

Impact of the COVID-19 measures adopted by local government bodies in mainland Portugal

Overview

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FULL REPORT (PT) 

What we assessed and why

COVID-19 had a profound economic, social and financial effect on Portuguese society and on local government bodies, particularly the municipalities, which played an important role in mitigating the effects of the crisis as they are on the front line in terms of intervention and have extensive socio-economic competence.

It was important to understand the context of municipal intervention, the financial resources involved and how these were used. We sought to:

- analyse the exceptional temporary legislative measures aimed at empowering municipalities to address the socio-economic effects of the pandemic, identifying the types of measures used to respond to the needs of both the population in general and the local bodies that provide social and economic support;
- quantify the expenditure involved in the municipal effort, analysing its distribution across the Portuguese mainland territory and determining the relationship between expenditure and case prevalence;
- check how the measures are reflected by public procurement, analysing the contracts related to combating the effects of the pandemic.

What we found

In order to foster and guarantee local authority response capacity in the context of the pandemic, exceptional temporary financial measures were approved. These included the advancement of municipal revenues, flexibility in the municipal credit and debt system, the adoption of measures to assist vulnerable people, social support and exemptions.

Municipalities with higher levels of debt and those subject to financial adjustment plans were allowed to suspend compliance with contractual provisions limiting their possibility of offering tax benefits and tax exemptions, defining prices in the sanitation, water and waste sectors, and setting new prices and charges. Being able to offer these benefits again to citizens has a strong social impact.



The municipalities implemented different measures and plans, which meant both an increase in expenditure, for example with support to families and companies or the free distribution of goods or provision of services, and a reduction in revenue, through granting exemptions and reducing charges and prices.

Most municipalities announce their measures on their websites, but few show implementation data. Many chose to increase municipal emergency funds to address the social impact of the pandemic or even to create funds earmarked specifically for the effects of COVID-19.

To illustrate the variety of purposes and beneficiaries, here are some of the most common measures:

- distribution of personal protective equipment;
- granting of exemptions and reductions in rent for residential or commercial spaces managed by the municipalities;
- exemptions from and reductions in water, sanitation and waste tariffs;
- assignment or loan of computers and computer equipment to students;
- distribution of meals and food to students and people in need;
- provision or financing of tests to COVID-19;
- financial and logistical support to privately-run social welfare organisations;
- psychological support lines;
- support for the purchase of medicines;
- awareness campaigns;
- support for local businesses and restaurants; and
- support for the use of public transport.

What we concluded

We concluded that local authorities played a very important part in implementing measures to mitigate the effects of the pandemic, providing a multi-pronged approach benefiting families, companies and organisations.

According to the partial data available, expenditure was more than €166 million between March and the end of September 2020. Costs included the purchase of goods and services (notably personal protective equipment), current transfers (for support to families and non-profit organisations), staffing costs and the purchase of capital goods. During this period, local government bodies concluded 5 529 contracts for the purchase of goods and services related to the pandemic (€83.2 million).

The contracts for the purchase of goods mainly concern medical equipment and apparatus (e.g. ventilators, COVID-19 tests and disinfectants), safety and protective equipment (e.g. masks, visors, gloves), computers and computer equipment (for teleworking and remote learning), food products and cleaning, disinfectant and hygiene materials. Services include testing, monitoring, cleaning and disinfection, meal provision, accommodation and rental of computer equipment.