

    The increase in the value of the SSFSF in 2020 resulted in 62.9% of the gains obtained in financial investments (income and capital gains), arising from portfolio management and 37.1% of capital inflows (earmarked tax revenues: additional to Municipal Property Tax, part of the income from corporate tax and additional solidarity tax on the banking sector). (See point 3)

## Public support

29. In what concerns public support granted by the State, the following stand out:
    - Since 2008, net expenditure on public interventions in the financial system amounted to €21.836 M, mainly in financial support to BES/Novo Banco, BPN and CGD. In 2020, total expenditure amounted to €1.114 M and the most significant operation was the one involving the payment of €1.035M by the PRF to Novo Banco (NB). (See point 4.1)
    - Non-reimbursable support to entities outside the general government sector amounted to €3.218 M, 16.5% more than in 2019, in particular due to the effect of exceptional measures in response to the pandemic (€383 M). Most of the financial aid is borne by national funding and own resources (€2.382 M, 74.0%) and was directed to Employment, Work and Vocational Training (€503 M), Science, Technology and Higher Education (€253 M), Education (€198 M), Energy (€188 M) and Environment and Territorial planning (€187 M). (See point 4.2)
    - Tax expenditure recorded in the GSA (€12.483 M, €327 M less than in the previous year) still does not consider all the tax benefits (BF) in force. In fact, of the 430 BF identified by the Tax and Customs Authority, only the expenditure related to 200 is quantified and does not include the tax benefits

created in 2020s, within the scope of the response to the pandemic, namely in terms of VAT. Despite the Government's initiatives, a systematic reassessment of the BFs remains an issue to be addressed in order to verify the accuracy of the assumptions underlying their creation and effectiveness.

### Contingent liabilities

30. Public liabilities related to guarantees provided until December 31, 2020 (€20.628 M) increased by €3.508 M (20.5%) compared to 2019, inverting the downward path observed since 2016. This significant growth was due to guarantees for the financing of companies in the context of the pandemic (€7.028 M, of which €6.330 M is the responsibility of the Mutual Counter-Guarantee Fund (MCGF). Notwithstanding, the budgetary risk underlying these guarantees, the GSA Report merely provides a table with the MCGF liabilities, without any assessment of the risk it may pose to public finances. GSA 2020 still does not include information on the guarantees provided by ASF, for which the Court quantified a net total value of €1.829 M. **(See. point 5.1)**

31. At the end of 2020, the PRF had negative own resources of €7.315 M (a worsening of €294 M compared to 2019) and a set of liabilities whose charges are not yet quantifiable. Payments from the PRF to NB covered 75% of the total losses recorded by NB, up to 31/12/2020, in the assets covered by the contingent capital agreement and totalled €3.293 M, 85% of the maximum value provided for in that agreement (€792 M for 2017, €1.149 M for 2018, €1.035 M for 2019 and €317 M for 2020), whereby the losses likely to be borne by the PRF amount to €597 M. **(See point 5.2)**

32. The 2020 GSA reports €1.475 M of net public charges with PPPs (€1.543 M in 2019 and €14.978 M from 2011 to 2020). These charges relate to only 34 of the 38 PPPs identified, with no information being provided on other concessions. The estimate of €5.719 M for net public sector charges with PPP between 2020 and 2062, already deducted from the estimated revenue for the airports sector (€2.789 M, from 2023 to 2062), remains unaccompanied by the forecast of the investment to be carried out by private partners. In the 2020 GSA information, deficiencies already pointed out by the Court persist: the universe of contracts to be certified, the relevant part of the information to be reported, veracity and coherence of data to be validated and fulfilment of the essential purposes of the PPPs to be evaluated. **(See point 5.3)**

### Pandemic response measures in the economic area

33. The 2020 GSA reports €397 M of public expenditure (including €298 M of extra-budgetary expenditure) with measures to react to the pandemic in the economic area. Based on the information reported to the Court, 22 measures were indicated in this area, with an overall implementation in 2020 of €1.549 M. However, 14 of these measures were not implemented in 2020 (or that implementation was not reported using an appropriate indicator), the execution level of the 13 budgeted measures was insufficient (71% of the forecast) and five had no results, only 10 had a defined target and only three achieved it, the effectiveness of these measures to achieve their objectives and recover the initial situation, had not been demonstrated (14 due to lack of implementation and eight because their indicators did not measure the fulfilment of their objectives). **(See point 6)**

### 2030 Agenda – Sustainable Development Goals

34. The report on the implementation of the United Nations 2030 Agenda for Sustainable Development Goals (SDGs) displays insufficiencies regarding the identification of financial resources allocated to the monitoring of the measures and policies for the implementation of SDGs, and the information on the progress made. The Portugal 2030 Strategy, a reference in terms of public policies, incorporates the principles of sustainable development and stands as a reference for the RRP as well as the 2021-27 EU community support framework. However, it does not mention the interconnection with the Agenda, namely with regard to the SDGs primary goals defined by Portugal, jeopardizing the incorporation of the commitments assumed through public policies and the awareness, visibility, and dissemination of the SDGs. **(See point 7)**