Standing and operational space of non-governmental organisations (NGOs) in contributing to respecting and promoting fundamental rights in EU Member States

Portugal 2017

Contractor: Centro de Estudos para a Intervenção Social (CESIS)

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### Regulatory environment for the work of non-governmental organisations

<table>
<thead>
<tr>
<th>Title of legislation and reference</th>
<th>Topic (please make reference to categories A-F see guidelines)</th>
<th>Effect on civil society (positive or negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Decree-Law 106/2013, of 30 July, defining the status of Non-Governmental Organisations for Persons with Disability (Organizações não Governamentais para Pessoas com Deficiência, ONGPD), and the financial support to be granted by the State to these organisations.¹</td>
<td><strong>C. Freedom of association</strong>&lt;br&gt;Access to funding (articles 8, 9, and 10); accounting and auditing rules (articles 11, 12 and 13); rules on the establishment and dissolution of associations (articles 16 to 20); other requirements that civil society organisations must satisfy to perform their tasks – registration in the National Institute for Rehabilitation (Instituto Nacional de Reabilitação, INR), article 9 (3).</td>
<td>Decree-Law 106/2013 comes as a follow up of Law 127/99, of August 20 (Law of Associations for Persons with Disabilities). Although there are no studies or assessments on its impact on the activity of these ONGPD this is a positive legal development. In fact, it is important to highlight some positive features: a) the ONGPD were heard for the drafting of the decree-law; b) important participation and intervention rights were recognised regarding the rehabilitation and reintegration policy for persons with disabilities; c) the ONGPD were granted the right to become assistants in judicial proceedings which involve crimes against persons with disabilities; d) their record in the INR, automatically grants them the statute of</td>
</tr>
</tbody>
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¹ Portugal, Decree-Law 106/2013, defining the status of non-governmental organisations for persons with disabilities (Decreto-lei 106/2013, de 30 de julho, que define o Estatuto das Organizações não Governamentais das Pessoas com Deficiência, ONGPD, e os apoios a conceder pelo Estado a estas organizações), 30 July. Available at: [https://dre.pt/application/file/498646](https://dre.pt/application/file/498646).
Decree-Law 172-A/2014, of 14 November, defining the statute of Private Institutions of Social Solidarity (Instituições Particulares de Solidariedade Social, IPSS).[^2]

<table>
<thead>
<tr>
<th><strong>C. freedom of association</strong></th>
<th><strong>collective entity of public utility,</strong>[^3] with the corresponding benefits associated to such a statute, apart from access to financial and technical support for their operation. Although some of these rights had already been established in previous legislation, the present decree-law clarified and deepened their scope. One should presume that Decree-Law 172-A/2014 may have contributed to reinforce the important role played by the IPSS within the local communities where they operate, namely during a period which was characterised by...</th>
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<td>Access to funding (article 4); accounting and auditing rules (articles 14-A, 34 and 35); rules on the establishment</td>
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[^3]: The IPSS may come under the form of social solidarity associations, mutualist associations, social solidarity associations, mercy sisterhoods, and institutes of Catholic Church organisations, set up in accordance with the Concordat between Portugal and the Holy See. The different forms mentioned before are regulated by several chapters of Decree-Law 172-A/2014, quoted before. Since the theme under analysis is the freedom of association among NGOs, we have only considered the social solidarity associations. According to article 1 of the above referred law, private institutions of social solidarity are not-for-profit collective entities which were formed by the initiative of individual persons moved by the moral duty of justice and solidarity, are aimed at promoting the social rights of citizens and are not managed by the state or by any public body. Their action is framed by the guiding principles of social economy. Their aims are fulfilled through the provision of goods, services and other initiatives which promote well-being and quality of life for individuals, families and communities, namely in areas, such as childcare support, family and elderly people support, support to persons with a disability, social and community integration, social protection of citizens in the event of sickness, old age, incapacity or death and in any other situation characterised by the lack of resources, inability to work, housing problems, health care needs and any other social support which contributes to the actual realisation of citizens’ social rights (article 1-A).

[^4]: Portugal, Decree-Law 391/2007, changing and re-publishing Decree-Law 470/77, of 7 November which regulates the acknowledgement of collective entities of public utility (Decreto-lei 391/2007, de 13 de Dezembro, altera e republica o Decreto-lei 470/77, de 7 de Novembro que regula o reconhecimento das pessoas coletivas de utilidade pública), 13.
and dissolution of associations (articles 53 to 55, 66 and 67; other requirements that civil society organisations must satisfy to perform their tasks (registration in the ministry responsible for social security, article 7))

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harsh economic and social constraints. First, the IPSS representing unions and confederations were heard during the elaboration stage of the law (Preamble). And secondly, because the changes introduced reinforced the autonomy of these organisations (articles 3 and 4 (4)), redefined their relationship with the state (articles 34 and 35), tried to strengthen their internal democracy (articles 15-A, 59-A, 59-B, 61-A, 64-A, 64-B and 64-C), and to implement their financial and budgetary autonomy, thus enhancing their financial and technical balance (article 14-A).


NGOs which are accepted as public utility entities benefit from several tax exemptions (e.g. television and radio, entertainment and public shows, and the publishing of any statute changes in the Official Gazette is free of charge (article 10)).

<table>
<thead>
<tr>
<th>D. Taxation</th>
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<tbody>
<tr>
<td>Chapter X of Decree-Law on fiscal benefits regarding patronage, article 62 on the deduction for determining taxable profits of firms. Law 55-A/2010, article 122, on transitional rules under the scope of the EBF.</td>
</tr>
</tbody>
</table>

The EBF, in its article 62 (3) establishes that donations to IPSS, collective entities of public utility, NGOs defending citizenship, human rights, women’s rights and gender equality, NGOs for development and other entities promoting humanitarian support may have costs or operational loss considered up to the limit of 8/1000 of the volume of sales or services rendered.

During 2011, the State Budget Law widened the limits foreseen in article 62 (3) up to 12/1000 of the total volume of sales or services rendered, whenever such donations were channelled towards initiatives to fight poverty and as long as the entity to whom the donations were granted had been recognised by the Ministry of Finances. These fiscal benefits may have helped to increase donations towards NGOs particularly in times of very harsh

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economic difficulties for families in general and in particular for those NGOs’ clients. This therefore contributes positively towards NGOs’ financial constraints (on this subject, see chapter 2 below).
3. Parliament’s Resolution 64/2014, which approves the Declaration for Parliamentary Openness and Transparency, of 10 July.⁷

**E. Transparency in the legislative process, in particular concerning lobbying**

Points 1 to 42.

With this resolution, the Portuguese Parliament:

- recognises parliamentary information as a public good which may be used by everyone;

- assumes responsibility for the promotion of an institutional transparency culture, ensuring political financing transparency, freedoms of expression and reunion and the participation of civil society and citizens in general in the legislative process;

- respects citizens’ right and civil society’s rights to actively participate in parliamentary debates and in decision-making processes without discrimination, namely by stimulating the instruments of participatory democracy, such as petitions;

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⁷ Portugal, Parliament’s Resolution 64/2014, which approves the Declaration for Parliamentary Openness and Transparency, (Resolução da Assembleia da República 64/2014, de 10 de julho que aprova a Declaração para a Abertura e Transparência Parlamentar), 10 July 2014. Available at: https://dre.pt/application/file/a/25346108.
recognises the right and duty of civil society, the media and the public in general to watch parliament’s works and the MPs. For that end, the law guarantees that public consultations take place, namely those involving civil society organisations, to promote an efficient monitoring of its activity and to overcome any obstacles arising for acceding parliamentary information. Thus, there is open ground for the operation of NGOs aimed at ensuring transparency within the legislative process. Lobbying is not a regulated practice in Portugal, although it may occur in practice, namely through the initiative of NGOs. Finally, it is important to point out that the Parliamentary Group of the Social Democratic Centre-Popular Party (CDS-PP) presented in May 2016 Project-Law 225/XIII, which regulates the activity of the professional representation of interests.
The desk research conducted to identify any relevant case law during the period under consideration – higher courts decisions published on the juridical documentary base of the Institute for the Financial Management and Justice Equipment (Instituto de Gestão Financeira e Equipamentos da Justiça, IGFEJ) – only allowed us to identify case law regarding NGOs promoting environmental protection (ENGO) (Organizações não Governamentais de Ambiente, ONGA). Such case law mainly relates to the active procedural legitimacy of ENGO for putting forward litigious appeals or protective orders of juridical decisions that violate legal dispositions for the protection of the environment.9

2 EU Member State government funding for non-governmental organisations – trends and developments 2011-2016

2.1 Overall amount of government funding

Reporting on government funding for non-governmental organisations is a difficult task given the diversity of funding mechanisms addressing different types of NGOs. Some – like the ones which develop social support related activities - the so-called Private Institutions for Social Solidarity (Instituições Particulares de Solidariedade Social, IPSS)10, are financed within the framework of cooperation agreements established on a regular basis between the Ministry for Solidarity, Employment and Social Security and the major IPSS confederations. These cooperation protocols are established every two years and define the amount of the state’s financial co-funding according to the different types of social activities or responses (e.g. child and youth homes, day-support centres for the elderly). The latest protocol for the years 2015–2016 has for the first time included both

9 Portugal, Case Law by the Supreme Administrative Court, Process 01362/12 of 28 January 2016. Available at: www.dgsi.pt/ista.nsf/35fbbbf22e1bb1e680256f8e003ea931/e3b116bb182edc7080257f50003f733?OpenDocument&ExpandSection=1#_Section1. Process 0390/16 of 28 April 2016. Available at: www.dgsi.pt/ista.nsf/35fbbbf22e1bb1e680256f8e003ea931/ceeb8a45a8186d2980257fd003d80c0?OpenDocument&Highlight=0,ONGA.
10 On the specificity of IPSS in the Portuguese context, please refer to footnote 3.
the Ministry for Social Solidarity and the Ministry for Health, since many of the interventions performed within the scope of the IPSS involved other domains, namely the ones mentioned above. This may represent a positive development in better responding to the multiple needs of individuals and families, and at the same time avoiding the overlapping of state funding from different origins for addressing those different needs. Between 2012 and 2016, the state’s co-funding within such agreements increased slightly with variations: +0.9 % between 2012 and 2013; +0.6 % between 2013 and 2014; +0.4 % between 2014 and 2015; and, 0.9 % between 2015 and 2016.11

In all other areas, there is no such system. NGOs can obtain state funding but not under any type of regular contractual agreements as described above. Availability of funding results from the existence of financing programmes to which they may apply for. This may include the financing of specific projects or the financing of the regular operation of NGOs. Thus, it is not possible to obtain a figure on the overall amount of government funding which is channelled towards such organisations as a whole.

However, as an example, the National Institute for Rehabilitation channelled the following amounts for the regular financing of NGOs (these transfers are regulated according to the legal dispositions under Decree-law 106/2013 of July 30) providing support to persons with a disability (ONGPD): € 448,376 in 2014, € 681,158 in 2015 and € 977,358 in 2016. This specific example shows that there was an increase of around 50 % between 2014 and 2015 and 43 % between 2015 and 2016 in the state funding for this specific area.12

Another example regards the financial support granted by the state is that made to women’s Rights NGOs (Organizações não governamentais para os Direitos das Mulheres, ONGDM), which undertake activities aimed at promoting women’s dignity and equality. This financial support is framed by legislation (Decree-law 246/98 of August 11, changed by Law 37/99 of May 26). Between 2102 and 2015, the financial support granted through this mechanism increased from € 45,000 to € 92,686.13

Although both examples show an increasing trend in the financial support granted by the state in two areas, it is important to highlight that these are examples and do not necessarily represent the overall trend of government funding to NGOs working on fundamental rights. Such exercise is impossible given the diversity of areas, programmes, sources of financing and the lack of an overall assessment.

11 Agreement protocols between IPSS and the government for the three periods mentioned above are available at: www.seg-social.pt/publicacoes?kw=coopera%C3%A7%C3%A3o.
12 Information available at: www.inr.pt/content/1/3768/apoio-aofuncionamento-as-ongpd-em.
13 Information available at: www.cig.gov.pt/a-cig/instrumentos-de-gestao/planeamento-avaliacao/.
Moreover, a recent study published by the Gulbenkian Foundation – developed within the framework of the Active Citizenship Programme (Programa Cidadania Ativa) run by the Foundation (2013–2016), aimed at strengthening NGOs and at stimulating a more active participation of communities in policy design and implementation – providing a portrait of NGOs in Portugal points out some major characteristics of these organisations’ existing funding mechanisms. The main outcomes in this specific domain may be summarised as follows:

- Public financing is the most important source of income for most NGOs participating in the study (for around 56 % of the total NGOs in 2013);

- The breakdown of funding among NGOs working on fundamental rights showed a better balance among the three main income sources (public, private and own funding) than among other types of NGOs;

- No significant changes in the structure of financing was found between the three years covered by the study (2011, 2012 and 2013);

- The level of dependency from public funding may reach more than 80 % of total income, although there is considerable variation among NGOs;

- The lack of a regular, contractualised and monitored financing is a reality for most NGOs, excluding the IPSS universe which creates constraints to their mission as regards the production of public goods which are essential for the so-called common good, which is the essence of their mission;

- Most NGOs consider that financing difficulties are their main problem, which translate into economic sustainability constraints;

- Recent years brought about a decrease of the available public funds – such overall perception may be linked to an increased competition for funds from a larger number of NGOs operating in the Portuguese territory;

- The second major problem identified by the survey carried out among 153 NGOs was the lack of financial support by the government – increased competition for funding was also identified as a problem affecting NGOs.

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2.2 Distribution of government funding

As results from the description above, it is not possible to identify the distribution of government funding according to the different types of activities.

However, information directly obtained upon request from the Institute of Social Security\textsuperscript{15} shows the following distribution of government funding between 2011 and 2015, only as regards IPSS.

**Table 1. IPSS Public financing**

<table>
<thead>
<tr>
<th>Type of financing</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>IPSS protocols*</td>
<td>€ 30,002.60</td>
<td>€ 30,315.90</td>
<td>€ 28,642.40</td>
<td>€ 28,639.80</td>
<td>€ 28,253.60</td>
</tr>
<tr>
<td>Cooperation agreements</td>
<td>€ 1,234,406.20</td>
<td>€ 1,258,985.90</td>
<td>€ 1,277,359.40</td>
<td>€ 1,326,349.60</td>
<td>€ 1,351,510.70</td>
</tr>
<tr>
<td>IPSS subsidies</td>
<td>€ 9,296.00</td>
<td>€ 15,779.00</td>
<td>€ 14,663.80</td>
<td>€ 9,297.30</td>
<td>€ 11,578.20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€ 1,275,715.80</strong></td>
<td><strong>€ 1,307,092.81</strong></td>
<td><strong>€ 1,322,678.65</strong></td>
<td><strong>€ 1,366,300.70</strong></td>
<td><strong>€ 1,393,357.47</strong></td>
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</table>

*Regarding expenses related to the operation of the Minimum Income Scheme (RSI)
Source: 2015 Social Security Account

2.3 Restrictions (or other changes) on NGO funding from other sources

The study mentioned above points out some interesting characteristics of the NGOs funding mechanism which may be relevant for this section:

- The diversification of funding sources is identified as crucial order to ensure the survival of NGOs;

- The contribution of private donors is relatively low for the NGOs included in the study (7% in 2013) – this figure is significantly higher for NGOs working in the field of human rights (37% in 2013);

- The context of economic crisis in recent years led to the decrease of the already reduced financial transfers from private individuals and private companies, which mostly affected NGOs which are

\textsuperscript{15} Official reply received by email on the 24 February 2017.
not IPSS (private funding among this group of NGOs decreased from around 30% in 2011 to less than 20% in 2013);

- The existing financing mechanisms based on national or European public funding programmes are often perceived as difficult and time consuming (e.g. application procedures) and they often elect priorities which are not adjusted to the priorities arising from the organisations’ own agendas.

Finally, an econometric study\textsuperscript{16} performed on a sample of 63 IPSS estimated an econometric model aimed at identifying factors which influence the economic sustainability of these organisations. The main result of the study was that without public co-financing, the IPSS are only able to survive if they hire non-qualified or less qualified staff and decrease the quantity and quality of the services provided.

3 Access to the decision-making process for non-governmental organisations working on fundamental rights

<table>
<thead>
<tr>
<th>Title of legislation/policy</th>
<th>Reference</th>
<th>Short summary (max 500 characters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decree-Law 106/2013, defining the statute of non-governmental organisations for persons with disabilities.</td>
<td>Portugal, Decree-Law 106/2013, defining the statute of non-governmental organisations for persons with disability (Decreto-lei 106/2013, de 30 de julho, que define o Estatuto das Organizações não Governamentais das Pessoas com Deficiência, ONGPD), 30 July. Available at: <a href="https://dre.pt/application/file/498646">https://dre.pt/application/file/498646</a>.</td>
<td>This piece of legislation – articles 5 (1) and 6 – recognises the right of ONGPD to participate in the definition of polices and laws for the rehabilitation and integration of persons with disabilities. ONGPD operating at the national level, unions, federations and confederations are given the statute of social partner within consultation or dialogue structures competent in the</td>
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fields of disability prevention, rehabilitation and equal opportunities for persons with disabilities; they are granted the right to a seat at the National Council for Solidarity, Volunteering, Family, Rehabilitation and Social Security and at the Social and Economic Council. Regional and local ONGPD may participate in regional and local consultation and participation structures.

Decree-Law 172-A/2014 reformulating the definition of private institutions of social solidarity, by operation of Law 108/91 in its current wording.


*Portugal, Law 108/91, updated several times, the latest by Law 135/2015 of 7 September, Law of the Social and Economic Council *(Lei 108/91 de 17 de Agosto, objeto...)*

Articles 3 (1) paragraph o) of Law 108/91, of 17 August (composition) and 2 (1) (competence) in its current wording (Law of the Social and Economic Council, CES) are particularly relevant.

Two representatives from the IPSS are included in the composition of the CES. The CES should, among other tasks, issue its opinion on the preparatory projects of the major planning options and the economic and social development plans, before approval by the government and on their implementation.
<table>
<thead>
<tr>
<th>De vârias alterações, a última das quais pela Lei 135/2015, de 7 de setembro (Lei do Conselho Económico e Social, CES), 17 August 1991. Updated version available at: <a href="http://www.ces.pt/download/1868/02_Ley_108_91_criacao.pdf">www.ces.pt/download/1868/02_Ley_108_91_criacao.pdf</a></th>
<th>reports, as well as on economic and social policies. It is also responsible for assessing the position of Portugal in EU instances within the realm of social and economic policy and to have a word on the use of EU funds, structural and specific ones.</th>
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<tbody>
<tr>
<td><strong>Regulatory Decree 1/2012, defining the internal reorganisation of the Commission for Citizenship and Gender Equality (Comissão para a Cidadania e a Igualdade de Género, CIG)</strong></td>
<td><strong>Portugal, Regulatory Decree 1/2012, defining the internal reorganisation of the Commission for Citizenship and Gender Equality (Decreto Regulamentar 1/2012 de 6 de Janeiro que procede à reorganização interna da Comissão para a Cidadania e a Igualdade de Género, CIG), 6 January 2012. Available at: <a href="http://www.cig.gov.pt/wp-content/uploads/2013/12/Dec_Regul_1_2012.pdf">www.cig.gov.pt/wp-content/uploads/2013/12/Dec_Regul_1_2012.pdf</a></strong></td>
</tr>
</tbody>
</table>
4 Further information

In Portugal, NGOs benefit from freedom of expression, freedom of assembly and freedom of association. These rights are ensured by the Portuguese Constitution under articles 37, 45 and 46, respectively. Exception is made in the latter case to racist organisations or ones promoting fascist ideologies. Thus, there are no contextual restrictions to the establishment and operation of NGOs. According to the above mentioned study providing a diagnosis of the Portuguese NGOs, there is a total of 17,012 NGOs in Portugal, one third of which have a territorial base which is smaller than the municipality. This arises from their focus on providing proximity services. NGOs promoting scientific activities, environmental protection, human rights defence, development oriented education and cooperation and others of international scope have a wider territorial basis. There is a total of 598 NGOs promoting the defence of human rights and active citizenship in Portugal (2013 data). Around 83 % of the total NGOs operate under the legal form of private non-profit associations.

According to the above mentioned study promoted by the Gulbenkian Foundation, interagency work and partnership work is common among most NGOs operating in Portugal. However, their ability to organise themselves to make a significant impact on public policy measures is still restricted. The study identifies three major federation structures (Confederação Nacional das Instituições de Solidariedade, CNIS; União das Misericórdias Portuguesas, UMP; União da Mutualidades Portuguesas, UMP) which manage to periodically agree with the government the amounts of public financing to be channelled to their affiliated members. Other federations have also been established in different areas (e.g. local development, environment, disability, cooperation and development, women’s rights) and their role is important in enhancing the collective organisational capacity of their affiliated members. However, according to the authors of the study their ability to influence policies is still insufficient. Although the NGOs included in the study mentioned the need for developing strategic planning, there are no references to advocacy practices.

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